



Chapter 12
Asset management

Outline

- Problem and model assumptions
- Clients investing directly
- Delegated investment
- Clients with equal information
- Summary

■ Problem and model assumptions

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Delegated portfolio management

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- ▶ Investment banks also **manage** funds on behalf of clients

Delegated portfolio management

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Value of asset management

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Investment banking fees

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Investment returns and risks

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Maximizing fee income

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