THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

BUSINESS FINANCE 7223 – PORTFOLIO MANAGEMENT SYLLABUS
SPRING 2023

Instructor: Tod Schneider
Office: 255B Fisher Hall
E-mail: schneider.275@osu.edu

Classroom: Gerlach 355
Office hours: Zoom by appointment

Course Overview

Over $49 trillion are invested in mutual funds worldwide. Roughly $19 trillion is invested in U.S. mutual funds alone, up from just $5.5 trillion in 1998. Exchange-traded funds (ETFs) now manage $5.3 trillion ($3.7 trillion of that in the U.S.), and the number of U.S. ETFs has grown from 2 in 1995 to over 1,800 in the U.S. today. The mutual fund industry employs approximately 178,000 people in the U.S. Hedge funds, including Funds of Funds, manage over $3.2 trillion. Retirement accounts in the U.S., much of which are invested in mutual funds, contain $28.2 trillion.

To find employment in this industry, it is necessary to possess the skills that are required, skills above and beyond those taught in typical Investments and Corporate Finance courses. The goal of this course is to provide an introduction to the tools needed to enter the field of professional money management.

You are expected to have already completed Investments I and II and have learned the basic analysis of equity, fixed income and derivative securities. You should also be familiar with using Excel.

There are three main goals for this course:
1) Increasing your knowledge of the portfolio management industry.
2) Improving your data analysis skills.
3) Improving your understanding of current issues in the field.

The first goal and second goals will primarily be met in lecture. Here we will cover the basics of portfolio management, backed by numerical examples that can be done in class using Excel or a financial calculator. You will also complete assignments and projects that require you to construct your own spreadsheet analysis to address various portfolio management scenarios. While much of the course will focus on spreadsheet-based tools, you will also gain an understanding of client objectives and how they impact portfolio construction and management. The third goal will be met more informally through class discussion of various articles in the financial press, most commonly from the Wall Street Journal.

Course Material

Required Textbook:

Asset Management: A Systematic Approach to Factor Investing, Andrew Ang, Oxford University Press

Wall Street Journal:

Not required, but I will cover articles from the WSJ in class, to both keep up with current events in the field, as well as to tie the course material to real-world examples.

Course Format

This class meets twice per week. I will be following the flow of topics and concepts in the book selectively, but I will also spend time on related examples. Questions are always welcome; please don't hesitate to interrupt at any point. I will also use Carmen to post new information or to send out emails to the class.

Grading

There will be two in-class quizzes. The first will take place the class period after we complete Chapter 4; the quiz will cover chapters 3, 4 and 5 and comprise 20% of the total grade. The second quiz will cover chapters 7-9 and 14 take place the last class. The second quiz is worth 20% of the total grade. There will be two group projects worth 20% each. The projects will be due Wednesday March 29, and Sunday, April 26. You will also build a paper portfolio that will account for 20% of the grade (performance measurement from March 8 – April 21). Final grades will be curved with the median grade being close to the B+/A- cutoff.

Tentative Class Calendar

	Text Chapter:	**Topics:**
Wk 1	Introduction	What investment problems do portfolio managers solve?
Wk 2	Client Objective + Mean Variance Investing	The portfolio management process and the Investment Policy Statement. (Ch. 5) Mean Variance (Ch. 3)
Wk 3	Investing for the Long-Run + Position Sizing, Market Regime and Intermarket Analysis	Investing for the Long Run. Key elements of the investment process.
Wk 4	Fixed Income Management	**Quiz #1** Fixed Income Mgmt. (Ch. 8).
Wk 5	Equity & Factor	Equity and factor based management. (Ch. 9, 7 & 14)
Wk 6	Factor Portfolio Construction	Factor portfolio construction
Wk 7	Portfolio Performance Evaluation	Performance Evaluation. **Quiz #2**