

# **MGT 292: MULTI ASSET INVESTING - SPRING 2020**

## **UNIVERSITY OF CALIFORNIA AT DAVIS GRADUATE SCHOOL OF MANAGEMENT**

*Preliminary Syllabus: As of March 20, 2020*

**Schedule:** Wednesdays from 3:10 to 6:00 p.m.

**Location:** Online via Zoom Video

### **Instructor Contact Information**

Instructor: Eamonn Dolan      E-mail: [efdolan@ucdavis.edu](mailto:efdolan@ucdavis.edu)

### **Course Summary**

Examines top down management of alternative investment and multi-asset class portfolios. Topics include portfolio concepts, cash, bonds, stocks, hedge funds, real estate, private equity, endowments, performance generation, manager selection, credit cycles, financial crises, and investment policy. The instructor and other professional portfolio managers will lead class discussions of their actual investments and portfolio strategies. Student teams will develop and present endowment portfolio strategy recommendations. Letter Grade - 3 Units

**Prerequisites** (subject to instructor discretion): MG 202A, MG 203A, MG 205.

### **Scheduled Guest Speakers** (w/ selected excerpts from biographies)

<b>Multi-Asset-Class Portfolio Management</b>	<b>Private Equity</b>
<b><i>Jeff Child</i></b> Financial Advisor Oshman Family Office  Managing Director: US Equity Capital Markets Bank of America (Montgomery) Securities	<b><i>Mike Child</i></b> Senior Advisor, Retired Managing Director TA Associates  Child Family Institute for Innovation & Entrepreneurship
<b>Private Equity</b>	<b>Private Equity</b>
<b><i>Nicole Belytschko</i></b> Chief Investment Officer and Managing Director CM Capital Advisors  Private Fund Group Donaldson, Lufkin, Jenrette	<b><i>Joncarlo Mark</i></b> Founder Upwelling Capital Group  Senior PM – Alternative Investment Program CalPERS

### **Course Objectives**

1. Increase investment savvy. Learn to think like a portfolio manager.
2. Prioritize critical drivers of portfolio returns; segregate from frequently emphasized, but secondary considerations
3. Grasp conceptual and empirical attributes of alternative asset classes and multi-asset class portfolios
4. Develop a pragmatic understanding of investment policy components and portfolio construction concepts
5. Incorporate inferences from the credit cycle and financial market history into portfolio strategy

### **Who Would Benefit from this Course?**

1. Multi-asset class investment managers: endowments, foundations, pension funds, family offices, and SWFs
2. Single asset class investment managers: money managers, mutual funds, private equity, real estate, hedge funds
3. Investment consultants and private wealth management advisors
4. Traders or sales personnel at investment or commercial banks
5. Personal investors (while not the focus of this course, many course concepts are applicable to personal portfolios)

## Course Comments

Multi Asset Investing is taught from a practitioner's perspective. It emphasizes the primary considerations and analytical approaches that permeate the everyday decision-making of professional portfolio managers. It pragmatically applies a common set of investment concepts to the management of a wide range of portfolio types.

Class time will include discussions of actual fund and portfolio strategy recommendations made by the instructor and guest speakers. The goal of these discussions is to provide a real-world perspective on 1) the multi-dimensional considerations driving investment decision-making, 2) the succession of milestones involved in strategy implementation, and 3) the influence of both analytical quality and the investment environment on subsequent portfolio returns.

### ***Tentative Course Plan*** (Topic order and dates subject to revision)

Class	Date	Assignments Due	Topics	Instructor Investment Recommendations	Guest Speakers and Special Segments
1	Apr 1	Pre-course Survey	Course Overview, Why Multi Asset Class? Neutral Position, Portfolio Concepts & Statistics, Investment Philosophy		
2	Apr 8		Cash Equivalents, Capital Structure, Bonds		
3	Apr 15	HW #1	Bonds, Stocks	High Yield Strategy	
4	Apr 22		Stocks, Project Guidance, CAPM, Hedge Funds	Stock Sector ETF	
5	April 29	HW #2	Private Equity		
6	May 6	Project Part 1	Real Estate, Asset Class Summary		Jeopardy Review
7	May 13	HW #3	Project Guidance, Credit Cycles	Opportunistic Hedge Fund	
8	May 20	Project Part 2	Credit Cycles & Financial Crises	Credit Cycle Strategy	Movie: "Boom, Bust, Boom"
Optional	May 20 6:30–8:30		<i>Optional:</i> Personal Investing		
9	May 27	HW #4	Manager Selection, Project Guidance	Distressed Private Equity	Family Office Management Financial Market History <i>Jeff Child</i>
10	June 3		Project Guidance		Private Equity Panel <i>Mike Child, Joncarlo Mark, Nicole Belytschko</i>
	June 9 10 a.m.	Final Project	Submit written document via e-mail		
Final	June 10	Final Project	Team Final Project Presentations		

### **Personal Investing (Tentative and Optional)**

If demand is *substantial*, instructor will offer an *optional* personal investing session available only to students enrolled in *Multi Asset Investing*. Zero impact on course grade.

Session applies course concepts in a pragmatic fashion to the specific decisions and constraints inherent in managing a personal investment portfolio. Includes a step-by-step illustration of how to build the portfolio. Explains how to evaluate the most common tradeoffs personal investors face when making investment decisions.

## Pre-Class Reading Assignments

Reading assignments for the entire course are posted in the “Pre-Class Reading and Miscellaneous” folder in the Files section of the course website. The assignment document is titled “Pre-Class Reading Assignments: MGT 292 ...”. In addition, selected glossary terms are assigned for review. Readings should be completed prior to class session indicated.

## Written Homework

Questions primarily will be short problems, fill-in-the blank, multiple choice, or requests for brief comments. The first homework will include a spreadsheet component.

Completed homework must be received by instructor via e-mail by 2:30 p.m. on the date of the corresponding class session. PDF submissions preferred, but Word or Excel submissions will be accepted if they are user-friendly and pre-formatted for easy printing. Please use only dark blue or black ink.

If you score below 75% on any homework assignment, please contact instructor for clarification and explanation of related concepts.

## Movie

During our May 20 session, students will watch a movie titled “Boom, Bust, Boom.” When you watch the movie, please keep the following two questions in mind.

1. From your perspective, what were the two most important themes, or key messages of the movie?
2. Please state the essence of Hyman Minsky’s Hypothesis.

## Team Final Project

Students will assume the role of portfolio managers within an investment team. For the final project, each team will develop and present a portfolio investment recommendation for a multi-asset class endowment portfolio. The recommendation should draw upon class concepts.

## Guest Speaker Protocol

Guest speakers are doing the instructor a favor by volunteering their time and expertise. To reduce the potential for distractions, cell phones must be turned off during guest speaker segments of the class.

## Grading

Category	Written Homework	Team Final Project: Portfolio Recommendation
Percent of Final Grade	65%	35%

## Course Materials

**Required Textbook:** Multi Asset Class Portfolio Management: Alternative Investments. Custom Edition for University of CA Davis. Edition by Donald R. Chambers, CAIA Association, and Publisher Wiley Custom Select. Copyright 2017. eText ISBN: 9781119395249, 1119395240. This is a custom textbook created by the instructor that integrates selected chapters of the two primary textbooks used in the Chartered Alternative Investment Analyst (CAIA) program. The CAIA program is analogous to the CFA program, but with an emphasis on alternative investments. Students will be required to read only portions of this textbook. This book is published in e-book format.

1. Please download the VitalSource Bookshelf app and create an account before accessing the book. This app is available for most common operating systems used by laptops, tablets, smartphones, and computers. The VitalSource app greatly improves the reader’s experience. It enables offline access, as well as user-friendly reading, navigation, highlighting, and note-taking.
2. This eBook is offered via the UC Davis Bookstore’s Inclusive Access Program. Registered students will get an email from the bookstore explaining the program. That email should provide instructions and a link to access the book. Registered students should NOT opt out of book access.

3. The Bookstore may integrate the textbook with Canvas. If they do this, the book may need to be accessed via Canvas prior to being accessed via VitalSource.
4. A description of the Inclusive Access Program is available on <https://ucdavisstores.com/SiteText.aspx?id=32616>. If you need help accessing the book, please e-mail [inclusiveaccess@ucdavis.edu](mailto:inclusiveaccess@ucdavis.edu).
5. Please test out your access and navigation capability prior to the first session of this course.

*Required Text Pack:* The instructor has assembled a compilation of 1) actual investment recommendations made by the instructor and his colleagues, 2) investment materials developed by investment managers, industry associations, and UCD GSM faculty, 3) the introductory chapter of a classic book on financial crises, and 4) press articles of topical interest. Students should bring the Text Pack to class, as classroom discussion periodically will be based upon its contents.

*Course Website Materials:* The instructor will post class materials to the course website. These postings will include all classroom presentations, historical asset class return information, numerous analytical tools and models, and homework assignments. Students will apply the analytical tools in their final project to improve their appreciation for the risk-return trade-offs inherent in alternative investment and multi-asset class portfolios.

### **Office Hours**

Need to be arranged in advance. Instructor will make himself available Tuesdays from 4:30 – 5:30 p.m., via either phone call or videoconference.

### **Supplementary Instructor Assistance**

Students who seek additional guidance are encouraged to make advance appointments for additional instruction.

### **Attendance**

Attendance is mandatory. Points will be deducted for unexcused absences. If a student has a major conflict that precludes participating in one of the classes, that student should 1) e-mail the instructor prior to missing the session, 2) submit any written homework assigned for that session prior to the beginning of the session, 3) subsequently study the PowerPoint posted for the missed class, and 4) work with classmates to learn concepts explained during the missed class.

### **Code of Academic Conduct**

<http://sja.ucdavis.edu/files/cac.pdf>