





5.00 credits	30.0 h	Q2
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Teacher(s)	D'Hondt Catherine ;
Language :	English
Place of the course	Mons
Main themes	<ul style="list-style-type: none"> <li>• Portfolio construction and management techniques</li> <li>• Modern Portfolio Theory and beyond</li> <li>• Performance measurement</li> <li>• Sustainable development goals, ESG factors (Environment-Social-Governance) &amp; their integration when investing</li> </ul>
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>With regard to the LSM Competency framework at the Master level, this learning unit contributes to the development of the following capabilities:</p> <ul style="list-style-type: none"> <li>• Corporate citizenship (1.1 + 1.2 + 1.3)</li> <li>• Knowledge and reasoning (2.2 + 2.4)</li> <li>• Scientific and systematic approach (3.1 + 3.2)</li> <li>• Project management (7.1 +7.2 +7.3)</li> </ul> <p>At the end of this learning unit, students will be able to:</p> <ol style="list-style-type: none"> <li>1             <ul style="list-style-type: none"> <li>• Calculate the risk and return of individual financial assets and of portfolios of financial assets;</li> <li>• Calculate the traditional performance measures and select the most appropriate measure(s) depending on the context;</li> <li>• Assess the strengths and weaknesses of active vs. passive management strategies;</li> <li>• Explain and apply the tenets of Modern Portfolio Theory (MPT);</li> <li>• Construct and evaluate their own portfolio building on MPT;</li> <li>• Explain and discuss ESG considerations in investing;</li> <li>• Explain the most frequent ESG strategies in asset management;</li> <li>• Apply to their own portfolio the integration of ESG scores.</li> </ul> </li> </ol>
Evaluation methods	<p>Within this course, students' skills assessment is twofold :</p> <ul style="list-style-type: none"> <li>• Ongoing assessment with mandatory homeworks (related to the Stock Trak portfolio simulation assignment) to deliver during the semester (50% of the final grade)</li> <li>• Written exam with open questions in session (50% of the final grade)</li> </ul> <p><u>The grade of the homeworks is no longer taken into account in case of second session (resit exam=100% of the grade).</u></p>
Teaching methods	<ul style="list-style-type: none"> <li>• Lectures</li> <li>• Stock Trak portfolio management assignment</li> <li>• Exercises</li> </ul>
Content	<ul style="list-style-type: none"> <li>• Introduction</li> <li>• Key concepts             <ul style="list-style-type: none"> <li>• Some useful reminders</li> <li>• Market Efficiency Hypothesis</li> <li>• Key players in the industry</li> <li>• Market indices</li> </ul> </li> <li>• The portfolio management process</li> <li>• Modern Portfolio Theory and beyond             <ul style="list-style-type: none"> <li>• Markowitz &amp; the mean-variance efficient frontier</li> <li>• The pitfalls of Modern Portfolio Theory</li> <li>• The Capital Asset Pricing Model</li> <li>• The ESG-efficient frontier</li> </ul> </li> <li>• Performance Measurement</li> </ul>

	<ul style="list-style-type: none"> <li>• Investment strategies                             <ul style="list-style-type: none"> <li>• Basic strategies</li> <li>• Strategic Asset Allocation</li> <li>• Tactical Asset Allocation &amp; Security Selection</li> <li>• Style Investment</li> </ul> </li> <li>• ESG factors &amp; Sustainable investing                             <ul style="list-style-type: none"> <li>• Introduction to Sustainable and Responsible Investment</li> <li>• ESG financial ecosystem</li> <li>• ESG strategies</li> <li>• ESG ratings &amp; the challenge of reporting</li> <li>• Policy &amp; regulatory drivers in Europe</li> </ul> </li> </ul>
Bibliography	<ul style="list-style-type: none"> <li>• Bodie, Z., Kane, A., &amp; Marcus, A. J. (2014). Investments (Vol. 10th Edition). New York: McGraw-Hill Education</li> <li>• Portfolio Management: An Overview by Robert M. Conroy, CFA and Alistair Byrne, CFA</li> <li>• Basics of Portfolio Planning and Construction by Alistair Byrne, CFA and Frank E. Smudde, CFA</li> </ul>
Other infos	<ul style="list-style-type: none"> <li>• Teaching material provided in English</li> <li>• Course taught in both French/English</li> </ul>
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	<a href="#">GESM2M</a>	5		
Master [120] in Business Management	<a href="#">GENT2M</a>	5		
Master [120] : Business Engineering	<a href="#">INGE2M</a>	5		
Master [120] in Management	<a href="#">GEST2M</a>	5		
Master [120] : Business Engineering	<a href="#">INGM2M</a>	5		