0IBUSX20 – Asset Management

Lecturer: Fadi Lahoud
Contact information: fadi.lahoud@gmail.com

Department: International affairs
Semester: 1

Course level: L3 Undergraduate
Domain: Business
Teaching language: English
Number of in-class hours: 15
Number of course sessions: 10 + Exam
ECTS: 3

Course description and objectives

Asset management is a professional activity whose purpose is to manage funds entrusted by institutions or individuals. It is a profession regulated by financial market authorities and requires expertise in understanding market developments, portfolio construction, and adapting to a particular strategy to pursue the client's objectives. Analyzing risk factors such as market risk, credit risk, operational risk, and establishing performance ratios are necessary to optimize the value of a portfolio. The asset management activity is governed by significant legislation and requires ethical and transparency considerations to ensure a high level of trust and compliance. This profession involves finding the right balance between risk-taking and portfolio growth potential.
The course begins by introducing the asset management activity and presenting its ecosystem. It then describes the different asset classes, management methods and strategies for building and managing a portfolio. It then focuses on understanding risk analysis and performance calculations. Finally, the course assesses the trends in asset management considering new technologies and the evolution of clients' requirements e.g. in terms of sustainability and ESG.

Prerequisites

The course is dedicated to students starting their initiation to asset management. Financial mathematics basics would help understand the concepts underlying main risk and performance calculation.

Learning outcomes

The purpose of the course is to raise the understanding of asset management with a first level of knowledge of the ecosystem, fundamentals of portfolio management, risk analysis and performance. This course is positioned at a theoretical level and prepares for entry into the master's degree.

Assignments and grading

- Case studies
- Individual & group presentations
- Class participation
- Graded 50% continuous assessment and 50% on final exam

The numerical grade distribution will dictate the final grade. The passing grade for a course is 10/20.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and be prepared. Class participation is based on quality of comments, not quantity.
Exam policy: In the exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

Course structure

Session	Topic
1	**Introduction to asset management**: definition of asset management, terminology, overview of asset classes
2	**What is an asset management company**: functions and services offered, client segmentation and value proposition, ecosystem
3	**Asset management approaches and strategies (1/2)**: active vs. passive management, data-driven models, non-numerical factors, considering ESG approaches
4	**Asset management approaches and strategies (2/2)**: how strategies align with investment goals and risk tolerance, main strategies (growth, value, etc.), risk-adjusted strategies
5	**Products families**: equity, fixed income, alternative investments (hedge fund, private equity, real estate, commodities, cryptocurrencies), cash, structured products
6	**Risk analysis and performance calculations**: types of risks, risk assessment, tools (risk matrix, SWOT, VaR, stress tests, etc.), mitigation, performance metrics, common challenges (data quality, biases)
7	**Main regulation principles**: key bodies and framework, core principles (transparency, investor protection, ethics and governance), risk management and compliance
8	**Introduction to major IT tools** (management, risk, operations): portfolio management, risk management, compliance, data analytics and visualization
9	**Trends shaping the future of asset management (1/2)**: overview of technological advancements, rise of sustainable investing, changing client demands
10	**Trends shaping the future of asset management (2/2)**: challenges (globalization, geopolitical factors, industry consolidation), interactive discussion and brainstorming on potential solutions
11	**Final Exam**

Bibliography

- “Common Sense on Mutual Funds” by John Bogle – an introduction to asset management by the founder of Vanguard Group.
- "Searching for Alpha: The Quest for Exceptional Investment Performance" by Ben Warwick - A great introduction to the industry with engaging stories and lessons.
- "The little book of valuation" by Aswath Damodaran - make your own valuation assessments by a step-by-step process of picking.

Lecturer’s biography

With more than 25 years of experience in financial services, Fadi Lahoud has varied experience in different banking businesses (private banking, asset management, retail banking, investment banking). He has a dual background in consulting and banking, having held management positions in both. Throughout his professional experience, he worked on improving the efficiency of organizations and businesses, from strategic definition to implementation. He currently leads an investment advisory firm dedicated to high-net-worth individuals.

Fadi has an engineering background and holds an executive M.B.A. from HEC Paris. He is also certified Independent Financial Advisor from the French Financial Market Authorities (AMF).

Moodle

This course is on Moodle: **YES**

Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contribute to the output produced by that group.