Objective
To provide a framework for understanding the major elements of global investments; currency; fixed income (bonds); equities (stocks); real assets (real estate/ commodities) and Alternative (Private Equity, Hedge Funds, Venture Capital). The class will be structured from an Institutional Investor/Asset Owner perspective. Students will examine the basics of these asset classes and learn their inter-relationships as they construct a globally diversified investment portfolio over the course of the semester.

Periodically throughout the semester I will have guest industry speakers. They are designed to address topics (material) from class to actual industry/work experience. Dates to be determined.

Required Texts and Materials
Textbook: This class will have a customized textbook of selected readings from the Chartered Financial Association CFA. The custom text will be available in e-book form. The link to the on-line store site where the text can be purchased is: http://store.vitalsource.com/show/9781119037804

Other Readings: Will be provided by the Professor, via Blackboard and updated through the semester.

Other: Weekly monitoring, and daily access of your trading activity IS required, details follow:

Financial calculator: A financial calculator will be needed for exams. Excel, I-phone or other apps and laptops will NOT be permitted for use for exams.

Stock Portfolio Trading/Portfolio Management
Algorithmic Trading in Global Investments!

New to the Global Investment course this semester will be an interactive trading platform using algorithmic trading techniques. I have partnered with a firm called Equametrics, the product is RIZM, URL: www.equametrics.com to bring real global portfolio management skills to the class room this fall.

A brief description of algorithmic (algo) trading follows:

Algorithmic Trading is a trading system that utilizes very advanced mathematical models for making buy or sell transaction decisions (in our case it will be global equities) in the financial markets. The strict rules built into the model attempt to determine the optimal time for an order to be placed that will cause the least amount of impact on a stock’s price, and potential profit or loss for the investor.

The use of algorithmic trading is most commonly used by large institutional investors due to the large amount of shares they purchase everyday, however the market has moved to small retail investors. Complex algorithms allow these investors to obtain the best possible price without significantly affecting the stock's price and increasing purchasing costs. This will provide you with a “hands on” active trading platform. This project will count toward 20% of your final grade for the course so the trading should be taken seriously.
The universe of stocks will be posted on blackboard. You will follow (select) 30 stocks of the 700 securities in the “universe”. The 700 stocks represent the top .05% weight stocks in the MSCI World Index, (the index is comprised of 1,200 names). The stock list will include country of domicile, economic sector and industry your ultimate goal is to outperform the MSCI World Index using the algorithmic tools provided. I will be monitoring your activity week to week. Each team will be provided $1,000,000 to start and will be required to log on and turn on the algo every day! Each team (this will be defined in our first class) will be required to develop two algos on their portfolio. You could decide to select your securities based on economic sectors, industries or countries regardless of industries making this very dynamic.

The requirements:

Each “team” will provide: (further explain details on process in class)
- Very short description of what the algo is supposed to accomplish.
- Expectations of profit (percent or dollars) from the exercise.
- Produce a weekly performance report
- Data dump on activity from the week
- Screen shot of algos and settings
- Report any changes (change, add, delete, modify algo) weekly if none state none.

To get started you will have to register at www.equametrics.com and follow the prompts to establish an ID.

**Course Structure**

**Term Paper:**
The final will be a written paper consisting of the asset classes designed to correspond directly with the key instructional themes – Equities, Fixed Income, Alternatives along with Commodities combined to provide and overall Strategic Asset Allocation and investment selection decision. The objective is to create an integrated global investment portfolio employing themes from the course.

**Grading:**

<table>
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<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Six quizzes or written assignments</td>
<td>50% (count highest 5 of 6)</td>
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<tr>
<td>Interactive Trading with weekly reports</td>
<td>20%</td>
</tr>
<tr>
<td>Final Term Paper</td>
<td>25%</td>
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<tr>
<td>Class Participation (Instructor assessment)</td>
<td>5%</td>
</tr>
</tbody>
</table>

A student’s participation grade can be positive or negative and is based on the instructor’s opinion of the quality of her/his contributions to the class as well as adherence to course policies. Make-ups on Quizzes will not be provided since only the highest 5 of 6 will be included in the final grade.

**Course Policies: Student Expectations**

**Attendance Policy:** Students are expected to attend every class. Absences will be excused only if they are due to a religious holiday, serious illness, death in the student's immediate family, or required participation in a university-sponsored event. Once an absence is excused, the student will be given an opportunity to make up any missed class examinations or other graded assignments. Absences due to any other reasons than those listed above will be considered unexcused. Each student can have one unexcused absence without effect on her/his grade. Students are expected to arrive to class on time and are expected to remain in the classroom.

**Fordham University’s Policy on the Integrity of Full-Time Study:** Fordham University cannot compromise on its objective of the honest and wholehearted pursuit of academic excellence. Students must guard against allowing outside activities, from interfering unduly with their academic pursuits. Therefore, students should not compromise their academic careers by losing sight of the primary objective of academic excellence.

**Professionalism Policy:** Students are expected to practice professional and courteous deportment during class. As discussed in Section VI above, surfing, texting, tweeting, facebooking, myspacing, IM-ing, playing games, or any other similar activity will distract you and your classmates and will result in a reduction of the student’s grade.

**Fordham University’s Academic Conduct Policy:** In this course—and in every course—you are expected to abide by Fordham University’s Code of Conduct, which includes, but is not limited to, the following Standards of Academic Integrity:
STANDARDS OF ACADEMIC INTEGRITY

Academic integrity is the pursuit of scholarly activity in an honest, truthful, and responsible manner. Violations of academic integrity include, but are not limited to, plagiarism, cheating on exams, falsification, unapproved collaboration, and destruction of library materials. Below are instances of violations with which all members of the academic community should be familiar.

A. Plagiarism:
Plagiarism occurs when individuals attempt to present as their own what has come from another source. Plagiarism takes place whether such theft is accidental or deliberate. It is no defense to claim that one has “forgotten” to document ideas or material taken from another source. Examples of plagiarism include, but are not limited to:
   i. Using the ideas of another person, whether or not such ideas are paraphrased, from whatever source including oral, print, broadcast, or computer-mediated communication;
   ii. Rewriting borrowed material by simply dropping a word here and there, substituting a few words for others, or moving around words or sentence;
   iii. Presenting borrowed material, whether a phrase, sentence, or whole paragraphs without placing quotation marks around the borrowed material in the approved style;
   iv. Presenting, as one’s own an assignment, paper, or computer program partially or wholly prepared by another person, whether by another student, friend, or by a business or on-line service that sells or distributes such papers and programs;
   v. Failing to use proper citation for information obtained from print sources or the internet, according to citation criteria specified by the instructor or in cases where instructor guidance is not given, by standard manuals of style (e.g. The Chicago Manual of Style).

B. Cheating
Cheating occurs when individuals use course materials, information or devices (e.g., programmable calculator, cell phone) when such is unauthorized or prohibited. Examples of cheating include, but are not limited to:
   i. Having or using unauthorized materials, information or an unauthorized device at an examination, test or quiz;
   ii. Copying from another student at an examination, test or quiz, or copying another student’s assignment, data or laboratory report;
   iii. Permitting another student to copy from an assignment, paper, computer program, project, examination, test or quiz;
   iv. Obtaining and/or using an unauthorized examination, test, or quiz prior to its administration;
   v. Having another person act as proxy to take an examination, test or quiz or to complete an assignment, paper, computer program, or project.

C. Falsification
Falsification occurs when individuals make false statements that mislead others. Examples of falsification include, but are not limited to:
   i. The submission or presentation of a falsified excuse for an absence from a course requirement, examination, test or quiz;
   ii. The presentation of false identification or credentials in order to gain admission to a course, examination, test, quiz or degree program;
   iii. The creation of a false or misleading citation;
   iv. The manipulation or falsification of data for an academic assignment.

Sanctions for violations of academic integrity outlined in the Fordham University Student Handbook include a receiving a failing grade on the assignment/examination, and possibly of receiving a failing grade for the course.
<table>
<thead>
<tr>
<th>Course Schedule</th>
<th>Topics</th>
<th>Dates/Readings</th>
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<tr>
<td><strong>Introduction</strong></td>
<td>Course Overview Objectives</td>
<td>Sept. 3</td>
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<tr>
<td>====&gt;</td>
<td>Introduction of RIZM Equametrics Trading Platform</td>
<td></td>
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<tr>
<td>====&gt;</td>
<td>Expectations and requirements</td>
<td></td>
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<td><strong>Asset Allocation</strong></td>
<td>CFA Reading 19, Asset Allocation</td>
<td>Sept. 10, 17</td>
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<tr>
<td>====&gt;</td>
<td>Introduction</td>
<td></td>
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<tr>
<td>====&gt;</td>
<td>What is Asset Allocation</td>
<td>2.1, 2.2, 2.3</td>
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<tr>
<td>====&gt;</td>
<td>Asset Allocation &amp; Investors Risk/Return Objectives</td>
<td>3.1, 3.2, 3.3, 3.4</td>
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<tr>
<td>====&gt;</td>
<td>Selection of Asset Classes</td>
<td>4.1, 4.2</td>
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<tr>
<td>====&gt;</td>
<td>Steps in the Asset Allocation Process</td>
<td>5.1</td>
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<tr>
<td>====&gt;</td>
<td>Optimization</td>
<td>6.1 through 6.6</td>
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<td>====&gt;</td>
<td>implementing the Strategic Asset Allocation</td>
<td>7.1, 7.2, 7.3</td>
</tr>
<tr>
<td>====&gt;</td>
<td>Strategic Asset Allocation for Individuals</td>
<td>8.1, 8.2</td>
</tr>
<tr>
<td>====&gt;</td>
<td>Strategic Asset Allocation for Institutional Investors</td>
<td>9.1, 9.2, 9.3</td>
</tr>
<tr>
<td><strong>Asset Allocation Trends</strong></td>
<td>Reading: “The Realization”</td>
<td>Sept. 17</td>
</tr>
<tr>
<td><strong>International Trade</strong></td>
<td>CFA Reading 20, Int’l Trade and Capital Flows</td>
<td>Sept. 24</td>
</tr>
<tr>
<td><strong>Currencies</strong></td>
<td>CFA Reading 28, Currency Mgmt: An Introduction</td>
<td>Oct 1, 8</td>
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</tbody>
</table>

**Quiz 1: Topics from Asset Allocation (Sept 24)**

**Trading Analysis Report due**
Quiz 2: Topics from Currency & Trade (Oct 15)
Quiz 3: Written Assignment on Argentina Currency Issue Due (Oct 22)

Equities: Powerpoint: China’s Economy a Thematic Approach Oct. 15, 22
CFA Reading 23, Equity Portfolio Management

- Introduction
- The Role of the Equity Portfolio 2.1
- Approaches to Equity Investing 3.1
- Passive Equity Investing 4.1, 4.2
- Active Equity Investing 5.1, 5.2, 5.3, 5.4
- Semi-Active Investing 6.1
- Managing a Portfolio of Managers 7.1
- Identifying, Selection and Contracting with Eq. Mgrs. 8.1
- Structuring Equity Research and Security Selection 9.1
- Trading Activity Report due

Quiz 4: Topics from Equity Management (Oct 29)

Fixed Income: CFA Reading 20, Fixed Income Part I Oct. 29, Nov 5
- Introduction
- A framework for Fixed Income Portfolio Mgmt. 2.1
- Managing Funds against a Market Index 3.1, 3.2

Fixed Income: CFA Reading 22, Fixed Income Part II
- Introduction
- International Bond Investing 6.1, 6.2, 6.3
- Selecting a Fixed Income Manager 7.1, 7.2, 7.3
- Trading Activity Report due

Quiz 5: Topics from Fixed Income Management (Nov 12)

Alternatives: CFA Reading 26, Alternative Inv. Mgmt. Nov 12, 19
- Introduction
- Alternatives, Definitions, Similarities and Contrasts 2.1
- Real Estate 3.1, 3.2, 3.3
- Private Equity/Venture Capital 4.1, 4.2, 4.3
- Commodity Investments 5.1, 5.2, 5.3
- Hedge Funds 6.1, 6.2, 6.3, 6.4
- Managed Futures 7.1, 7.2, 7.3
- Distressed Securities 8.1, 8.2
- Trading Activity Report due

Thanksgiving Holiday No Class Nov 26

Quiz 6: Topics from Alternative Investments (Dec 3)

Performance Evaluation: CFA Reading 34, Performance Evaluation Dec 3, 10
- Introduction
- Importance of Performance Evaluation 2.1, 2.2
- The Three Components of Performance Evaluation 3.1
- Performance Measurement 4.1 through 4.8
- Benchmarks 5.1, 5.2, 5.3 ONLY
- Performance Attribution 6.1 through 6.8
- Performance Appraisal 7.1 ONLY
- The Practice of Performance Evaluation 8- ONLY
- Trading Activity Report due

Final Term Paper Distributed Dec 3 Final Due by Dec 15

Notes: 1. The schedule is subject to revision at the instructor’s discretion.
Professor James McCann

James H. McCann is a Professor of Finance and Business Economics on the Faculty of the Gabelli School of Business at Fordham University. He has lectured classes at both the graduate and undergraduate levels as a full-time and adjunct professor for the past 15 years. He is also an adjunct finance professor in the Executive Masters in Business Administration program at Baruch College’s, Zicklin School of Business.

Professor McCann’s professional career includes periods at State Street Bank and Trust, HSBC Asset Management, JPMorgan Chase, Goldman Sachs Asset Management, and Citibank in a variety of roles. He has over 20 years of experience in developing and enhancing relationships with institutional corporate and not-for-profit institutions. He is an experienced client relationship executive and has managed teams of relationship managers and performance measurement professionals. Jim has consulted companies in designing and implementing successful new business development strategies.

Professor McCann has extensive knowledge and experience in the area of performance measurement, analytics, attribution and risk measurement solutions. His perspective is multi-dimensional from the asset owner, investment manager to the performance solution provider. Solutions for clients ranged from basic rates-of-return on investments reporting to in-depth analysis of appropriate benchmarks and portfolio risk measures.

Professor McCann has published a research report for consulting firm Finadium titled “The State of Performance Measurement for Institutions and Asset Managers” that researched outsourcing options and decisions for asset managers, custody banks and institution clients. He also authored a white paper titled “Global Investment Performance Standards (GIPS) for Alternative Investment Strategies and Solutions, What to Expect,” for TurtleBay Advisory Services. His knowledge of performance, attribution, analytics and risk measures and industry providers is extensive.

Professor McCann is a graduate of the University of Pittsburgh with a BA in Economics and has a master of public policy from the John F. Kennedy School of Government, Harvard University. He is also a member of the Council of Examiners for the CFA Institute’s Certificate in Investment Performance Measurement (CIPM) program. His responsibilities include exam content and curriculum review. He was former trustee of the Pennsylvania Public School Employees’ Retirement System and the Harvard Club of New York City pension and 401k salary savings plans.