Active Portfolio Management and Asset Allocation

Date: 18 - 22 February 2018
Venue: Radisson Blu Hotel, Dubai Deira Creek, Dubai, UAE

Delivery Type: Group Live | Duration 5 Days | Non residential

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COURSE OBJECTIVES
The programme objective is to review developments and best practices within the industry focusing on asset allocation, portfolio construction, style management strategies, performance measurement and popular thematic trends.

The program is designed for delegates with knowledge of the fundamentals of modern portfolio theory, asset allocation theory, equity analysis and portfolio construction techniques.

THE METHODOLOGY
The workshop is designed to be interactive drawing on the knowledge and experiences of the trainer and participants. The trainer will explore best practices across the industry using current industry research, reports, analysis and case studies. Participants will be encouraged to apply the best practices to their own markets and businesses.

THIS COURSE IS DESIGNED TO ENABLE DELEGATES TO:

• Understand how to design robust asset allocation models for all market conditions
• Build and maintain optimal portfolio’s based on investor needs
• Analyse the key features, advantages and risks of a broad range of asset classes and their performance in different market conditions
• Recognise different approaches to identifying and capturing alpha
• Gain competitive advantage from understanding behavioural biases and how to manage them
• Understand the theoretical and practical issues in connection with multi asset class investing

WHO SHOULD ATTEND!
The course will be of value to professionals in the following areas:

• Private Bankers and Wealth Managers
• Portfolio and Asset Managers
• Heads of Investment
• Investment Analysts and Advisors
• Pension Fund Managers and Trustees
• Asset & Liability Managers (ALM)
• Accountants and Finance Managers
• Regulators and Auditors
• Compliance Officers

Course Director: BERNARD DUFFY

Bernard Duffy is a dedicated training solutions provider to the Global Pension, Fund Management and Private Wealth Management sectors. He has over 20 years of training experience and he specializes in the design and delivery of training programmes across the full spectrum of products and asset classes, both traditional and alternative. He is highly respected for his ability to explain and teach sophisticated investment and pension products and strategies in a very engaging manner.

Bernard began his investment management career with Abbey Life in Dublin in 1981 before moving to London in 1985 to work for Irish Life Assurance Plc. At Irish Life, he was responsible for investment product marketing and new fund launches and was responsible for the company’s successful entry into the single premium bond market.

He joined County Bank at the end of 1986 as Research and Development executive in the unit trust division. In 1987 he transferred to the investment management division, assuming responsibility for the management and performance of Canadian equity investments. In 1991, he was seconded to the European equity desk to manage a research project on European smaller companies. At the end of 1992, he was promoted to head of the North American equity desk, a position he held until embarking on a training career in 1996.

He has undertaken numerous training assignments throughout Europe, Asia, the Middle East and the U.S.A. for leading asset managers, pension funds and private banks.

Bernard has a BA(Hons) in Economics and Politics and an MA in Development Economics from University College Dublin (UCD). He received his MBA in Finance from Cass Business School in London in 1988.

Bernard is the founder of PensionsIQ which provides training and consulting services to pension funds and their advisors.

CASE STUDIES AND WORKSHOPS
The taught sessions will be interspersed by exercises and case study materials which is designed to give delegates practical experience of how to implement the principles and associated processes and procedures for the benefit of their respective organisations.

IN-HOUSE
All our programs are also available through in-house or bespoke format. You need to identify the requisite agenda which need to be covered, the dates most convenient, and have it delivered at your choice of location. Please email us today on marketing@bricsaevents.in to discuss further.
Day 1

Portfolio Structuring

Session 1 – Asset and Wealth Management Today
- 8 trends dominating the future of the asset and wealth management industries
- Key forces at work in asset and wealth management today
- What are the new investment product priorities
- Main types of competitor and offering
- The rise of robo-advisors and robo advice
- Next steps in the evolution of asset management and financial advice

Exercise: Capitalising on Future Trends

Session 2 – Client Profiling and Individual Investor Behaviours
- Key inputs into the financial planning process
- Key ingredients of a good financial plan
- Know your client and client profiling approaches
- Evaluating the client's current financial situation
- Taking a holistic view of the client's financial situation
- Understanding the expectations of the client

Case Study: The Financial Planning Process

Session 3: Asset Allocation Theory and Portfolio Structuring
- Key inputs to the asset allocation decision
- Return and volatility assumptions
- Correlations and the covariance matrix
- Efficient frontiers and optimal portfolios
- Incorporating the client’s risk preferences
- Utility functions, indifference curves and risk aversion factors
- Static approaches to asset allocation – strategic asset allocation
- Dynamic approaches to asset allocation – integrated, tactical and insured

Case Study: Asset Allocation Theory

Session 4: Asset Allocation and Risk/Return Methodologies
- Selecting an appropriate benchmark
- Defining and quantifying the client’s return expectation
- The move towards more dynamic portfolio management
- What is portfolio structure and portfolio design
- The link between asset allocation, portfolio structure and portfolio design
- Relative, absolute and unconstrained approaches
- Asymmetric investment returns and how to achieve them
- Active risk budgets, VaR and volatility management

Case Study: Portfolio Structuring and Design

Day 2

Asset Allocation and Portfolio Optimisation

Session 1 – Strategic Portfolio Optimisation
- The optimal asset allocation of a pension fund – factors to consider
- The fund manager’s relationship with the trustees
- Portfolio optimisation with drawdown constraints
- Strategic asset allocation in the presence of liabilities
- The target return and minimum acceptable return
- The return orientation of the pension fund – relative, absolute, unconstrained
- Core/explore/satellite approaches
- The importance of alternative assets
- The importance of cross-over assets
- The importance of inflation-hedging assets
- The importance of liability-matching assets

Case Study: Asset-Liability Matching for a Pension Fund

Session 2 – Tactical Portfolio Optimisation
- The move away from static benchmarks
- Dynamic optimisation approaches to asset allocation
- Market timing and market cycle analysis
- Factors affecting asset prices in different phases
- The equity cycle and how it interacts with the interest rate and credit cycles
- Sector and style allocation at each phase of the cycle
- Growth Vs Value over the course of the cycle

Case Study: Dynamic Asset Mix Rebalancing

Session 3 – Dynamic Asset Mix Rebalancing
- The rationale behind rebalancing
- The pros and cons of rebalancing
- The different approaches to rebalancing
- Buy-and-hold strategies
- Constant mix strategies
- Constant proportion portfolio insurance
- Options based portfolio insurance
- Designing and customising a rebalancing strategy to fit the client’s risk profile and view of the market

Case Study: Dynamic Asset Mix Rebalancing
Day 3

Modern Equity and Fixed Income Portfolio Management

Session 1 : Alpha Decomposition and Equity Portfolio Construction
- Ex ante and ex post alpha
- Alpha decomposition and analysis
- Factors behind alpha – skill, breath and risk
- The fundamental law of active management
- Devising better alpha forecasts
- The information ratio
- The alpha frontier
- Manager value-added and aggressiveness

Case Study : The Fundamental Law of Active Management

Session 2 : Beta and Smart Beta
- What is smart beta and why is it important
- Bulk beta vs smart beta
- The equity smart beta universe
- Systematic approaches to smart beta – equal weighted, risk weighted, factor tilts
- Thematic approaches to smart beta
- Risk and return performance of some popular smart beta strategies

Case Study : Smart Beta

Session 3 : Fixed Income Analysis – Interest Rates and Yield Curves
- Interest rates – the long and the short of it
- Factors that affect bond yields and the term structure of interest rates
- The treasury yield curve and how to interpret it
- The yield curve and the economic cycle
- Generic yield curve shapes
- The importance of the forward curve and forward rates
- Interest rate risk and interest rate risk measures
- Determinants of bond price volatility
- Duration and convexity - measurement, interpretation and application

Case Study : Yield Curves through the Economic Cycle

Session 4 – Fixed Income Portfolio Management
- Different objectives in managing a fixed income portfolio
- Active return strategies Vs a benchmark
- Trading on interest rate predictions
- Timing bets on changes in the yield curve
- Types of curve trade
- Credit portfolio management
- Asset-liability management and fixed income products

Day 4

Risk Management, Asset-Liability Management and Performance Attribution Analysis

Session 1 – Overview of Portfolio Risk Management
- Standard deviation and volatility risk
- Downside deviation and value-at-risk
- Tracking error risk and it’s interpretation
- Alpha and beta revisited
- Decomposing risk into its key components – portfolio market risk, specific risk and total risk
- Analysing and interpreting the risk of a portfolio

Case Study : Measuring and Analysing the Risk of a Concentrated Equity Portfolio

Session 2 – Asset Liability Management and Risk Modelling in the presence of Liabilities
- Understanding the relationship between assets and liabilities
- The actuarial value of liabilities
- Impact of liabilities on investment strategy
- Liabilities and funding policy
- Theory of surplus returns and surplus asset allocation
- Developing a strategic benchmark in an asset-liability framework
- Asset-liability modelling and what it can achieve
- Current issues in asset-liability modelling
- LMAP – the liability matching asset portfolio
- RAP – the risky asset portfolio
- Duration analysis of assets and liabilities
- Immunisation strategies
- Dedication strategies

Case Study : Asset/Liability Management

Session 3 – Performance and Risk Attribution Analysis
- Time-weighted and money-weighted returns
- Modified-Dietz methodology
- Risk-adjusted performance analysis and measurement
- Interpretation and application of the following measures – Sharpe ratio, Sortino ratio, Treynor ratio, Information ratio, Jensen ratio
- The skill-luck matrix
- Components of investment performance
- Performance attribution analysis – Brinson model
- Selection effects Vs allocation effects
Day 5

Alternative Assets

Session 1 : Hedge Funds
• What are hedge funds and why invest in them
• Risk, return and correlation relationships
• Fees structures and incentive fees
• Techniques and methodologies used by hedge funds – arbitrage, short selling and leverage
• Overview of the main hedge fund styles and strategies – Relative Value, Event Driven, Long/Short and Global Macro/CTA
• Hedge Fund-of-funds
• Multi-strategy and multi-manager approaches

Case Study : Choosing a Hedge Fund Strategy and Manager

Session 2 : Private Equity and Venture Capital
• The different routes to investing in private equity and which should you choose
• Fee structures, hurdle rates and carried interest
• Main differences between private equity investing and public equity investing
• The j-curve of a private equity investment
• Value drivers in a private equity investment
• How LBOs work and how private equity managers make money on deals
• The various financing rounds and stages of venture capital investing
• Valuing early stage ventures
• Why traditional valuation methodologies don’t work for early stage ventures
• Understanding how venture capital firms think
• Term sheets – what each side tries to achieve in a term sheet
• Terms for splitting the rewards and allocating control
• Aligning the interests of founders/management and investors

Case Study : Silicon Valley and the Venture Capital Industry

Session 3 : Real Estate
• Overview of real estate markets
• Real estate and portfolio theory
• The different types of real estate – retail, commercial, industrial
• Real estate analysis and valuation – cap rates and discount rates
• What real estate can add to a diversified portfolio
• Real estate investing through the cycle
• Different ways to invest in real estate : Private vs Public, Debt vs Equity, Direct vs Indirect
• Real estate investment funds
• Real estate investment trusts (REITs)

Case Study : Real estate in a Portfolio Context

Session 1 : Hedge Funds
• What are hedge funds and why invest in them
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• Overview of the main hedge fund styles and strategies – Relative Value, Event Driven, Long/Short and Global Macro/CTA
• Hedge Fund-of-funds
• Multi-strategy and multi-manager approaches

Case Study : Ways to Invest in Infrastructure

Summary and wrap up.
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Sales Contract | Please write in BLOCK letters

DELEGATE DETAILS

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Name: ____________________________
Job title: ____________________________
E-mail: ____________________________
Tel/Mob: ____________________________

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Name: ____________________________
Job title: ____________________________
E-mail: ____________________________
Tel/Mob: ____________________________

COMPANY DETAILS

Company Name: ________________________________________________
Address: ______________________________________________________
______________________________________________________________
City: ____________________________________________
Country: ____________________________________________
Tel:________________________________________________________

AUTHORISATION

Name: ____________________________
Position: ____________________________
Date: ______/_____/______
Signature*: ____________________________

I/we hereby confirm to the above and authorise our participants.
* This booking is invalid without signature.

Course Duration - 5 Days

COURSE FEE:
Course fee will cover training materials, luncheon and refreshments for the respective training days.

This course is non-residential hence participants need to take care of the accommodation and logistics separately.

For accommodation you may contact us to get a special rate at the venue.

TERMS & CONDITIONS

1. Payment Terms
   100% payment of the full amount upon receipt of the invoice.
2. Cancellation Policy
   All cancellations must be done in writing.
3. Refunds
   a. Full refund for cancellations will only be paid to a maximum of one week from the invoice date.
   b. 50% refund for cancellations done after 2 weeks from the invoice date. Substitute is always welcomed; if possible a credit note will be given which can be used for any of Bricsa Events up to 1 year.
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5. Complaint and Refund: For more information regarding administrative policies such as complaint and refund, please contact us at: Tel: +91 8433 921011, Fax: +91 22 40009300, e-mail: marketing@bricsaevents.in
6. Governing Law: This contract shall be governed by and construed in accordance with the Laws and Regulations of India and the High Court of Bombay shall have exclusive jurisdiction without regard to conflict of law provisions.