

2016-17

## Current Topics in Investment Management (Code C31IV)

**Course Co-ordinator:** Prof Andy Adams  
**Lecturers:** Prof Andy Adams  
Prof Mustafa Caglayan  
Various guest speakers  
**Course Co-ordinator's room:** MB 1.51  
**Office hours:** Tuesday 12.15 - 1.15pm; Thursday 12.15 - 1.15pm

### Meetings

A two hour lecture each week during Semester 2 scheduled for:

Tuesday 3.15 - 5.15pm MB G.14

### Aims

To introduce students to selected topics in investment management and enable them to reflect on and analyse the issues involved. Students will meet a number of guest speakers from the UK investment community.

### Student evaluation

At the end of the course, students should submit their own evaluation of the course using the University's on-line system.

### Assessment

The assessment is in two parts:

#### *Coursework assignment (30%)*

The coursework assignment will be based on the Centre for Finance and Investment 2017 Debate on Thursday 9<sup>th</sup> February which students should attend. The question is: "Ethical Investment is the Pursuit of Shareholder Value." Answers should be no more than 2,000 words in total, excluding references. The coursework must be placed in the SML Coursework Hoppers (outside room MB1.23) by 4pm on Friday 3<sup>rd</sup> March. Feedback forms will be returned on Tuesday 7<sup>th</sup> March.

#### *Final examination (70%)*

There will be a 2 hour final examination during the Semester 2 Assessment Period. The date will be advised later. There will be one compulsory question (Section A) and students choose two questions out of three in Section B.

### Course information and handouts

Course information is given to students in hard copy form at class. Students are given information in an initial handout, and are given hard copies of the lecture slides. Other information may be distributed in class. In addition, information will be available on the VISION system.

## Reading

Adams, AT and Angus, RJ (2001) For Whom the Barbell Tolls..., *Professional Investor*, 11(3), April, 14-17 (hand-out).

Adams, AT and Angus, RJ (2015) Ethics and the City, *Professional Investor*, 25(3), Autumn, 32-36 (hand-out).

Bodie, Z, Kane, A, and Marcus, AJ (2014) *Investments*, 10<sup>th</sup> Global Edition, McGraw-Hill.

CFA Institute (2010) *Standards of Practice Handbook*,  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2010.n2.1>

FitzGerald, A (2013) Re-assessing the equity risk premium (again), *Professional Investor*, 23(2), Summer, 36-40 (hand-out).

McCosh, A (2004) Some Ethical Considerations, in Adams, AT (Ed) *The Split Capital Investment Trust Crisis*, Wiley, Chapter 12 (hand-out).

Wood, AS (Ed) (2010) *Behavioral Finance and Investment Management*, The Research Foundation of CFA Institute.

## Further reading

Napier, R (2007) *Anatomy of the Bear: Lessons from Wall Street's Four Great Bottoms*, Harriman House.

## Topics and guest speakers

<u>Week 1</u>	<b>Overview of the Course</b>
<u>Weeks 2&amp;4</u>	<b>Business Ethics</b> <ul style="list-style-type: none"><li>- Richard Dunbar (Aberdeen Asset Management), 31<sup>st</sup> January, 3.15pm</li><li>- Prof Robin Angus (Personal Assets Trust), 31<sup>st</sup> January, 4.15pm</li></ul>
<u>Week 3&amp;5</u>	<b>Behavioural Finance</b> <ul style="list-style-type: none"><li>- Dr Arman Eshraghi (University of Edinburgh), 7<sup>th</sup> February, 3.15pm</li><li>- Prof Colin McLean (SVM Asset Management), 7<sup>th</sup> February, 4.15pm</li></ul>
<u>Week 6/7</u>	<b>Equity Valuation</b> <ul style="list-style-type: none"><li>- Dr Adrian FitzGerald, 14<sup>th</sup> February, 4.15pm</li><li>- Prof Russell Napier (Scottish Investment Trust), 21<sup>st</sup> February, 3.15pm</li></ul>
<u>Week 8</u>	<b>Economic Background</b> (Prof Caglayan, 28 <sup>th</sup> February)
<u>Weeks 9/10</u>	<b>Outlook for the Main Investment Markets</b> <ul style="list-style-type: none"><li>- Andrew Milligan (Standard Life Investments), 14<sup>th</sup> March, 3.15pm; and</li><li>- William Dinning (Medical Defence Union PF), 14<sup>th</sup> March, 3.15pm</li></ul>
<u>Week 11</u>	<b>Revision</b>

## Biographies of guest speakers

### *Richard Dunbar*

Richard is an investment director on the global strategy team at Aberdeen Asset Management. He joined Aberdeen as part of the acquisition of Scottish Widows Investment Partnership (SWIP), where he had been a member of the investment solutions team. Previously he was an Investment Manager at Blairlogie Capital Management, part of the PIMCO Group. Richard is a CFA Charterholder and has been Chairman of CFA UK, the professional body for the investment profession in the UK and one of the 136 CFA Institute member societies worldwide.

### *Prof Robin Angus*

Robin is Executive Director of Personal Assets Trust and an honorary professor at Heriot-Watt University. He trained as a fund manager at Baillie Gifford in the late 1970s and then moved to stockbrokers Wood Mackenzie where he was ranked number one UK investment trust analyst for 13 consecutive years in the Extel survey of institutional investors. He is author of *Haec Olim: Exploring the World of Investment Trusts* and has written numerous articles on investment trusts and related themes. In 2003 he received a knighthood from the Pope for his work in church financial committees.

### *Dr Arman Eshraghi*

Arman is Senior Lecturer in Finance and Accounting, and Director of the MSc in Finance & Investment at the University of Edinburgh Business School. He has made significant contributions to the academic literature in the fields of Behavioural Finance and Corporate Governance. He designed and co-delivers an Executive Masterclass in Behavioural Finance for the local finance industry.

### *Prof Colin McLean*

Colin is Founder and Managing Director of SVM Asset Management, and an honorary professor at Heriot-Watt University. He is a frequent conference speaker and contributor to financial publications, and is a regular guest on Bloomberg, CNBC and BBC Radio. Colin is Vice-Chair of the CFA Institute board of governors, a former board member of CFA UK and Chairman from 2005 - 2007. He is a Fellow of the CFA Society of the UK, a Fellow of the Institute and Faculty of Actuaries and a Fellow of the Chartered Institute for Securities and Investment.

### *Dr Adrian FitzGerald*

Adrian entered the investment industry in the 1970s, joining Baillie Gifford in Edinburgh as a trainee investment manager (alongside Robin Angus). In 1979 he joined the research team of stockbrokers Wood Mackenzie. Adrian remained with Wood Mackenzie through Big Bang and through the company's subsequent transformations, working in the field of investment strategy and quantitative analysis. In recent years he has combined consultancy with university teaching and is currently a visiting lecturer at Heriot-Watt and City University, Hong Kong.

### *Prof Russell Napier*

Russell was a fund manager for five years before joining the broking firm of CLSA as an Asian equity strategist in 1995. He moved to a consultancy role with CLSA in 1999. In 2004, he launched the course: 'A Practical History of Financial Markets', which runs in various locations around the world including Edinburgh, London, New York and Hong Kong. Russell is a member of the investment committee of Cerno Capital Partners, a director of Scottish Investment Trust and the Mid Wynd International Trust, and an honorary professor at Heriot-Watt University. He is author of *Anatomy of the Bear: Lessons from Wall Street's Four Great Bottoms*.

*Andrew Milligan*

Andrew is Head of Global Strategy at Standard Life Investments. Before joining SLI in 2000, he worked in the public and private sectors for a range of different organisations including HM Treasury, Lloyds Bank, Smith New Court / Merrill Lynch, New Japan Securities Europe and Morley Fund Management / Aviva. His other responsibilities include: a Governing Board member of the Technology Strategy Board, a Fellow and Council Member of the Society of Business Economists, while he is a member of Court at Heriot-Watt University and sits on the steering group for the Scottish Financial Risk Academy.

*William Dinning*

Bill is an economist and strategist with extensive experience working in stock brokerage and asset management firms. Having started his career at Paine Webber Inc, he enjoyed successful spells with Merrill Lynch and UBS (Warburg) before being appointed head of investment strategy at Edinburgh-based Kames Capital Plc in 2004. In 2013 Bill became investment strategist for Coal Pension Trustees Services Ltd which oversees £20bn in assets for retired mineworkers, managers and staff. Having left in 2016, he is now focused on his roles as a Non-Executive Director of the Medical Defence Union (MDU) and a Trustee of the MDU pension fund.