

General Information:

Module number:	
Title (dt.):	Investment Funds
Title (en.):	Investment Funds
Module level:	MSc
Abbreviation:	
Subtitle:	
Duration:	One semester
Occurrence - summer/winter:	Summer
Occurrence - regular/irregular:	Regular
Language:	English
Credits:	4
Specialization:	
Date:	
Location:	Augsburg (University)
FIM-exclusivity:	Yes

Workload:

Contact hours:	30
Self-study hours:	90
Total hours:	120

Achievment and assessment methods:

Description of achievment and assessment methods:	<p>The module examination is based on a written exam at the end of the course. By answering questions in text form and doing calculation exercises, students have to show their theoretical and practical understanding of the different concepts of investment fund performance measurement and closely related topics. The exam is closed book. Non-programmable calculators are allowed during the exam.</p> <p>During the course, students are strongly encouraged to voluntarily hand in four case studies (with MS Excel). As an incentive, if all four case studies are passed, the students can earn bonus points for the written exam. The cases practice those course contents which cannot easily be assesed via the written exam. With the cases, the students prove their ability to treat empirical data, use simulation techniques and optimization with constraints. Cases are not graded but assessed as either passed or failed.</p>
Type of assessment:	Written
Duration of assessment (min):	90 min
Assessment retake:	End of semester

Description:

(Recommended) prerequisites	
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Content:	<p>This course focuses on practical and theoretical aspects of investment funds, which are among the most important financial products for private and institutional investors. Thus, a profound knowledge of these products and the involved institutions is essential for finance students, practitioners and researchers. Its content is essential to all students who consider investing money in investment funds, who want to work in the investment industry or in the regulation thereof. As the methods used for performance measurement are very similar to methods from other fields, e.g. asset pricing, this course is also essential to all students who want to work in the financial industry in general. Interesting speeches of practitioners and scientists on current topics in fund management and measurement usually complete this course.</p> <p>Selected course topics are:</p> <ul style="list-style-type: none"> -Definition of funds and regulatory environment -Mutual funds -Classic performance measures and extensions -Market timing and conditional performance -Biases in mutual fund performance -Holdings-based performance and activity measures -Measurement with investment constraints -Liquidity and mutual fund flows -Hedge funds -Private equity funds -Exchange-traded funds
Intended learning outcomes:	<p>After successful completion of the module, students are able to apply state-of-the-art methods to analyse the performance of mutual funds and understand how to address different contributors of performance separately (selection and timing). They know what economic relations determine performance. They are able to identify the typical biases in performance measurement. They have a profound knowledge about the particularities of different types of investment funds, e.g., mutual funds, hedge funds, private equity funds. Furthermore, students understand the funds' regulatory framework. Additionally, they are familiar with the most important theoretical and practical aspects of investment funds.</p>
Teaching and learning methods:	<p>The main contents of the course are taught via classic lectures with projector presentations. In occasional tutorial elements during the lecture time these contents are deepened with calculation exercises. To practice the more complex theoretical and empirical elements of the course, the students are encouraged to voluntarily hand in case studies which are done at home using MS Excel. Moreover, the knowledge of the theoretical concepts is intensified by discussing recent working papers in the area of investment funds.</p>
Media:	<p>Presentation slides, high quality academic papers</p>

Reading list:

- Fama/French (1993). Common risk factors in the returns on stocks and bonds. Journal of Financial Economics 33 , 3-56.
- Treynor/Mazuy (1966). Can Mutual Funds Outguess the Market? Harvard Business Review 44, 131-136.
- Henriksson/Merton (1981). On market timing and investment performance. Journal of Business 54, 513-533.
- Ferson/Schadt (1996). Measuring Strategy and Performance in Changing Economic Conditions. Journal of Finance 51, 425-461.
- Grinblatt/Titman (1993). Performance Measurement without Benchmarks: An Examination of Mutual Fund Returns. Journal of Business 66, 47-68.
- Cremers/Petajisto (2009). How Active Is Your Fund Manager? A New Measure That Predicts Performance. Review of Financial Studies 22, 3329-3365.
- Pollet/Wilson (2008). How Does Size Affect Mutual Fund Behavior? Journal of Finance 58, 2941-2969.
- Agarwal/Naik (2004) Risks and Portfolio Decisions Involving Hedge Funds. Review of Financial Studies 17, 63-98. (Selection)

Responsible for module:

First name:

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Lecturer:

1. Lecturer:

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Courses:

1. Course:

Type:

Lecture

Name:

Investment Funds

Weekly hours per semester:

2

2. Course:

Type:

Name:

Weekly hours per semester:

(Recommended) audience:

1. Program:

Name:

MSc Finance & Information Management (FIM)

2. Program:

Name:

3. Program:

Name:

4. Program:

Name:

5. Program:

Name: