

## AMFM-2526-512 ASSET MANAGEMENT

<b>Name of lecturer(s) &amp; Email</b> Lieven Baele <a href="mailto:Lieven.baele@tilburguniversity.edu">Lieven.baele@tilburguniversity.edu</a>	<b>Level/Semester, Status, Timing</b> Semester 1 / term 2 Compulsory Between 20/11/2025 to 09/01/2026	<b>ECTS*, CH &amp; SDL**</b> 3 24 66
<b>Description of the course</b> <p>This course serves as an introduction to the exciting world of asset management. The course starts by introducing two building blocks of modern finance, namely Markowitz Mean-Variance Optimization and the Capital Asset Pricing Model. We apply the theory in a number of exercises, both in Excel and using an online tool (<a href="http://portfoliovisualizer.com/optimize-portfolio">portfoliovisualizer.com/optimize-portfolio</a>). In the second session, we discuss the process of setting up a strategic asset allocation and the important role of equity exposure and (international) diversification. In session 3, we revisit the Harvard's Endowment Fund's decision to invest in inflation-linked bonds and introduce the participants to both the Treasury and Corporate Bond Market. We introduce important concepts like duration and break-even inflation rate. These concepts are subsequently applied in a guest lecture by a high-level bond strategist. Session 5 discusses alternative asset classes (hedge funds, private equity, real estate, commodities including gold). In Session 6, we will learn how to evaluate fund performance and have a more general discussion on the value of active management. Session 7 introduces the participants to a popular quantitative asset allocation model, namely the Black-Litterman Model. We finish the course by a high-level guest lecture on strategic asset allocation.</p>		
<b>Course units</b> <ul style="list-style-type: none"> <li>• Mean-Variance Optimization and the CAPM</li> <li>• Introduction to Strategic Asset Allocation – the role of Equities – Diversification</li> <li>• Bond Investing (including concepts like duration and break-even inflation rate)</li> <li>• Alternative Assets</li> <li>• Performance Evaluation and Alternative Assets</li> <li>• Quantitative Asset Allocation Models (Black-Litterman Model)</li> </ul>		
<b>Course Learning Outcomes (CLOs)</b> <ul style="list-style-type: none"> <li>• Understand basic concepts related to Mean-Variance Optimization and the CAPM</li> <li>• Set up an appropriate strategic portfolio for different types of clients</li> <li>• Have a good understanding of the bond market, how yields are set, and how concepts like duration and break-even inflation rates can be used for tactical decisions.</li> <li>• Discuss the pros and cons of including alternative asset classes</li> <li>• Be able to evaluate the performance of a mutual fund and participate in the debate on active versus passive portfolio management</li> <li>• Participants should be able to set up a Black-Litterman model and generate views from market outlooks.</li> </ul>		
<b>Prerequisite (if any)</b> /		
<b>Contribution to Programme Learning Objectives (PLOs)***</b> <ul style="list-style-type: none"> <li>• Learning Objective 1.1: Mastery</li> <li>• Learning Objective 2.1: Reinforcement</li> <li>• Learning Objective 3.1: Reinforcement</li> <li>• Learning Objective 4.1: Mastery</li> <li>• Learning Objective 5.1: Mastery</li> </ul>	<b>Evaluation scale</b> 0-20	
<b>Main Teaching methods used in the course</b> <ul style="list-style-type: none"> <li>• On campus interactive lectures – 2 guest lectures.</li> </ul>		
<b>Contribution to the Environmental, social and governance (ESG)</b> Course Contribution to ESG: No Contact Hours are dedicated to ESG: 0 Contact Hours containing climate solutions for how organizations can reach net zero: 0 Description of contribution: -		

**Notice:** The information available in the course outline is subject to change. Please keep yourself informed at all times by regularly checking Canvas.

### Other Learning Materials

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\*ECTS - European Credit Transfer and Accumulation System (1 ECTS = 30 hours of learning)

\*\*CH - Contact Hours in class or online, SDL - Self-Directed Learning including readings, homework, group work, preparation to assessment, etc

\*\*\*PLO - Programme Learning Objectives are available on the curriculum page