UNIVERSITY OF LONDON
External System

Reading list 2009–10
23 Investment management

The current edition of the subject guide is the 2009 edition. This reading list was last updated in April 2009. Any queries about this reading list should be directed to externalstudy@lse.ac.uk.

Essential reading

Bodie, Z., A. Kane and A.J. Marcus *Investments*. (Boston, Mass.; London: McGraw-Hill Irwin, 2008) eighth edition [ISBN 9780071278287].
Elton, E.J., M.J. Gruber, S.J. Brown and W.N. Goetzmann *Modern Portfolio Theory and Investment Analysis.* (New York; Chichester: John Wiley & Sons, 2006) seventh edition [ISBN 9789470050828].
Grinblatt, M. and S. Titman *Financial Markets and Corporate Strategy*. (Boston, Mass.; London: McGraw Hill Irwin, 2002) second edition [ISBN 9780071123419]. Please note that at the time of going to print there is a new edition of this textbook due to be published.

Further reading

Books

Allen, F. and D. Gale *Financial Innovation and Risk Sharing*. (Cambridge, Mass.; London: MIT Press, 1994) [ISBN 9780262011419].
Campbell, J.Y. and L.M. Viceira *Strategic Asset Allocation*. (New York: Oxford University Press, 2002) [ISBN 9780198296942] Chapter 2.
Du±e, D. and K.J. *Singleton Credit Risk: Pricing, Measurement and Management*. (Princeton, NJ: Princeton University Press, 2003) [ISBN 9780691090467] Chapter 1.
Embrechts, P., C. KlÄuppelberg, and T. Mikosch *Modelling Extremal Events*. (New York; Berlin; Heidelberg: Springer-Verlag, 1997) [ISBN 9783540609315]. Note that this book is very advanced and is not really drawn on except for some initial observations made in the very beginning of Chapter 8 of the guide.
Hasbrouck, J. *Empirical Market Microstructure*. (Oxford: Oxford University Press, 2007) [ISBN 9780195301649]. A relatively current textbook on market microstructure which forms the basis for the chapter on market microstructure.
Lo, Andrew W. *Hedge Funds*. (Princeton, NJ: Princeton University Press, 2008) [ISBN 9780691132945].
Pole, Andrew *Statistical Arbitrage*. (Hoboken, NJ: Wiley Finance, 2007) [ISBN 9780470138441].
MacKenzie, Donald *An Address in Mayfair*. (London Review of Books) http://www.lrb.co.uk/v30/n23/mack01 .html
Stultz, R. Risk *Management and Derivatives*. (Mason, Ohio: Thomson South-Western, 2003) [ISBN 9780538861014]. This book specifically deals with risk management.

Journals

Elton, E.J. and M.J Gruber 'Modern portfolio theory: 1950 to date', *Journal of Banking and Finance* 21(11{12) 1997, pp.1743-1759.
Elton, E.J., M.J. Gruber and C.R. Blake 'Survivorship bias and mutual fund performance', *Review of Financial Studies* 9(4) 1996, pp.1097-1120.

Mehra, R. and E.C. Prescott ‘The Equity Premium: A Puzzle’, *Journal of Monetary Economics* 15(2) 1985, pp.145-161.

Sharpe, W.F. ‘Asset Allocation: Management Style and Performance Measurement’, *Journal of Portfolio Management* 30(10) 1992, pp.7-16.

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- To help you read extensively, all External students have free access to the University of London Online library where you will find the full text or an abstract for many of the journal articles listed for this unit.
- The Online library is accessed via the Student Portal at http://my.londonexternal.ac.uk/
- For most journals, the username and password you need is the same as the one which you have been sent to use for logging in to the Student Portal.