

# **Course Title: Asset Allocation**

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## **LEARNING OBJECTIVE**

The focus of this course is to give the students a practical analysis in the management of investment portfolios. The course aims to provide students with an understanding of:

- Asset Allocation Strategy;
- Market Timing Strategy.

The portfolio construction models analyzed are only those that find application in the asset management.

## **SYLLABUS**

1. Introduction: the main stages of Portfolio Construction
2. The Naïve Portfolio Formation Rule
3. From a qualitative approach to MPT
4. Global asset allocation: building a MV Efficient Frontier
5. Limitations of MV Efficient frontier
6. Managing estimation errors with heuristic approaches: infra-group constrained optimization and scenario based models
7. Managing estimation errors with bayesian models: the Black-Litterman Approach
8. From Strategic Asset Allocation to Tactical Asset Allocation: building a tactical optimization model

## **MAIN REFERENCES**

Scherer, B., "Portfolio Construction and Risk Budgeting", Risk Books.

## **OTHER READINGS**

Michaud, R.O., "Efficient Asset Management: A Practical Guide to Stock Portfolio Optimization and Asset Allocation", Harvard Business School Press, Cambridge. MA.