

**The Peter F. Drucker and Masatoshi Ito  
Graduate School of Management  
Claremont Graduate University**

**ASSET MANAGEMENT PRACTICUM  
MGT 402  
SPRING 2009**

**Prerequisites**

Completion of MGT335 Corporate Finance is required. MGT 475 Fixed Income is recommended but not required.

**Overview**

This course will follow two parallel tracks – one broad and theoretical, the other more narrowly applied.

The theoretical track, asset management, will focus on the theory underpinning portfolio construction and management. The theoretical track will rely on the assigned textbook and other readings, problem exercises, lectures and guest speaker presentations.

The applied track, the practicum, will focus on the actual management of a dedicated portion of the CGU endowment (approximately \$300,000) that has been segregated for the educational benefit of the class. Students in the course will form an asset management “firm” with responsibility for managing specific assets. The students are considered “employees” of the firm and, as such are responsible for organizing themselves and executing the critical functions of an asset management firm. The ongoing functions of the asset management team include: establishing/reviewing investment policy, conducting investment research, determining the investment strategies to be implemented, investment decision making (securities selection) and implementation (including buy/sell order entry, trade settlement and reconciliation), performance measurement/analysis/reporting, and client relations. The ultimate goal of the practicum is for the students to gain an appreciation for, and experience in, the complexities of real-world portfolio management.

Students will develop a passive strategy to achieve effective benchmark performance tracking and will engage in research that will involve ex post testing of the passive strategy that they have chosen.