New York Institute of Finance

Established 1922

Portfolio Management Academy

April 4 - 8, 2011 • November 21-25, 2011

LONDON, UK

Expert Course Director:

Paul Temperton, CFA

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PEARSON

New York Institute of Finance

Portfolio Managers around the world face greater challenges than ever before. Conventional asset markets—money markets, fixed income and equities—continue to be buffeted by the ongoing effects of the credit crisis and economic uncertainty. At the same time, the rationale for alternative investments has been called into question by the volatile performance of many new financial instruments and techniques.

Meanwhile, the basis of modern portfolio theory has been brought into question. For some Portfolio Managers, this has led to a renewed emphasis on security selection; some have looked to new methods of portfolio construction, and others have turned to the findings of behavioral finance in a search for a better understanding of portfolio construction.

In this five-day Portfolio Management Academy, we address the current issues facing portfolio managers around the globe. The Academy is suitable for fund managers and trainee fund managers, seeking a broader perspective on their day-to-day investment decisions.

Who Should Attend: Portfolio managers, investment managers, private bankers, plan sponsors, research analysts, fund trustees, pension fund trustees, investment advisors, treasury staff, corporate managers, fixed income analysts, equity analysts, credit analysts, hedge fund managers

Prerequisites: Basic understanding of financial products and Excel™. Delegates must bring their own laptop to class.

Time: 8.30am—4.30pm

Venue: British Bankers' Association, Pinners Hall, 105-108 Old Broad Street, London EC2N 1EX

Fee: £3,000 + VAT

Day One

Asset Returns in Perspective

Historical Evidence on Asset Market Returns

- Review of the historic evidence on asset market returns
- Returns from equities, bonds, bills, inflation and commodities

Boom and Bust in Asset Markets

- From tulips to dot coms, from the South Sea Company to the SIV – a review of booms and busts in asset markets
- Explaining boom and bust – animal spirits, Hyman Minsky and the Greenspan Put

The Equity Risk Premium

- Evidence on the size of the risk premium
- Ex post and ex ante views on the equity risk premium

Selection of Investment Strategies

- Value versus Growth Stocks
- Domestic versus Foreign
- Small versus Large Cap

Portfolio Construction Simulation Workshop

A workshop looking at prospective returns from conventional and alternative asset classes for 2010 and beyond

Can't make the London dates?

Portfolio Management Academy

Hong Kong, November 14 - 18, 2011

Portfolio Management Program

New York, February 9 - 18

Chicago, May 18 - 27

New York, August 17 - 26

New York, November 30 - December 9

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Portfolio Management

Day Two

The Tools of Modern Portfolio Theory

Measuring Return

- Not as easy as it sounds!
- Comparison of arithmetic and geometric returns; time weighted and money weighted returns
- GIPS requirements

Measuring Risk: A Single Asset

- Standard deviation: its uses and abuses
- VAR models
- "Fat tails" in financial markets and their implications

Financial market risks in crisis situations

Measuring Risk: Multiple Assets

- Correlation and Covariance
- Systematic and Unsystematic Risk

Markowitz Approach to Asset Allocation

- Deriving an Efficient Frontier
- Using Markowitz optimization techniques to derive portfolios

Issues Arising from the Mean Variance Model

- Forward-looking rather than historic risk and return assessment
- Over-allocation to alternative assets
- Dealing with a wide range of investments
- Shrinking the covariance matrix
- Dealing with variable correlations especially in financial crises
- Review of the Black Litterman model

Alternative Rules for Asset Allocation

- Graham and Dodd selection criteria
- Focus Investing
- The Kelly Optimization Model
- Rules based on Prospective Real Returns
- Rules based on Dividend Yield
- Momentum Investing

The Academy is worth 35.0 CPE credits towards your continuing profession education.

Day Three

Performance Evaluation Measures

Overview Of Performance Measures

- Use of peer groups
- The importance of benchmarks
- Quantitative techniques using return and risk
- Post modern portfolio theory measures

Quantitative Measures

- Sharpe measure
- Treynor measure
- M2
- Jensen's Alpha: measuring it properly
- Tracking Error and Information Ratio
- Downside Deviation and Sortino Ratio

Performance Attribution Measures

- Manager style and risk
- Performance Attribution Systems

Manager Selection

- How to select an external manager
- When to fire an external manager

Excel™-Based Exercises

An Excel™-based workshop will be used to demonstrate the construction and interpretation of the performance measures discussed during the day. All the major performance measures will be investigated in detail

Learning Objectives

Upon completion of this Academy, the delegate will:

- Have a firm grounding in portfolio management techniques
- Understand the latest thinking on portfolio construction
- Develop an understanding of alternative approaches to portfolio construction and their merits
- Be able to understand and interpret the range of performance measurement and attribution measures that are currently used.

Academy

Day Four

Insights from Behavioral Finance

Key Findings

- Loss Aversion
- Anchoring and reference dependence
- Framing and Mental Accounting
- Over and Under Reaction to news
- Market inefficiencies

Loss Aversion

- Evidence on loss aversion
- Investor behaviour when losses are involved
- Contrast with the mean variance approach to risk and return
- Quantifying the extent of loss aversion
- Loss aversion and the explanation of the equity risk premium

Anchoring and Reference Dependence

- Judging gains and losses relative to a reference value
- Investor holding periods when gains and losses are involved
- Impact of key dates and reference levels
- The anchoring effects of stock market indices

Framing and Mental Accounting

- The effect of framing on financial decisions or "How you ask the question will have an impact on the answer you get!"
- Segregation of financial decisions: the difficulty of viewing the "overall portfolio"

Over and Under Reaction News

- Reasons for over and under reaction
- The "representativeness heuristic"

Market Inefficiencies

- Some key market inefficiencies identified by behavioural finance

Client Profiling and Asset Selection

- Profiling tools and their help in designing portfolio structure
- Developing structured products and total return solutions for private banking clients
- Applying risk reduction and return enhancement opportunities and strategies
- New approaches to client relationship management

Day Five

Workshop: Putting It All Together

The final day of the Academy will provide the opportunity to discuss in depth all of the products discussed. Delegates will have ample opportunity to investigate more closely their specific needs and requirements in an informal environment with the Course Director.

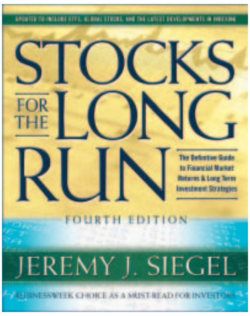
Review of Asset Classes and Investment Strategies

- Matching asset classes and investment strategies
- Where might passive investing be appropriate?
- Enhanced indexing
- Fundamental indexing
- 130/30
- Hedge Fund Strategies
- Use of leverage
- Style selection
- Sector selection
- Liability Driven Strategies

Course Conclusions

FREE BOOK

Every delegate attending the Academy will receive a copy of *Stocks for the Long Run* by Jeremy Siegel. *Stocks for the Long Run* set a precedent as the most complete and irrefutable case for stock market investment ever written. Guaranteed to keep you competitive in the global market and up-to-date on the latest index instruments.



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Your business demands and the markets are changing. Allow the New York Institute of Finance to be your partner in providing the "Knowledge to Succeed in a World of Change."

Call Katy Rahe on +1 212 641 6330

New York Institute of Finance
1330 Avenue of the Americas • New York, NY 10019

Course Director

Paul Temperton

Paul is a highly respected economist who has extensive experience in the financial markets working firstly at the Bank of England before moving into investment banking with Merrill Lynch and then establishing TIER.

After beginning his career with the Bank of England's Monetary Policy Group, working on the design and implementation of monetary policy, Paul moved to Merrill Lynch in London where he worked for seven years. Whilst at Merrill Lynch he held the position of First Vice President and Director of European Economic and Fixed Income Research.

Paul is a prolific author, having published:

- A Guide To Monetary Policy (Macmillan, 1986)
- UK Monetary Policy: The Challenge For The 1990s (Macmillan, 1991)
- A Guide To The ECU Financial Markets (IFR, 1992)
- The European Currency Crisis (Probus, 1993)
- The Euro (Wiley, 1997)
- The Euro Second Edition (Wiley, 1998)
- The UK And The Euro (Wiley, 2001)

He has also contributed to many other publications including the Financial Times and "The Global-Investor Book of Investing Rules" where he was one of 150 "master investors" giving investment advice.

Paul graduated from Durham University, England in 1980 with a first class honours degree in Economics. He was awarded the Chartered Financial Analyst (CFA®) qualification in 2000.

Enrollment Application and Order Form

Fax your completed form to +1 212-641-2598

Portfolio Management Academy	SPEC5003	☐ 4 - 8 April, 2011 ☐ 21 - 25 November, 2011	£3,000*

Personal Information

Required for all enrollments and orders.

☐ Mr. ☐ Ms. ☐ Mrs.

Last Name ____ First Name ____ Middle Initial ____

Firm Name ____

Title ____ Department ____

Manager ____

Address ☐ Home ☐ Work ____ Ste./Fl. ____

City ____ State ____ Zip ____ Country ____

Phone (   ) ____ Fax (   ) ____

Email Address ____

☐ Please send me information via email (see privacy policy below)

How did you hear about us? ____ What industry do you work in? ____ Are you a CPA? ☐ Yes ☐ No

Payment Method

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If paying by credit card, complete and sign below.

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If you would like to send your company check directly to our bank account, please make the check payable to "New York Institute of Finance" and mail to: Bank of America 12562 Collection Center Drive Chicago, Illinois 60693

I certify that the above information is correct. I am aware of the prerequisites for the course(s) for which I am registering and have met the necessary requirements. I have read and understand the enrollment policies.

Attendee Signature ____ Date ____

Enrollment Policies

Your registration is not complete until payment is received BEFORE the event .

Cancellation, Transfer and Substitution Policy: A full refund less a cancellation fee of 10% will be applied to all cancellations received in writing at least 21 calendar days before the event. **Absolutely no refund or credit will be given for cancellations received less than 21 calendar days before the event**. A charge of 10% of the course fee will be applied to all transfers that occur within 21 calendar days before the event. Please note that visa issues are subject to the same refund policy and refunds will not be offered due to the inability to obtain a visa. Should a participant be unable to attend, a substitute may attend at no extra charge provided NYIF receives notification of the substitution before the event.

Incidental Expenses: NYIF is NOT responsible for covering airfare or other travel costs incurred by registrants.

Venue details: Please refer to our website for venue location. Full details will be sent to you upon registration.

Disclaimer: NYIF reserves the right to alter the contents of this course and/or the course instructors due to circumstances beyond our control.

***VAT:** Under UK excise regulations, delegates from all countries are required to pay VAT @ 20% on all our courses taking place in the UK. In many cases, UK VAT is reclaimable. Please ask for information on registration.

FT Subscription: One subscription per attendee. Subscriptions start within 6-8 weeks of start of course.

Privacy Policy: NYIF takes your privacy seriously. We collect and use personal information to provide you with our information services, conduct market research surveys and contact you with details of products and services we offer.

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