



Performance Measurement

Course participants will explore the fundamental concepts underlying performance measurement, including a brief introduction to essential statistical concepts.

Available Session(s):

18-Nov-2008 -- 19-Nov-2008 New York USD \$2375

NY Institute of Finance - 9:00am - 4:30pm Tue Wed
Midtown

Instructor(s):[Joseph Onochie;]

Targeted Audience

Plan sponsors, consultants, wealth advisors and money managers.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

None.

Alumni Comments

"Instructor was able to explain complicated concepts."

"Joseph is a great instructor who did a great job of breaking down complicated theories."

"The examples and illustrations were detailed and described the materials precisely."

Follow-Up Courses

Probability and Statistics for the Finance Professional

Level: Basic

CPE Credits: 14

Instructional Method: Group-Live

Detailed Outline

Statistical concepts: probability distribution

- Mean
- Variance and standard deviation
- Skewness
- Kurtosis
- Covariance
- Correlation

Statistical concepts: the relationship between a stock market and the market portfolio

- Market portfolio
- Characteristic line
- Beta
- Residual variance

Performance measurement: using risk-adjusted returns

- Sharpe's measure
- Treynor's measure
- Jensen's measure

Risk-adjusted performance (RAP)

- Definitions and notation
- Sigma as a measure of risk
- RAP as a tool for optimal portfolio selection
- RAP versus other measures of risk-adjusted performance
- Application of the RAP measure

Qualifications of the RAP approach

- Historical versus future performance
- Alternative measures of risk
- Arithmetic versus geometric returns
- Tracking error and the information ratio

Determining a fund's effective asset mix

- Thinking about asset allocation
- Determining manager styles
- Determining the effective asset mix
- All-or-none versus mixed classification
- Inferring manager style from historic returns
- Applying the approach
- Representative manager styles
- Fund returns

Returns-based style analysis

- The theory
- Using style indexes to build customized benchmarks
- Testing style benchmarks
- Style analysis for the total equity fund
- Return based analysis for international managers

Style briefs (using Zephyr software)

- Selecting assets
- Efficient frontier graph
- Tracking a benchmark
- Allocation table
- Changing forecasts
- Managers as asset classes
- Comparing multiple portfolios

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