# ASSET MANAGEMENT & GLOBAL MARKETS

**International MBA IMBA-EN SEP-2024 S-FI**

Area Finance

Number of sessions: 15

Term: Concentrations

Category: regular

Language: English

Professor: **RAFAEL HURTADO COLL**

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Rafael Hurtado is Chief Investment Officer (CIO) and Chief Strategy Officer (CSO) of Allianz Asset Management division in Spain since March 2020. Previously, and during ten years, Rafael has been Chief Investment Officer (CIO) of Allianz Popular Asset Management (eight years) and Popular Asset Management (two years). He had under his responsibility the management of investment funds and pension plans with total assets under management (AUM) in excess of €18 billion euros.

Rafael joined Popular Gestión (Banco Popular Group) in 1998. Prior to his role as CIO, he was Head of Multimanagement at Banco Popular Group, being responsible for investments in third-party products, including long-only funds (equity and fixed income) and alternative investments (commodities, hedge funds and private equity).

Having been prolific at publishing research papers and collaborating with different publications, he teaches in IE Business School since 2005.

Rafael has an MBA from IESE Business School and a Ph.D. in Economics from Universidad San Pablo-CEU. His Doctoral Thesis was about Hedge Funds and Financial crises. He also has a BA in Economics from Universidad Autónoma de Madrid and BA in Business Administration from Universidad San Pablo-CEU.

## Academic Background

PhD in Economics, Universidad San Pablo-CEU, Madrid (SPAIN)
Executive MBA, IESE, Madrid (SPAIN)

BA in Economics, Universidad Autónoma, Madrid (SPAIN)

BA in Business Administration, Universidad San Pablo-CEU, Madrid (SPAIN)

**Academic Experience**
Associate Professor, IE, 2005 to present

## Corporate Experience

Chief Investment Officer (CIO) and Chief Strategy Officer (CSO), Allianz Spain Asset Management division, 2020 to present

Chief Investment Officer (CIO), Allianz Popular Asset Management, 2010 to 2020

Head of multi-management, Popular Gestion (Banco Popular Group), 2000 to 2010

Asset valuation team and fund manager, Popular Gestion (Banco Popular Group), 1998 to 2000

### Office Hours

Office hours will be on request. Please contact at:

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## SUBJECT DESCRIPTION

The course "Asset Management & Global Markets" is designed to understand how institutional clients operate in the financial market. Students will learn how money is managed in different entities (insurance companies, banks, mutual funds, family offices…)

The course will analyse the management of different asset classes (bond, equities, derivatives…) and the main tools that professional managers use (i.e. benchmarks). The idiosyncrasy of these instruments will be described in class. Also, we will pay attention to the ways of risk measurement (i.e VaR)

The course is primarily oriented to understand the role of various actors in financial markets and how they make money in financial markets. The way that every entity manages money will be discussed. We will analyse the different strategies that each type of actor implements in the financial market.

Also, the purpose of the course is to provide students with analytical background and practical experience in the designing and managing of investment portfolios.

The goal of the course is not only the understanding of the different investment strategies, but understanding the risks that are involved as well as the types of economic and financial environment that will favour the different strategies.

During the course the asset management industry will be analysed as business and different types of asset management companies will be studied.

## LEARNING OBJECTIVES

- To understand the strategies that different participants implement in financial markets.
- To understand the main assets classes.
- To understand the fixed income strategies.
- To learn equity strategies.
- To understand the main concepts of portfolio management (beta, benchmark, tracking error…).t
- To understand how to manage a portfolio
- To understand the asset management industry

- To lern the different participants in financial markets

## TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

| Learning Activity | Weighting |
|---|---|
| Lectures | 60.0 % |
| Group work | 20.0 % |
| Individual studying | 20.0 % |
| TOTAL | 100.0 % |

### AI POLICY

In today's world, generative artificial intelligence (GenAI) is changing how we work, study and, in general, how we get things done.

However, in the context of this course, the use of GenAI is not permitted, unless it is otherwise stated by the instructor.

The use of GenAI tools would jeopardize the students' ability to acquire fundamental knowledge or skills of this course.

If a student is found to have used AI-generated content for any form of assessment, it will be considered academic misconduct, and the student might fail the respective assignment or the course.

## PROGRAM

## SESSION 1 (LIVE IN-PERSON)

**Introduction to asset management industry**

This session will introduce the asset management industry. The main players and the characteristics of investment vehicles and distribution channels will be explained.

- Types of clients.
- Types of managers
- Investment vehicles (closed-end fund, open-end fund, ETP, etc)
- Basics concepts (fees, shares classes, etc)
- Distribution.
- Regulation.
- How asset managers make money.

*Working Paper: The world's largest 500 asset managers (Thinking Ahead Institute)*

## SESSIONS 2 - 3 (LIVE IN-PERSON)

**Introduction to Portfolio Management**

This session will introduce how to manage a portfolio and management portfolios techniques.

- Introduction to Portfolio Theory
- Concept of asset management
- Asset classes
- Main concepts (alpha, beta…)
- Fundamental and Technical analysis

*Book Chapters: Investment analysis & portfolio management: The Investment Setting-Chapter 1 (CED)*

## SESSIONS 4 - 5 (LIVE IN-PERSON)

**Equity Management**

In sessions 4 and 5 we will analyze the main aspects in equity management and how an equity portfolio could be managed.

- Equity strategies
- Sources of information
- Tools (i.e. benchmarks)
- Participants

*Practical Case: Warren Buffett – Maverick of the market. (TCC 106-052-1)*
*Article: Equity Premiums around the World. (London Business School) (CED)*
*Working Paper: The Anatomy of Value and Growth Stock Returns (s/c)*
*Book Chapters: Investments-Chapters 14, 15 and 16*

## SESSION 6 (LIVE IN-PERSON)

**Fixed income management**

During session 6 we will study the different approaches to the management of fixed income securities. Also, several fixed income strategies will be understood.

- Fixed Income securities
- Fixed Income strategies
- Forex
- Tools

*Book Chapters: Investments-Chapters 14, 15 and 16*

## SESSIONS 7 - 8 (LIVE IN-PERSON)

**Bloomberg**

These sessions will be taught in the Bloomberg Trading Room. The main objective is to explain students the functions of Bloomberg necessary for picking equities and building real portfolios in Bloomberg.

- Picking equities in Bloomberg
- Managing real portfolios in Bloomberg
- Analyzing risk and return of a portfolio in Bloomberg

*Practical Case: Practical case done by Prof. Hurtado*
*Working Paper: Getting Started Guide for students (Bloomberg for Education)*

## SESSION 9 (LIVE IN-PERSON)

### Alternative Investments

During this session the role of alternative investments will be studied. The main characteristic of alternative investments in a portfolio context will be studied

- Types of Alternative Investments
- Added value of alternative investments in a balanced portfolio
- The main characteristics of the different alternative investments (commodities, private equity, …)
- Illiquidity premium
- Participants

*Practical Case: 'Timber!': Ontario Teachers' Pension Plan Board Considers an Alternative Investment Class (TCC 9B01N008)*

*Working Paper: The new diversification: open your eyes to alternatives (Blackrock)*

## SESSIONS 10 - 11 (LIVE IN-PERSON)

### Asset Allocation

During session 10 and 11 we will learn the importance of Asset Allocation in a portfolio. Also, techniques of Asset Allocation will be understood. Finally, Asset Allocation in different macroeconomic and financial environment will be analyse

- Definition and importance of Asset Allocation
- Asset Allocation techniques
- Tools for making Asset Allocation
- Asset classes
- Inside information
- Entities & AA

*Practical Case: Rina Castillo: Implementing Asset Allocation Principles (HBS F307-PDF-ENG)*

*Working Paper: Understanding the differences between strategic and tactical asset allocation (UBS)*

## SESSION 12 (LIVE IN-PERSON)

### Derivatives and ETFs

In session 12 the use of derivatives and ETFs (Exchange-Traded Funds) in the context of an equity portfolio will be learnt. Advantages and disadvantages of using derivatives will be discussed.

- Types of derivatives
- Derivative strategies
- Derivatives in an equity portfolio context
- Main concepts of ETFs
- ETFs in an equity portfolio context

*Technical note: Introduction to Derivative Instruments (HBS 295141-PDF-ENG)*

*Working Paper: What you should know about Exchange Traded funds (NYSE Informed Investor)*

## SESSION 13 (LIVE IN-PERSON)

### Analyzing return and risk

In this session the different quantitative tools used to analyze risk and return on a portfolio will be analyzed. Ratios and statistical methods will be explained.

- Measurement of performance (quartiles, performance vs benchmark…)
- Measurement of risk (volatility, tracking error, stress test, VaR, downsize risk, correlation)
- Main quantitative ratios uses in portfolio analysis (Sharpe ratio, information ratio …)
- Performance attribution.

*Working Paper: Provided by Prof. Hurtado*

*Practical Case: Practical case done by Prof. Hurtado*

*Technical note: Measuring Mutual Fund Performance (HBS 298139-PDF-ENG)*

## SESSION 14 (LIVE IN-PERSON)

In this session the objective is to analyze and discuss the current environment and trends:

- Financial markets and economy in the current environment
- Trends in financial markets
- Summary and conclusions

## SESSION 15 (LIVE IN-PERSON)

Final Exam

*Working Paper: Provided by Prof. Hurtado*

## EVALUATION CRITERIA

The Managing Portfolios course requires a constant, methodical and continuous effort. Consequently, the course will be evaluated following a continuous evaluation system. The dedication will be rewarded and the lack of commitment with the course will be penalized.

The final grade in the course of all the students will be determined according to the evaluation system used by IE Business School and the IMBA program. Consequently, the overall results will be "curved" according to the school polic

| criteria | percentage | Learning Objectives | Comments |
|---|---|---|---|
| Final Exam | 40 % | | |
| Group project | 40 % | | Proposal of investment portfolio |
| Class Participation | 20 % | | Value Added Class participation |

### FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

Grades for the reassessment are limited to a Low Pass and Fail.

Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered. Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

## BEHAVIOR RULES

Please, check the University's Code of Conduct here. The Program Director may provide further indications.

## ATTENDANCE POLICY

Please, check the University's Attendance Policy here. The Program Director may provide further indications.

## ETHICAL POLICY

Please, check the University's Ethics Code here. The Program Director may provide further indications.