

INFORMATION ABOUT THE COURSE

COURSE TITLE: ALTERNATIVE INVESTMENTS			
COURSE CODE: M5.6		CREDIT POINTS (ECTS): 2	
COURSE LEADER: Joanna Błach, Ph. D. TEACHING STAFF: Joanna Błach, Ph. D.			
DIRECT CONTACT HOURS: 15			
DURATION: inside ONE semester SEMESTER OF DELIVERY: Summer			
FACULTY: Finance & Insurance			
LEVEL OF THE MODULE: Master: Quantitative Asset and Risk Management ARIMA			
PREREQUISITIES Obligatory: ARIMA Module 2, Module 3 Recommended: none			
OBJECTIVES: <p>The objective of this course is to provide the students with extended knowledge of the principles and main types of alternative investments. The course aims at explaining the origin of alternative investments, together with providing information helpful to understand the alternative investments market's tools and terms. The course covers following alternative assets classes: real estate, commodities and managed futures, hedge funds, private equity and venture capital funds and other special investment forms. The main types of investment strategies within each asset class will be characterized regarding the potential rate of return measurement and risk management problems.</p>			
TEACHING AND LEARNING METHOD:			
No	Teaching method	Description	Hours (45')
1	lectures	academic and interactive lectures covering specific theoretical aspects of the subject	12
2	Case study presentation and discussion	aiming at understanding the problems presented during lectures and in group presentations	3
		SUM	15
No	Learning method	Description	Hours (45')
1	textbook and handbook reading	preparation for lectures and discussion	20
2	individual work	solution of given practical examples	5
3	group work	Preparation for presentation of the selected aspects of alternative investments	10
		SUM	35

CONTENTS:

1. Introduction to alternative investments – the origin of alternative investments and the rationale for their development, the basic principles of the alternative investments, derivatives based on alternative asset classes, asset
2. The real estate – introduction to the real estate investments, the direct and indirect investing in real estate and their performance characteristics, REITs as special forms of real estate investment funds
3. Hedge funds – key characteristics of hedge funds, the construction of hedge funds, investing in hedge funds, the analysis of trading strategies, benchmark and indices, performance analysis
4. Private equity and venture capital funds – introduction to private equity/venture capital investments, the construction and functioning of funds, investing in private equity/venture capital funds regarding risk-return profile
5. Commodities and managed futures – key characteristics of commodities and managed futures investments, the analysis of various trading strategies, the performance measurement and risk management; derivatives based on commodities and their role in portfolio construction
6. Other special forms of alternative investments – key characteristics and performance analysis of tangible assets investments (art, antiques, coins, collectibles, etc.)

LEARNING OUTCOMES:

After completing the course a student will be able:

- to discuss the key drivers of growth of alternative investments
- to explain the reasons for investing in alternative assets
- to characterize the basic alternative investments classes
- to provide the examples of trading strategies regarding their risk-return profile
- to provide the examples of benchmarks and indices for each class of assets

ASSESSMENT METHOD:

No	Assessment method	Description	Points
1	test	written final test covering both theoretical and practical aspects of the subject (multiple choice questions and exercises)	70%
2	presentations	Short oral presentations prepared in groups covering selected aspects of the alternative investments problems	30%

CORE READING

1. Power Point Slides

INDICATIVE LITERATURE

1. F. J. Fabozzi, Handbook of Alternative Investments, John Wiley & Sons, 2006,
2. L. E. Swedroe, J. Kizer, The Only Guide to Alternative Investments You'll Ever Need: The Good, the Flawed, the Bad, and the Ugly. John Wiley & Sons, 2010,
3. D. R. Jobman, The Handbook of Alternative Investments, John Wiley & Sons, 2002,
4. G. N. Gregoriou, Encyclopedia of Alternative Investments, CRC Press, 2008,
5. H. Bromma, L. M. Bromma, How to Make Money in Alternative Investments, McGraw-Hill Professional, 2009,
6. CAIA Level I: An Introduction to Core Topics in Alternative Investments, Wiley & Sons, 2009
7. CAIA Level II: Advanced Core Topics in Alternative Investments, Wiley & Sons, 2009
8. Journal of Alternative Investments

LANGUAGE: English

PROGRAMMES USED:

Classes and lectures in computer lab with access to internet