



Course Title	Asset Allocation
Course Level	Graduate
Domain	Economics
Language	English
Nb. Face to Face Hours	21 (3hrs. sessions)
E-learning Support	Mycourse No
ECTS	3

Course Title

Asset Allocation

Professor

Edouard Senechal

Contact Information

Email : esenechal@williamblair.com

Language

English

Overview

Asset allocation is the process of deciding how to allocate investments across broad diversified categories of assets (for example: Japanese equities, US government bonds, European corporate bonds etc.). Since we focus on diversified groups of assets, investment decisions are driven by macroeconomic considerations rather than the micro characteristics of the investments being considered.

Among other things this course will address topics such as: How to develop valuation models at the asset class level? What is the influence of macro variables such as inflation or GDP growth? How to assess aggregate corporate earnings through business cycles? How to assess the fair value of currency? How does behavioral finance impacts asset allocation policies? How to apply quantitative factors such as Value and Momentum to asset allocation?

Prerequisites

Some familiarity with the basic models of financial economics (Markowitz, CAPM and APT) will be helpful, but is not required. A brief review of the most important models will be provided during the first two lectures.

Course Objectives

Through a mix of lectures and case studies this course will focus on explaining various asset allocation models and applying these models to practical investment problems.

This course should be viewed as bridge between theory and practice, where we will try to answer practical asset allocation questions with the theoretical tools of financial economics.

MyCourse

This course is on MyCourse : **No**

Grading

The numerical grade distribution will dictate the final grade.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and 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.

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 contributed to the output produced by that group.