

# Client Profiling & Portfolio Building

2 Days

## COURSE OVERVIEW

Global market turbulence has caused private clients to lose confidence with existing relationships and many are switching their relationship banks and moving assets. When confidence returns, as it inevitably will, clients will seek out accomplished, professional relationship managers best able to manage their wealth and exceed expectations.

This means they will seek out professional relationship managers best able to understand their needs and concerns, and who possess the ability to construct world-class investment portfolios.

## LEVEL

Intermediate

## WHAT WILL I GET OUT OF IT?

By the end of the course participants will be able to:

- Understand risk profiling principles
- Analyze clients' needs by understanding their behavioural biases
- Develop framework and tools for client risk profiling
- Construct behaviourally-optimized investment portfolios for the clients
- Strengthen asset allocation and portfolio management decisions

## WHO'S IT FOR?

- Private wealth managers
- Asset managers
- Investment management professionals who advise on or participate in the design and implementation of asset allocation policies and portfolio models

## COURSE CONTENT

### Behavioural Finance in Risk Profiling

- Behavioural finance micro vs. macro
- Rational economic man vs. behaviourally-biased man
- Role of behavioural finance with private clients
- Practical application of behavioural finance to create a successful advisory relationship

### Client Risk Profiling

- Key client questions
- Client's life cycle

- Investment time horizon
- Risk tolerance
- Tax considerations
- Investment goal setting

#### **Risk Profiling Issues**

- Benefits and limitations of risk profiling questionnaires
- Risk profiler based on mean-variance framework
- Integrating behavioural finance in risk profiler

#### **Portfolio Management Process**

- Growth cycle
- Asset allocation and growth cycle
- Asset allocations for HNWIs

#### **Asset Allocation Approaches**

- Strategic and tactical asset allocation
- Factors affecting asset allocation decisions
- Matching asset allocation to investor profile

#### **Portfolio Construction**

- Client's objectives
- Appropriate benchmarks
- Types of assets to include
- Defining asset class and securities allocation ranges
- Ensure sufficient diversification but not over-doing it
- Style blending and complementarity
- Risk control mechanism for portfolio