

IFF

A 5-DAY MASTERCLASS IN INVESTMENT MANAGEMENT

Learn how to increase your returns and minimise risk

Contact:

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FundForum

WHAT YOU WILL LEARN

This is a complete look at the global markets and asset classes commonly used by institutional investors, their relative performance, risk, investment drivers and cyclicalities. During this five-day course, you will:

- Analyse the drivers of the stock market and their influence on pricing
- Evaluate different approaches to equity portfolio management
- Formulate a plan on how best to position a fixed income portfolio of an institutional investor in light of current market conditions
- Study the various hedging techniques/portfolio construction techniques which the growth of the derivatives markets have made available
- Explore tactical asset allocation, core and satellite approaches, portable alpha strategies, as well as asset allocation overlay programmes
- Analyse market shocks and assess the relative effectiveness of a conventional risk management function
- Synthesise the risk management function and asset allocation function into a firm-wide portfolio management view

COURSE PROGRAMME AT A GLANCE

DAY ONE

- ★ Introducing the investment markets and investment fundamentals
- ★ Sources of investment return drivers
- ★ Understanding investment statistics
- ★ Investment performance measurement
- ★ Economic Impact on the Financial markets

DAY TWO

- ★ Drivers of global bond returns
- ★ Equity valuation and stock selection
- ★ Equity style bets in the markets
- ★ Equity market analysis
- ★ Equity portfolio construction methods

DAY THREE

- ★ Derivatives and investment management
- ★ Traditional and new paradigms in asset allocation
- ★ The process of tactical asset allocation

DAY FOUR

- ★ Understanding investment risk
- ★ Risk management concerns on global liability driven investors
- ★ The risk budgeting process

DAY FIVE

- ★ Where the industry is heading
- ★ Hedge fund strategies overview
- ★ The other alternative assets – the commodity markets
- ★ Real estate and real assets
- ★ Private equity
- ★ Obtaining alternative investment exposure
- ★ The major trends in the investment management industry

COURSE LEADER

JOHN E. DUNN, III

John E. Dunn, III, BA, MA, MA, worked for a variety of world class banks including Nomura, Citicorp Vickers da Costa, Barclays de Zoete Wedd in Tokyo, Geneva, and New York, before opening the first office of UBS Securities in Switzerland. Dunn has also been on the finance faculty of Thunderbird, Global School of International Management. His current activity revolves around institutional fund allocation and as an international asset management consultant, he has advised a variety of institutional investors primarily on their alternative asset allocations.

His training clients have included some of the largest institutional investors in the world. He has been an Advisory Board Member to a large Global Fund of Hedge Funds, and founder of Oak Point Investments, an advisory firm working with institutional investors.

Hear from the trainer himself: www.iff-training.com/SIM

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- We limit class size so the trainer can adapt the content to suit you

Please see the Investment Management Catalogue to see the related courses: <http://www.iff-training.com/IMCAT>

DATES & PRICE

£4999 plus VAT = £5998.80

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IFF's bespoke training solutions will help you address your specific key business challenges. The programme is designed for you, with content focusing on the issues you and your teams are facing. The course can then be delivered at your choice of location face-to-face, digitally or a combination of the two.

- ★ Tailored content – 100% targeted to cover your needs
- ★ No travel or time out of the office – we will come to you
- ★ Value for money – train teams of staff at the same time
- ★ Risk free – we've been doing this for 30 years

We will meet you anywhere in the world. Contact Jeff Hearn (Managing Director) on +44 (0)20 7017 7190 or email: jeff.hearn@informa.com

COURSE AGENDA



DAY ONE

Introducing the Investment Markets and Investment Fundamentals

- Reviewing the investment risk return paradigm
- Investment asset classes and their return drivers
- Historical markets returns and market cycles
- Investor typology: Liability driven investors vs. return driven investors
- Asset liability models used by institutional investors
- The Prudent Man Rule and fiduciary responsibility of looking after other people's money

Sources of Investment Return Drivers

- Key drivers in financial markets
- Cyclical approach to investment management
- Quantifying market direction and investment return
- Market liquidity: Size as determinate of returns
- Irrational exuberance: Booms, bubbles, crashes
- Behavioural finance, market excess and market crashes



CASE STUDY

Great stock bond market collapses: 2009 and 2011



DISCUSSION SESSION

2016 and historical equity level indications

Understanding Investment Statistics

- Alpha, Beta and an introduction to investment statistics
- Market volatility measures and understanding return distributions
- Global investment benchmarks review
- Adding tracking error, information ratio and performance/risk measurement
- Correlation and correlation roll
- Fat tails and extreme events and their prediction
- Major investment management measurement ratios most commonly used

Investment Performance Measurement

- Introducing performance measurement and performance attribution
- Investment fund performance persistence
- Reviewing GIPS (Global Investment Performance Standards)
- Fiduciary responsibility investor constraints and what is an appropriate benchmark
- The Investment Management process and Investment Performance: several keys to discipline and returns

Economic Impact on the Financial markets

- Investment returns and economic cycles
- Governmental economic intervention and the impact on investment markets
- Economic drivers of market return
- Economic aspects of forecasting of investment markets

DAY TWO

Drivers of Global Bond Returns

- Bonds, credit spreads and interest rates
- Yield Curve Evolution
- Fixed income risk measures: Duration
- Understanding credit rating and the rating agencies
- Bond portfolio management and fixed income trading
- Constructing bond portfolios
- Introducing fixed income hedging
- Swaps, swap spreads and other interest rate hedging products used
- Credit spreads and credit hedging
- The evolution of the loan market as an investment tool
- Structured Credit: The rise of securitisation, CDOs, CBOs, CLOs, and the bond market
- Leverage and fixed income
- Constructing fixed income arbitrage portfolios



CASE STUDY

The bond market meltdown of 2008/9 and the bond market rally of 2011

Equity Valuation and Stock Selection

- Forecasting drivers of the equity market
- Valuation of stocks, methods and results
- Understanding the corporate lifecycle and its relationship to equity valuation
- Market efficiency theory and active vs. passive equity strategies
- Momentum vs. convergence equity strategies
- Selecting equity benchmarks
- Investors use of index exposure, ETFs and trackers and their pitfalls

Equity Style Bets in the Markets

- Growth vs. value: Style indicators
- Market capitalisation and size indicators
- Style factors and the business cycle
- Top down vs. bottom up stock selection
- Geographical diversification

Equity Market Analysis

- Equity analysis and stock selection
- Reading/writing investment research: Best practices
- The process of stock selection
- Creating equity valuation models and their shortcomings
- Valuation example using model
- The art in stock selection

Equity Portfolio Construction Methods

- Benchmarked or absolute return portfolio construction
- Tracking error, information ratios and active portfolio management
- The long only traditional equity investing model
- Short selling and leveraged equity investment
- Equity based asymmetric return strategies
- Constructing long short equity portfolios



CASE STUDY

Warren Buffet and his investment style

Dates:

23-27 November 2020
London

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COURSE AGENDA



DISCUSSION SESSION

The HerbaLife Short

DAY THREE

Derivatives and Investment Management

- Derivative markets as investment and hedging tools
- Exchange traded derivatives: single stop options and the futures markets
- Derivative payout structures: Example of stock option portfolio
- Long volatility and short volatility derivatives trading
- Trade sizing and inherent leverage of derivatives
- Reviewing stock index futures
- Putting on a derivatives hedge on an equity portfolio
- Reviewing volatility derivatives
- Interest rate swaps and other fixed income derivatives
- Reviewing credit default swaps and credit derivatives
- Derivatives disasters in the past
- Implementing portfolio strategies via derivatives
- Implementing hedging strategies via derivatives



CASE STUDY

Option Strategy with Microsoft and Facebook

Traditional and New Paradigms in Asset Allocation

- Asset allocation: The source of the majority of investment returns?
- Investor constraints and asset allocation:
- Liability modelling and its impact on asset allocation
- Asset class diversification and portfolio impact
- The inputs of Modern Portfolio Theory (MPT)
- Reviewing "expected returns" and volatility as MPT inputs
- The volatility of correlations and MPT
- Optimising portfolios via industry "Best Practice"
- Benchmark selection for asset allocation
- Adapting asset allocation to liability driven investment
- Asset liability models and asset allocation styles
- Post Modern Portfolio Theory and newer asset allocation approaches
- Downside risk revisited and Sortino Ratio measures
- The equilibrium market approach and Black Litterman asset allocation models
- The process of portfolio rebalancing
- Practical issues in asset allocation
- Some examples of typical asset allocations: Pensions, endowment and private banking



CASE STUDY

Asset allocation exercise using a mean variance optimiser



CASE STUDY

Where institutional investors are going with their asset allocation

The Process of Tactical Asset Allocation

- Core/satellite investment strategies
- Internal tactical asset allocation programs

- Portable alpha strategies
- Global tactical asset allocation models and investor use



CASE STUDY

The endowment style asset allocation: Yale Investment Office Annual Report



CASE STUDY

The Canadian Pension Plan Investment Board rethinks asset allocation

DAY FOUR

Understanding Investment Risk

- Risk measurement and risk management
- The evolving role of the investment risk manager
- Fixed income risk vs. equity market risk
- Credit risk and credit models
- Understanding risk profiles of different asset allocations
- Market liquidity and investment risk
- Some risk measurement models, Value at Risk (VaR) models
- Conditional VaR and VaR derivatives
- Conducting stress testing on portfolios
- Process of Monte-Carlo simulation in investment risk management

Multifactor Models and Investment Risk

- Multifactor models use by institutional investors
- Defining risk models via multifactor models
- Building portfolios on multifactor models



EXERCISE

Indicating future investment risk – Running a multifactor model on an intermediate term bond fund

Risk Management Concerns on Global Liability Driven Investors

- Global pension management and other global investors
- Measuring and modelling assets and liabilities
- Dynamic portfolio analysis for assets and liabilities
- Developing a strategic benchmark
- Liabilities, liability hedging and funding strategies
- Liability matching and duration matching
- Analysing the cost of risk mitigation and hedging strategies

The Risk Budgeting Process

- Investment portfolios via risk budgets
- Understanding the measurement of investment risk
- Risk adjusted measure to optimise portfolio allocation strategy
- Risk managing the equity book
- Risk managing the long short book
- Practical risk concerns: The hedging decision
- Hedge ratio calculations
- Hedge cost and benefit analysis
- Implementing hedging decisions: The fixed income portfolio

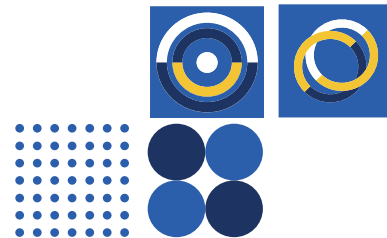
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COURSE AGENDA



DAY FIVE

Where the Industry is Heading:

New Trends in Investment Management

- What are the benefits of alternative strategies, private equity, hedge funds, real estate and commodities to traditional portfolios
- Regulating alternatives, UCITS and NEWCITS alternative funds
- Return analysis of alternative strategies
- Alternative asset alpha vs. beta exposure and return drivers
- Asymmetric returns: Downside protection

Hedge Fund Strategies Overview

- The hedge theory of asymmetric return strategies
- Hedged funds or hedge funds
- Drivers of hedge fund returns: Hedge fund strategy review
- Directional hedge fund strategies
- Event driven hedge fund strategies
- Arbitrage style strategies
- Style multitudes of hedge funds, weather bonds, cats, quantitative trading and CTAs
- Quantitative risk management of hedge funds vs. long only funds

The Other Alternative Assets – The Commodity Markets

- The commodity indexes and enhanced indexing
- Drivers of commodity returns
- Commodity roll calculations
- Passive commodity exposure
- Investment strategies using commodities
- Leverage inherent in commodities derivatives

Real Estate and Real Assets

- The property market and institutional investors
- Historical property market returns and the economic cycle
- Direct property vs. property funds
- Obtaining property exposure via listed property: REITS
- Historical view of property cycles
- Geographical diversification of property
- Valuation and liquidity problematic
- Alternative real estate: Timber portfolios
- The evolving market of property derivatives

Private Equity

- Types of private equity investments
- Private equity exposure and private equity funds
- Venture capital statistics
- LBO and MBO debt models
- Mezzanine finance
- The J Curve of investment returns
- Liquidity in the private equity market, secondary markets

Obtaining Alternative Investment Exposure

- Benchmarking alternative investments
- Those great correlation arguments
- Evaluating funds of funds and the gatekeepers
- Building dedicated alternative fund portfolios
- Alternative fund manager selection and due diligence
- Investment risk management of alternative investments funds
- Reviewing Liquid Alternatives: Promises or problems
- Can UCITS and liquid fund structures provide alternative like returns?



CASE STUDY

Outsourcing alternative exposure – Due diligence and manager monitoring of external managers

The Major Trends in the Investment Management Industry

- Where we are going over the next decade
- Will there be renewed emphasis on capital protection?
- What are the likely impact of quantitative easing on the financial markets
- Economic direction revisited and market changes
- In the seat of a major institutional investor currently
- Operational changes, job descriptions and further changes in the industry



GROUP DISCUSSION

Effects of current political uncertainty in Europe and the US on the financial markets

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