

Portfolio Management Techniques

4 Days

COURSE OVERVIEW

The principal aim of this course is to develop and enhance skills that are commonly used in equity, debt and alternative investment management.

The course starts off with statistical and theoretical approaches to fund management, asset allocation, investor profiles and behavioural finance applications. The second day is dedicated to fixed income, including topics such as valuing, pricing and risk management. The third day focuses on equity portfolio management including asset pricing models, portfolio management techniques, indexing strategies and emerging market equities. The final day is dedicated to alternative investments and performance measurement.

LEVEL

Intermediate

WHAT WILL I GET OUT OF IT?

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

- Thoroughly understand modern portfolio theory
- Understand the process of building efficient portfolios of bonds, equities and alternative investments
- Discover the importance of behavioural investment biases
- Appreciate the specifics of emerging markets equity portfolio
- Obtain insights into alternative investment strategies such as portable alpha and the use of derivative strategies
- Learn about performance measurement, evaluation and attribution

WHO'S IT FOR?

- Portfolio managers
- Analysts
- Wealth managers
- Private bankers
- Middle office professionals

COURSE CONTENT

Principles of Modern Portfolio Management

- Commonly used statistical measures
- Diversification and efficient frontier
- Other applications of MPT
- Essential pricing models
- Asset allocation decision
- Influence of political and economic factors
- Strategic vs. tactical
- Cases for and against international diversification
- Investor characteristics and qualities
- Active vs. passive
- Forecasting alpha

Managing Fixed Income Portfolios

- Deriving par and zero coupon curves
- Yield curve shapes and cashflows
- What moves the yield curve?
- Bond price sensitivity
- Duration measures
- Using duration and convexity
- Active management of fixed income portfolios
- Diversification
- Immunization strategies
- Role of repos
- Using futures to adjust portfolio exposure
- Impact of credit derivatives
- Emerging market debt

Equity Portfolio Management

- Using CAPM
- Fundamental equity valuation
- Multiples analysis
- Underlying drivers for use of equity
- Equity style management
- Security selection approaches
- Establishing benchmarks
- Alpha/beta separation
- Portable alpha
- Equity futures and equity indexing
- Index funds and ETFs
- International equity portfolio classification issue
- To hedge or not to hedge FX risk

Alternative Investments

- Common features of alternative investments
- Special issues for investment managers and advisers
- Principal strategies
- Key drivers of hedge fund returns
- 130/30 funds
- Risks of hedge funds
- Alpha-beta separation

- Core-satellite program

Performance Analysis

- Performance measurement, evaluation and attribution
- Overview of GIPS
- Benchmark portfolios and return attribution analysis