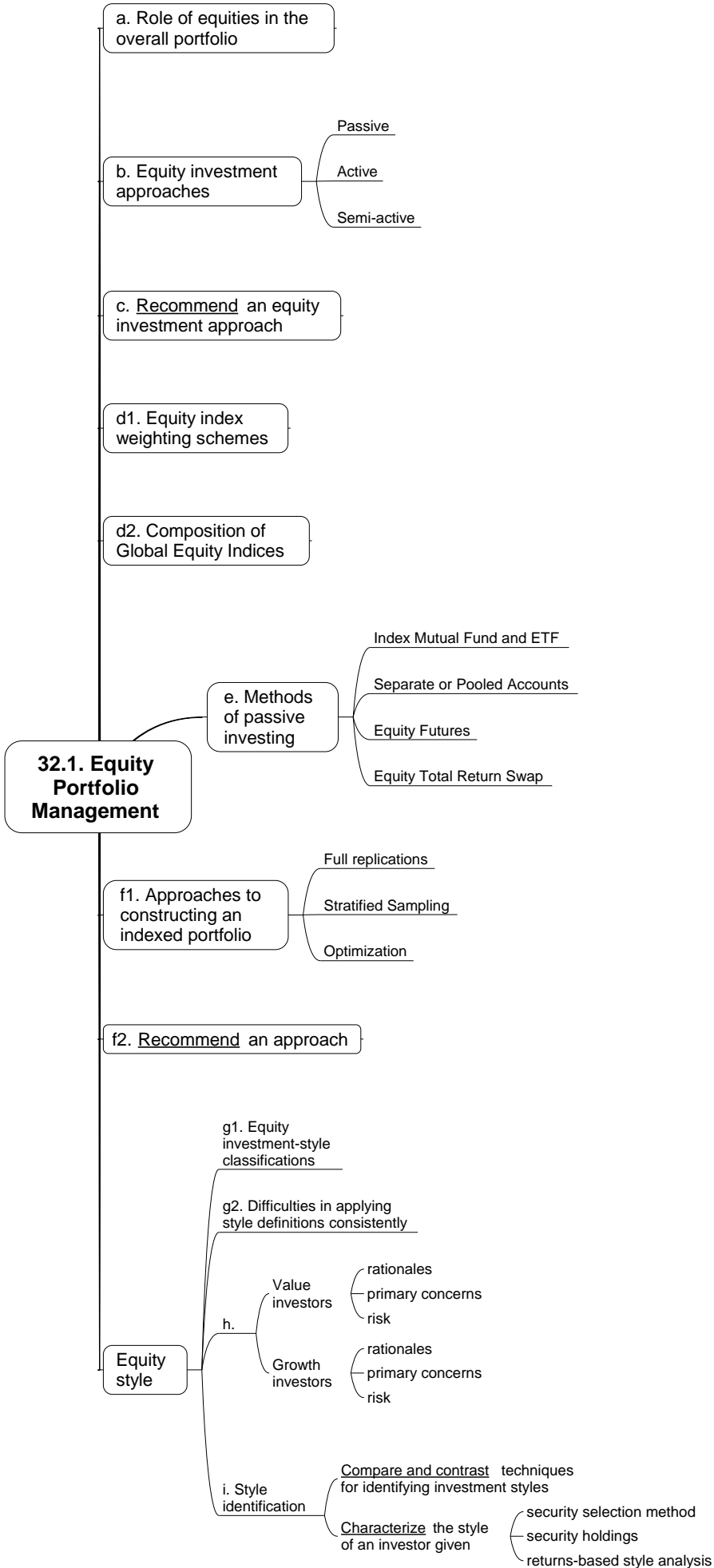


CFA LEVEL 3

STUDY SESSION 11, 12

**EQUITY PORTFOLIO  
MANAGEMENT**



**32.2. Equity Portfolio Management (cont.)**

j. Equity style indices

k1. Equity style box analysis

k2. Consequences of style drift

l. Socially responsible investing (SRI)

Use of stock screens based on SRI

Potential effect on portfolio's style characteristics

m1. Contrast investment strategies

long-short

long-only

m2. Why greater pricing inefficiency may exist on the short side of the market

n1. How a market-neutral portfolio can be equitized

n2. Contrast

equitized market-neutral portfolios

short-extension portfolios

o. Sell disciplines of active investors

Enhanced indexing

p1. Contrast enhanced indexing strategies

Derivative-based  
Stock-based

p2. Justify enhanced indexing on the basis of

risk control  
IR

q. Allocating to managers

r.

Core-satellite approach

Completeness fund

s. Components of total active return

True active return

Misfit active return

t. Alpha and beta separation approach

u. Selecting equity managers

v. Equity research

Top-down approach

Bottom-up approach

# 33. Corporate Governance

