MN5611 – ALTERNATIVE INVESTMENTS

MODULE TYPE/SEMESTER: Option (20 credits), Semester 1

MODULE CO-ORDINATOR: Dr Kais Bouslah

MODULE LECTURERS: Dr Kais Bouslah and Professor Bert Scholtens

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OFFICE HOURS: Thursdays 4-5 pm

AIM: The aim of this module is to introduce students to the basic concepts of alternative investments as opposed to traditional investments (i.e., stocks, bonds, and cash). Students will explore investments in a variety of alternative asset classes including hedge funds, private equity, commodity futures, real estate, structured debt investments and Islamic investment. Furthermore, the module seeks to develop students’ understanding and ability of how to evaluate the performance of alternative investment strategies using appropriate techniques.

METHOD OF TEACHING AND LEARNING:
a) Lectures
b) Tutorials

Note that tutorials will commence in Week 3 of the first semester.

COURSE OUTLINE:
Topic 1: Hedge Funds
Topic 2: Commodities and Managed Futures
Topic 3: Private Equity
Topic 4: Real Estate
Topic 5: Credit derivatives
Topic 6: Islamic Investment

LEARNING OUTCOMES:
On completion of this module, students should be able to:

- Describe the hedge fund market and define the different hedge fund strategies.
- Evaluate the performance of hedge fund strategies.
- Define commodity futures investments.
- Understand private equity investments and define their different strategies.
• Evaluate the performance of private equity investments.
• Understand real estate investments and define their different types.
• Appreciate the risk and return profile of real estate investments.
• Describe the credit derivatives market and define its key investment products (e.g., CDS and CDOs).
• Understand the risks of credit derivatives.
• Explain Islamic finance and define the different Islamic investment products.
• Evaluate the performance of Islamic investment strategies.

ASSESSMENT:

Coursework 1: One and a half hours Class test in Week 7 (35%)

Coursework 2: Written essay assignment (2500 words) to be submitted in Week 13 (30%)

Coursework 3: One and a half hours Class test in Week 11 (35%)

Written essay is to be submitted in accordance with guidance in the Student Handbook.

READING LIST:

Main textbooks


Please note that supplementary readings will be provided in the class.