Goals
This 2-credit course provides you with a framework to think about investment opportunities in Asia, the fastest growing continent over the past 40 years. The focus of the course is on the perspective of institutional investors, such as mutual, pension, or hedge funds as well as private equity and venture capital investors. Naturally, many of the questions we will discuss are also relevant for individual investors, investing, for example, for retirement, as well as corporate investors, for example, engaging in mergers and acquisitions.

Asia is a huge and diverse continent and we will be able to cover only a small set of countries. Specifically, we will study China, most likely Japan and India, possibly Hong Kong or Singapore, and at least one smaller emerging or frontier market, such as Thailand, Indonesia, Vietnam, Cambodia, or Myanmar. In terms of asset classes, we will likely cover currencies, stocks, real estate, private equity, and possibly fixed income.

Finally, many of the questions we will encounter when analyzing a specific investment opportunity in a given country will apply to other countries in Asia and often beyond Asia.

Learning Approach and Materials
The course will combine case discussions, lectures, and several guest speakers. While business cases allow you to explore a given asset class in the specific setting of one country, lectures will provide an overview over how other Asian economies and, importantly, a general economic framework. Guest speakers will give us up-to-date insights into conditions and developments in Asia.

You are expected to carefully prepare all cases we will discuss and read the background material assigned for each class. In addition, reading about current trends in Asian capital markets in the financial press, such as the Wall Street Journal, the Financial Times, or the Economist, will allow you to benefit from discussions with our guest speakers.

Cases and most reading materials will be part of a course packet. Additional reading materials as well as lecture slides will be available on Canvas.

Differently from previous years, this year, the course is paired with an optional study tour to Asia, organized by the Global Business Center and generously supported by the Orix Corporation Endowment. As part of the study tour, we will visit Tokyo, Japan, and Shanghai, China, between March 16 and 27, 2016. The objective of the study tour is to further enhance your understanding of investing in Asia, with a focus on Japan and China, through in-country meetings with investors, local financial institutions, and government officials.
Participation in the study tour is not required for successful completion of this course, but participation in the study tour requires that you take this course. Study tour participants will also be required to attend additional pre-departure sessions and will have additional deliverables. Successful participation in the study-tour provides you with two additional course credits, such that successful completion of this course and the study tour corresponds to a total of four credits. The Global Business Center administers the selection process for the study tour to Japan and China.

All course requirements listed in this syllabus apply only to the “Asian Capital Markets” course.

Requirements and Grading
Your grade in this course will be based on the following:

- Participation in class discussion (individual) 40%
- Two case write-ups and one topic write-up (group) 60%

Participation in Class Discussions is important in this class. You will understand and remember the material better if you participate in the discussions. Also, you will contribute to the learning of others in the class. The quality of your participation is more important than quantity. You should try to participate in each session.

Each study group, consisting of up to three students, will prepare two written analyses of a business case which we will discuss in class. The groups can choose which two cases they want to write up. The case write-ups are due at the start of class. I will provide general discussion questions for each case that all students should prepare. In addition, I will provide specific questions for those preparing a case write-up. Typically, I will ask you to give a recommendation and to explain how you arrived at the recommendation.

Each group also has to prepare a write-up on a topic related to Asian capital markets. I will provide several topic ideas at the beginning of the quarter, some of which will be provided by our guest speakers. While a topic write-up should provide an overview over a given subject, it must go beyond a summary of facts and include an (economic) argument why or how something of relevance to investors has happened, is happening or will happen. All topic-write ups are due by Sunday, March 13.

All write-ups should be no more than four pages of double-spaced text, with no more than four pages of charts or tables. The grade will depend on the quality of the analysis and the effectiveness with which you use the facts to present your argument.

Course Schedule
The class will meet on Monday evenings between 6 and approximately 9:00 pm. We will meet 6 to 8 times between, January, 4, and March 7, with a total of about 20 in-class hours. The final schedule will depend on the availability of the invited guest speakers.

To give you an idea of what the schedule could look like, please see the class schedule from Winter 2014.
Example of Class Schedule – Winter 2014

Note: Topics, speakers, and cases change from year to year.

Class 1: Introduction - Economic Growth and Investment Returns
- Lecture

Class 2: Exchange Rate Regimes and Foreign Currency Investing
- Lecture
- Guest: Boby Medic, VP, Foreign Exchange Services, Wells Fargo, San Francisco

Class 3: Capital Market Integration vs. Segmentation
- Case: Geeli
- Lecture

Class 4: Investing in China
- Guest: Brian Ingram, Head of Investments, PingAn Russell, Shanghai
- Lecture: Overview - Credit, Private Equity, and Real Estate [Solnik & McLeavey, Ch. 8]

Class 5: Current Trends in Asian Capital Markets
- Panel Discussion: Keith Ferguson, CIO, UW Endowment; Mark Whitmore, Founder & CEO, Whitmore Capital; Gerard Fitzpatrick, CIO, Fixed-Income Portfolios, Russell

Class 6: Private Equity and Frontier Markets
- Case: Leopard Capital: Private Equity in Cambodia
- Guest: Doug Clayton, Founder & CEO, Leopard Capital, Cambodia (to be confirmed)

Class 7: Credit Markets and Regulation Risk
- Cases: (i) SKS Microfinance; (ii) SKS and the AP Microfinance Crisis
- Guest: Chris Brookfield, Elevar Equity, Seattle

Classes 8: Real Estate
- Case: Chiaphua Group Vietnam
- Guest Speaker: Yang Liang Chua, Head of Research SE Asia, Jones Lang LaSalle, Singapore