



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 336H1F Investments Fall 2020

Course Meets Online Synchronous at the following time:

L0101, Thursdays 10am-12pm

L0201, Thursdays 1pm-3pm

L0301, Thursdays 3pm-5pm

Instructor: Professor Bing Han
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Tutorials: TBA

Course Scope and Mission

RSM 336H1 explores the theoretical framework and real world practice of investments and portfolio management. The course is intended for students who want to become investment professionals, knowledgeable individual investors, or both. The course will cover a wide range of topics such as risk and return trade-off, asset pricing models, mutual funds, hedge funds, market efficiency, investment strategies, investor behavior, factor approach to investing, performance evaluation, fundamental and technical analysis of stocks, term structure of interest rates and bond portfolio management. Wherever appropriate, this course will incorporate the latest research in Behavioral Finance to help students understand influences of psychological biases in investment. Students will have an opportunity to put course concepts into practice using resources available in the Rotman Financial Research and Training Lab and will manage a virtual portfolio using Rotman Portfolio Manager (RPM).

Course Prerequisites

Prerequisite: RSM230H1, RSM332H1* (*Note that RSM332H1 is a pre-requisite for students September 2016 and onwards)

Co-requisite: ECO220Y1/ECO227Y1/(STA220H1, STA255H1)/(STA257H1, STA261H1). *If you drop any of these co-requisite courses during the academic term, you must also drop this course. Contact Rotman Commerce Academic Program Services for academic advising if needed.*

Course Exclusions

ACT349H1; RSM 330H1

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

Required Technology

For Fall-Winter 2020-21, this course may be conducted entirely online. To participate fully and to complete the course successfully, you must ensure you have a computer with a working webcam, microphone and reliable access to an internet connection. For further details, please visit this link: [Recommended Technology Requirements for Remote/Online Learning](#)

Required Readings

Z. Bodie, A. Kane, A. Marcus, L. Switzer, M. Stapleton, D. Boyko, C. Panasian, *Investments*, 9th Canadian Edition. March 21, 2019. ISBN-10: 1259271935 ISBN-13: 9781259271939

This textbook is consistent with and relevant to the CFA curriculum, including end-of-chapter problems from past CFA exams.

Recommended Readings

Wall Street Journal, Financial Times, business section of the Globe and Mail. A selection of other required/optional readings related to topics covered in class will be posted on Quercus <https://q.utoronto.ca>

Instructor

Professor Bing Han holds a Ph.D. in Mathematics from the University of Chicago and a Ph.D. in Finance from UCLA. His research focuses on investment, asset pricing and behavioral finance. He has previously taught both undergraduate and graduate courses at the University of Chicago, Ohio State University, and University of Texas at Austin. He has also worked for J.P. Morgan, and served on the advisory board of a multi-billion hedge fund.

Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well they have command of the course materials.

<u>Work</u>		<u>Due Date</u>
Homework	10%	Ongoing
Quiz	15%	Ongoing
Video Assignment	10%	October 22
Group Presentation	10%	December 3

Group Project	15%	December 8
Final Assessment	40%	TBD (during Final Assessment period)

There will be several quizzes throughout the semester covering various segments of the course. The final assessment will be comprehensive. The assessments will strive to test comprehension and cover the materials discussed in class, assigned readings and homework exercises.

All students are expected to attend and actively participate in class. Students who consistently ask/answer questions in class could earn extra participation credit. At the instructor's discretion, **if your overall score is within one point of a cutoff and you have earned enough extra participation credit, you may be bumped up to receive the higher grade.**

Homework (Individual)

Homework sets and solutions will be posted on the Quercus <https://q.utoronto.ca>. Each student is required to turn in homework individually and upload via Quercus for grading. Doing homework problems is an important step in preparing for the tests.

Video Assignment (Individual)

In this communication project, you will be required to create a video essay discussing your investment philosophy and a financial topic that interests you (e.g, the applications of artificial intelligence in investments). The purpose is to develop your ability to analyze financial topics and to communicate your ideas orally. Increasingly, the ability to communicate well by video is a key professional skill as interviews, meetings, and classes are conducted online. You can use any software (e.g., [Snag-It Webcam](#)), upload your videos to any platform you are comfortable with (e.g., YouTube) and then submit a URL address as the deliverable through Quercus. Details about the video assignment will be posted on the course website.

Group Investment Project using RPM

The goal of this project is for students to get hands-on experience in applying concepts learned in this course to the management of a portfolio. Students will use the resources of the Rotman Financial Research and Trading Lab, as well as other sources of information, to research, explore and implement investment strategies, and report on their findings. The project is quite flexible, leaving room for creative groups to excel.

The project is done in groups. The maximum number allowed for any group is three students and the minimum number is two. Please be generous to share your talents with your teammates. Do not "freeride" on others.

You have until September 16, 2020 to form a group on your own. One member of each group shall email the composition of your group with your full name, student ID and session number (e.g., L0101) to Mr. Karim Amjad, karim.amjad20@rotman.utoronto.ca. Students without a group by September 16, 2020 will be assigned to a group by Rotman Commerce.

Each student should submit a written project report. There are two parts to your written report, one is quantitative and the other is qualitative. Your portfolio performance does not affect the grade of your project report. Further information about the project will be provided in class and posted on the portal.

Continuous Feedback

I encourage you to provide feedback about the course, my teaching and anything else that would help you learn the course material better.

COURSE FORMAT AND EXPECTATIONS

Written Assignments:

Please note that clear, concise, and correct writing will be considered in the evaluation of homework assignments and your project report. That is, you may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit Academic Success Centre (<http://www.studentlife.utoronto.ca/asc>) or one of the College Writing Centres (www.writing.utoronto.ca/writing-centres). These centres are teaching facilities – not editing services, where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

Rotman Commerce Centre for Professional Skills Teamwork Support:

The RPM Investment Project requires students to work in teams of 3. Working as a team is challenging; this is true both in the real world and in your academic classes. However, learning to work together in teams is an important aspect of your education and preparation for your future careers. You are encouraged to review the teamwork resources available to all Rotman Commerce students at <https://rotmancommerce.utoronto.ca/teamwork-resources> while navigating these challenges, but keep in mind that supports are also available for when you think you may need extra help.

New in the 2020-2021 academic year, the Rotman Commerce Centre for Professional Skills (RC-CPS) will offer appointments with Teamwork Mentors for any teams encountering challenges in their teamwork. Some possible reasons you might book an appointment with a Teamwork Mentor include:

- Team members have identified constraints on their time, work or accommodations they require that conflict with necessary timelines for the team.
- Teams are unsure how to divide their workload for a team project.
- Teams are concerned about how to integrate the individual contributions of each member and how to ensure team members are contributing equally.
- Teams are concerned about how to ensure all group members are aware of academic integrity guidelines (e.g. properly attributing sources) and follow them.
- Teams would like to be able to communicate more effectively with each other, particularly when navigating a remote work academic environment.

To book a meeting with a Teamwork Mentor, send an email to rotmancommerce.teamworkhelp@utoronto.ca with the course code (e.g. RSM336) and team number (if available) in the subject line of the email. Any member of the team may reach out individually to book an appointment, but we also encourage teams to book their appointments as a team. You will normally receive a response within 24-36 hours, but note that during busy times of the semester the waiting period may be longer. Be proactive in booking your meeting, and do so as soon as challenges arise!

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, you should consult with your Accessibility Advisor about this course. For considerations pertaining to teamwork and accessibility, please see information in the section on Accessibility Needs below under the Policies and Procedures heading.

Credit/No-Credit Option in Rotman Commerce

You may request to Credit/No-Credit (CR/NCR) an RSM course in the following cases only:

- The course will not be used for any specialist or focus, including the 8.0 RSM FCE requirement.
- The course does not have a group work component.

If you wish to request CR/NCR for an RSM course, you must contact a Rotman Commerce academic advisor by the drop deadline for the current term. **The deadline for this term is November 9, 2020.**

Final approval is on a case-by-case basis with the permission of the Director, Rotman Commerce.

Online Proctoring / ProctorU®: Online exam(s) within this course [may] use online invigilation provided by ProctorU, an online proctoring service that allows completion of the assessment from an off-campus location. In all cases, remote recordings and desktop monitoring of the exam will be made and reviewed and held for a limited period of time in order to ensure academic integrity is maintained. With live proctoring, the remote recordings and desktop monitoring are overseen by a highly-trained human proctor who closely monitors students during the entire exam. The University of Toronto has an institutionally endorsed agreement with ProctorU that protects the privacy of the recordings, and other personal information.

- **Set-up requirements:** Access to a computer that can support remote recording is your responsibility as a student. You will need to ensure that you can complete the exam using a reliable computer (tablets are not supported) with a webcam and microphone available, as well as a high-speed internet connection. Please note that you will be required to show your TCard prior to beginning to write the exam. Detailed information is provided [here](#) and will be provided prior to the exam date and an opportunity to test your set up will be provided.
- **Academic integrity and requirements during the exam:** Students taking their examinations online must agree to be proctored by ProctorU throughout the duration of the exam. **All components** of the online proctoring service must be maintained for the duration of the exam. With live proctoring, the human proctor may reach out to the student if they lose the ability to proctor the exam (camera view obstructed/loss of remote desktop view etc). If the proctor contacts the student during the exam through a pop-up message, voice, or a loud beep, the student is expected to respond to the proctor. **Failure to respond to the proctor and/or failure to maintain all components of the online proctoring service during the exam threatens the integrity of the exam** and will be investigated to determine whether an academic offence has been committed as per the [Code of Behaviour on Academic Matters](#). At the completion of the exam, a report of student exam-taking behaviours is generated. Exam grades will NOT be released to students until the integrity of the exam has been verified through ProctorU, the instructor and Rotman IT staff.

For additional information about online proctoring please see course information in Quercus, or visit [U of T Online Proctoring Guidelines](#). For more information on the University of Toronto's *Code of Behaviour on Academic Matters*, see the section on Academic Integrity below.

Weekly Schedule

Session	Date	Topic	Readings
1	Sep 10	Introduction to Investments Instruments and Recent Trends	Class Note Bodie: Ch 1, 2
2	Sep 17	RPM and Databases Trading, Buying on Margin	Class Note Bodie: Ch 3
3	Sep 24	Mutual Funds and Exchange Traded Funds	Class Note Bodie: Ch 4
4	Oct 1	Hedge Funds and Option Strategies	Class Note Bodie: Ch 26 & 20
5	Oct 8	Equity Premium and Asset Allocation	Class Note Bodie: Ch 5, 6 & 7
6	Oct 15	Arbitrage and Factor Pricing Models	Class Note Bodie: 8, 9 & 10
7	Oct 22	Portfolio Performance Evaluation	Class Note Bodie: Ch 24
8	Oct 29	Market Efficiency and Behavioral Finance	Class Note Bodie: Ch 11 & 12
9	Nov 5	Anomalies and Factor Investing	Class Note Bodie: Ch 13
10	Nov 19	Stock Valuation and Technical Analysis	Class Note Bodie: Ch 18 & 12
11	Nov 26	Yield Curve and Bond Portfolio Management	Class Note Bodie: Ch 14, 15 & 16
12	Dec 3	Group Presentations	
Final Assessment	TBA by FAS	Date, time & location TBA	The final assessment is cumulative and will cover all course material

POLICY AND PROCEDURE

Missed Tests and Assignments (including midterm examinations)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. The Request for Special Consideration Form and supporting documentation must be submitted in a timely manner in order for the request to be reviewed.

In such cases, students must:

1. Notify the instructor AND the Rotman Commerce Program Office **on the date** of the missed course deliverable, e.g. missed test, final assessments, assignment or class (in the case of participation marks).
2. Complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation this may include either your Self-Declaration of Absence on ACORN, or [Verification of Student Illness or Injury form](#) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable.

Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed course deliverable.

Note that documentation must clearly establish that you were ill or had other circumstances that prevented you from attending on the date in question. After-the-fact reports are not sufficient.

Students who miss the midterm test or quizzes for a reason that has been approved by Rotman Commerce will have grades reallocated to their final assessment.

Late Assignments

All assignments are due on the date and at the time specified in Quercus. Late submissions will normally be penalized by 20% if the assignment is not received on the specified date, at the specified time. A further penalty of 20% will be applied to each subsequent day.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments

Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible at accessibility.services@utoronto.ca or studentlife.utoronto.ca/as.

For courses with deliverables that require you to work in teams, please note the following. If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, requests for extensions impact everyone in the group. As a result, requests for late submissions of any component of teamwork will require compelling reasons, advance notice, and must work for everyone in the team. You are encouraged to discuss with your course instructor, Accessibility Advisor, and other team members what you need in order to successfully complete your coursework. Additionally, the Rotman Commerce Centre for Professional Skills offers Teamwork Mentors (see section above) who can help you and your team discuss how to support you effectively and how to develop a work plan that meets the needs and constraints of all team members.

Volunteer Notetaking

If you're interested in helping to make our classroom more accessible, volunteer to be a notetaker!

Accessibility Services needs dependable volunteer notetakers to assist students living with a disability to achieve academic success. All you have to do is attend classes regularly and submit your notes consistently.

1. Register online as a Volunteer Note-Taker at:

<https://clockwork.studentlife.utoronto.ca/custom/misc/home.aspx>

2. Follow the link that says "Volunteer Notetakers"

3. Select your course and upload a sample of your notes

4. Once you have been selected as a notetaker, you'll get an email notifying you to upload your Notes.

If you have any questions or require assistance, please email as.notetaking@utoronto.ca or call 416-978-6186.

Volunteers may receive co-curricular credit or a certificate of appreciation.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to g.utoronto.ca and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

FIPPA Language

Notice of video recording and sharing (Download and re-use prohibited)

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation, and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

For questions about recording and use of videos in which you appear please contact your instructor.