

Personal Capital Management

Module 3, academic year 2017-2018

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Course description

The main goal of this systematisation course is: using complex financial materials to contribute to further development some of the key skills essential for successful career in modern complex highly dynamic financial world, such as critical thinking and analytical skills, curiosity and readiness to new challenges, willingness to act and team working.

As the finance materials are considered from the capital owner perspectives, the course is particularly important for those who plan to work in asset management of private clients' or companies' wealth.

Students improve their understanding in multiple asset class portfolio management and psychological phenomena influencing people's financial decision-making. Several methods to cope with such phenomena will be developed. In addition to classical assets, the course provides with some systematic insight in investing in own business and investing in own career.

Course requirements, grading, and attendance policies

Course prerequisites –introduction in finance and basics of portfolio management.

Attendance policy – as the course is steady in dynamic between theoretical and “real-life” discussions, individual and mini-group short assignments, never letting the “the whole picture” out of focus, it is highly recommended in order to benefit from the course not only to attend all sessions but also to try be on time every day. Course slides do not replace class room and play only supportive role.

Grading policy = $0.1 \cdot \text{IHW1} + 0.1 \cdot \text{GHW2} + 0.1 \cdot \text{GHW3} + 0.4 \cdot \text{GHW4} + 0.3 \cdot \text{FT}$.

IHW – individual homework,

GHW – group homework (the grade is equal for all group members),

FT – final test.

Course contents

Day 1. Introduction. The differences of the private portfolio. Overview of asset classes. Criteria for comparison. Two main illusions about investing. Осознание своего риск профиля.

Day 2. Investing as insurance. Fixed income, Real Estate etc.

Day 3. Investing as investing and playing. Equity, Gold, Derivates etc.

Day 4. Financial industry as the main counterpart in investing process. Business-model of various financial institutions.

Day 5. Investing in own business and investing in own career.

Day 6. Psychology and finance. How our nature influences our investment decision making and what to do about it. Part I.

Day 7. Psychology and finance. How our nature influences our investment decision making and what to do about it. Part II.

Description of course methodology

The methodology of the course is constant group discussions together with brief individual or mini-group projects.

Course materials

Required textbooks and materials

The literature is discussed during the sessions. However, it is helpful to read before the course starts:

1. Даниэль Канеман «Думай медленно... решай быстро»,
2. Нассим Талеб «О секретах устойчивости»,
3. S. Lucas «Wealth».

Additional materials

It is highly advisable to have notebooks in class in order to search information in internet and to build small Excel tables.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.