

Alternative Investments for Private Clients – Structured Products & Hedge Funds

2 Days

COURSE OVERVIEW

Structured products are an increasingly important investment tool for private investors. Although the unfortunate events on Lehman mini-bonds and the likes have created some misgivings over the products, general view is that such a set-back prepares the industry with better growth prospects in the future, after thorny issues of better product disclosure and avoidance of mis-selling have been ironed out.

This 2-day program provides participants with comprehensive overview of structured products, with the focus on risk/reward structures of the products, and how they can be better tailored to private investors' requirement in a portfolio context.

Hedge Funds are also becoming an integral part of institutional and private investors' portfolios. However, the understanding of this often opaque asset class is limited at best. This program will explain what hedge funds actually do, why there has been an exponential growth over the last ten years and whether this will continue or is just a passing fad. It will look at the many different strategies that hedge fund industry employs and explain in an entertaining way the jargon jungle of terms that can easily baffle.

LEVEL

Intermediate

WHAT WILL I GET OUT OF IT?

- Advanced portfolio structuring frameworks such as Core-Satellites and Wealth Allocation Framework
- A good understanding of derivatives fundamentals and the role it plays in designing structured products
- Know how structured products are put together by combining various financial products; thereby understand their potential risk/return features
- Extracting values from investing in a structured product
- Identify the suitability of structured products for clients
- Learn how hedge funds employ different strategies to achieve superior returns
- Know how Fund-of-Hedge-Funds work and their Strategy Allocation Procedure
- Know which FoHFs may outperform in different market environments
- Establishing a framework for hedge fund investing

WHO'S IT FOR?

This course is beneficial to:

- Private Banking Executives
- Private Wealth Managers
- Investment Bankers
- Fund Managers
- Asset Managers
- Financial Planning Advisors
- Legal and Trust staff
- Senior Branch Managers
- Corporate Bankers
- Consultants serving the Financial Service Industry

COURSE CONTENT

Part I: Investment framework for high net-worth individuals

Consulting to High Net-Worth Individuals

- How to differentiate a firm
- How to give them what they want: The 3Ps
- Investment Landscape
 - Objectives-based portfolios
 - Tax-efficient portfolios
 - Alternative investments in portfolio
- Investment Management Trends

Core-Satellite Strategies

- Traditional approach to portfolio structure
- Core-satellite strategy
 - Constructing the core portfolio
 - Constructing the satellite portfolios

Wealth Allocation Framework

- 3 dimension of risks
- Risk allocation
- Asset classification for each risk bucket
- Applying wealth allocation framework in different situations

Part II: Structured Products in HNWI's Portfolio

Structured Products Overview

- What are structured products?
- Asymmetric payouts
- Reasons for structured products
- Characteristics of structured products

Building Blocks of Structured Products

- Fixed income
- Options
- Swaps

Common Structured Products

- Understanding the risk and reward structures of structured products
- Equity-linked notes
- Credit-linked notes
- CDOs
- Participation rate structured products
- High yielding structures
- Leverage structures
- Multi-asset class structures
- Rainbow structures
- Autocall
- Range accruals
- Accumulators

Investing in Structured Products

- Portfolio allocation investment decisions
- Benefits of investing in structured products
- Product suitability

Part III: Hedge Funds in HNWI's Portfolio

Hedge Funds Overview

- Common features of hedge funds
- Hedge fund indices

Hedge Fund Strategies

- Equity-hedge strategies
 - Equity long/short
 - Equity market neutral
 - Quantitative funds
 - Short bias
- Trading strategies
 - Global macros
 - CTAs and managed futures
- Arbitrage strategies
 - Convertible arbitrage
 - Volatility arbitrage
 - Fixed income arbitrage
 - Distressed securities
 - Event driven

Funds of Hedge Funds

- Advantages and disadvantages of FoHF
- Selecting FoHF

Investing in Hedge Funds

- The attraction of hedge funds
- Distribution of hedge fund returns
- Risk-adjusted returns
 - Low correlation with traditional asset classes
 - Sharpe and Information Ratio
 - Downside protection
- Risk management
 - Operational risk
 - Market risk
- Investment framework for investing in hedge funds
 - Planning the investment
 - Choosing a structure and the appropriate strategies
 - Selecting hedge funds or managers