



## Subject Outline

### **FIN206 Investment Management**

## Section 1 — General information

### 1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

### 1.2 Core or elective subject

This is an elective subject for the Graduate Certificate in Applied Finance, Graduate Diploma of Applied Finance, Master of Applied Finance, Graduate Certificate in Financial Services, Graduate Diploma of Financial Services and Master of Financial Services.

### 1.3 Delivery mode

This subject is delivered online.

### 1.4 Assumed knowledge

Kaplan assumes that students have completed FIN202 Fundamentals of Asset Valuation and FIN203 Fundamentals of Equity Markets, or understand the content covered in those subjects, prior to undertaking FIN206 Investment Management.

### 1.5 Course transition subject equivalence

Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- E121 Fundamentals of Portfolio Management
- E122 Applied Portfolio Management
- FIN226 Investment Management.

### 1.6 Work integrated learning

There are no placements, internships or work experience requirements associated with undertaking this subject.

### 1.7 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.

## Section 2 — Academic details

### 2.1 Subject overview

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This subject focuses on the investment management process, including portfolio construction and performance management. It examines asset allocation approaches and the process of managing equity, fixed interest, property, international, and alternative asset portfolios. It also discusses the impact of taxation on portfolio management, and strategies to maximise the tax effectiveness of a portfolio. Practical application is achieved through analysis of both real and fictional case studies.

### 2.2 Subject learning outcomes

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On successful completion of this subject, students should be able to:

1. Analyse the processes involved in managing an investment portfolio.
2. Examine portfolio management theories and their application.
3. Apply the process of asset allocation and portfolio construction.
4. Evaluate the factors that impact portfolio management and performance.

### 2.3 Topic learning outcomes

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#### Topic 1: The investment management process

On successful completion of this topic, students should be able to:

- provide an overview of the generic investment management process
- explain the purpose of each of the main components of the process
- describe what is involved in each of the main components of the process
- outline the steps that need to be taken before an investment manager can commence investing in assets
- explain common ways of monitoring and reviewing investment managers.

#### Topic 2: Portfolio management theory revisited

On successful completion of this topic, students should be able to:

- explain the portfolio manager's objectives in terms of mean and variance, using the paradigm of modern portfolio theory (MPT)
- discuss the features of efficient portfolios and the concept of the efficient frontier as it applies in MPT
- explain the fundamental concepts of the capital asset pricing model (CAPM)
- demonstrate how security risk can be decomposed in a portfolio context
- describe a range of applications for CAPM
- explain the fundamental concept of betas
- explain the rationale behind APT
- define the concept of a factor as it relates to APT.

### Topic 3: Asset allocation

On successful completion of this topic, students should be able to:

- describe the process for establishing the appropriate strategic asset allocation
- discuss the issues involved in implementing and monitoring the strategic asset allocation
- distinguish between strategic asset allocation and active asset allocation
- interpret a number of key economic and market indicators in the asset allocation process
- explain the process of implementation of active asset allocation
- explain the use of derivatives as an allocation tool.

### Topic 4: Managing an equity portfolio

On successful completion of this topic, students should be able to:

- discuss the main characteristics of equities as an asset class
- analyse the different investment styles for managing an equity portfolio
- describe the risks associated with investing in equities
- analyse the risk management techniques to manage the risks of investing in equities
- discuss current trends and developments in the equities asset class.

### Topic 5: Managing a fixed interest portfolio

On successful completion of this topic, students should be able to:

- discuss the main characteristics of fixed interest as an asset class
- analyse the different investment styles for managing a fixed interest portfolio
- describe the risks associated with investing in fixed interest
- analyse the risk management techniques to manage the risks of investing in fixed interest
- discuss current trends and developments in the fixed interest asset class.

### Topic 6: Managing a property portfolio

On successful completion of this topic, students should be able to:

- discuss the main characteristics of property investment
- demonstrate the main influences on property investment returns
- describe the different forms of property investment
- describe the risks and returns associated with investing in property
- discuss current trends and developments in the property asset class.

### Topic 7: Managing an international asset portfolio

On successful completion of this topic, students should be able to:

- discuss the main characteristics of international investment assets
- analyse the different investment styles for managing an international asset portfolio
- describe the risks associated with international asset portfolios
- analyse the most pertinent risk management techniques to manage the risks of international asset portfolios
- explain the impact of currency on international asset portfolios and how it can be managed.

### Topic 8: Managing an alternative asset portfolio

On successful completion of this topic, students should be able to:

- discuss the main characteristics of alternative assets
- analyse the different investment styles for managing alternative assets
- describe the risks associated with investing in alternative assets
- analyse pertinent risk management techniques to manage the risks of investing in alternative assets.

### Topic 9: Performance measurement

On successful completion of this topic, students should be able to:

- discuss the relative importance of performance analysis
- calculate basic performance statistics
- explain the role of investment objectives and the need for measures to relate to those objectives
- explain the key determinants of performance
- explain the concept and components of active return
- analyse performance relative to a benchmark
- explain the use and interpretation of attribution analysis and conventional risk-adjusted performance measures.

### Topic 10: Tax and portfolio management

On successful completion of this topic, students should be able to:

- assess the impact of tax on real returns
- evaluate strategies to increase after-tax returns
- discuss the principles for consideration when investigating after-tax performance measurement
- analyse the after-tax performance measurement and reporting options that are available
- discuss current tax issues in portfolio management
- apply evidence from research and professional literature to enhance a portfolio's tax effectiveness.

## 2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Task	Short answer questions assessing investment management process and portfolio management theories	Week 4	1–2	20%	LO1, LO2
Assignment 1	Analysis style questions on asset allocation and portfolio management	Week 7	3–6	40%	LO1, LO3, LO4
Assignment 2	Short answer and calculation style questions analysing portfolio management and performance	Week 12	7–10	40%	LO1–LO4

Please refer to our website <[www.kaplanprofessional.edu.au](http://www.kaplanprofessional.edu.au)> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

## 2.5 Prescribed text

There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan's online databases. Students are encouraged to research and read widely on the topic.

## 2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: The investment management process	8
2	Topic 2: Portfolio management theory revisited	12
3	Topic 3: Asset allocation	12
4	Topic 4: Managing an equity portfolio <b>Task (Weighting 20%)</b>	12
5	Topic 5: Managing a fixed interest portfolio	12
6	Topic 6: Managing a property portfolio	12
7	<b>Assignment 1 (Weighting 40%)</b>	6
8	Topic 7: Managing an international asset portfolio	8
9	Topic 8: Managing an alternative asset portfolio	8
10	Topic 9: Performance measurement	12
11	Topic 10: Tax and portfolio management	12
12	<b>Assignment 2 (Weighting 40%)</b>	6
<b>Total minimum study load</b>		<b>120 hours</b>

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
<b>Total study load, including additional study hours</b>	<b>180 hours</b>