



MONECO FINANCIAL TRAINING

RISK-BASED INVESTMENT STRATEGIES: SMART BETA, ROBUST RISK PARITY AND RISK BUDGETING

October 12 – 13, 2017
Lecturer: Andreas Steiner

MONECO
Financial Training

CE Approved Provider  **CFA Institute**

MONECO Financial Training is registered with CFA Institute as an Approved Provider of continuing education programs for CFA Institute members.

Upcoming Seminar

This course offers a detailed discussion of risk-based investment strategies, covering portfolio construction principles, success factors and conceptual issues and recent industry trends like Smart Beta and Risk Parity.

Delegates will also gain a deeper understanding for the traditional investment risk concepts used in investment management and extensions introduced in recent years, many of them being reactions to specific issues experienced by investors and investment managers in the Financial Crisis. The course does provide enough details in order to gain a technical understanding, but the focus is clearly on concepts available in the modeling of investment risk. The concepts presented were selected with regard to application and implementation in real-world investment processes. We believe that investment risk modeling, measurement and management are not art for art's sake, but tools for investors and investment management professionals.

Attend this intensive 2-day training and learn to...

- **Overview of investment risk analytics:** A fresh perspective on established concepts like volatility and an introduction to modern risk concepts like conditional value-at-risk, drawdown-at-risk, lower partial moments, copulas and non-normal distribution modeling.
- **Risk-Based Investment Strategies:** Risk-based portfolio construction approaches (e.g. Risk Parity, Smart Beta) and their success factors.
- **Estimating Risk:** Use of various estimators to derive the necessary inputs
- **Risk Analysis in practice:** Model risk and its management. Stress testing and scenario analysis for investment portfolios. Issues in backtesting investment strategies

Who should attend?

This course has been designed for the benefit of:

- Institutional investors
- Research analysts
- Portfolio managers
- Risk managers
- Fund analysts
- Investment officers
- Quantitative investment analysts

Methodology: The training consists of classroom-based teaching combined with selected group exercises and spreadsheet-based example calculations.

THURSDAY, OCTOBER 12

09⁰⁰-09¹⁵

Welcome and Introduction

09¹⁵-12³⁰

Investment Risk in Context

- The philosophy of risk
- The psychology of risk
- The economics of risk

Introduction to «Risk-Based» Investment Strategies

- Risk-based versus return-based investing
- Target volatility versus constant asset allocation strategies
- The empirical case for managing risk to improve return, risk and risk-adjusted returns
- How to use risk as a trading signal
- Understanding the demand for risk-based strategies

Minimum Variance Portfolio Investing

- Portfolio Construction
- Risk and return characteristics, success factors
- Empirical characteristics

12³⁰-13³⁰

Lunch

13³⁰-17³⁰

Risk Parity, Robust Risk Parity and Risk Budgeting

- Portfolio Construction
- Risk and return characteristics, success factors
- Empirical characteristics

Equal-Weighted Investing

- Portfolio Construction
- Risk and return characteristics, success factors
- Empirical characteristics

The Most Diversified Portfolio

- Portfolio Construction
- Risk and return characteristics, success factors
- Empirical characteristics

FRIDAY, OCTOBER 13

09⁰⁰-12³⁰

Volatility Risk

- Calculating volatility
- Annualizing volatility
- The psychology of volatility
- Statistical tests
- Limitations of volatility
- Robust alternatives to volatility
- The impact of leverage
- Volatility as the lowest common denominator: UCITS

Loss-Based Risk Measures beyond Volatility

- Semi-variance, Lower Partial Moments, VaR, CVaR, Maximum Drawdown, Drawdown-At-Risk and Conditional Drawdown-At-Risk

12³⁰-13³⁰

Lunch

13³⁰-17³⁰

Applied Risk Measurement

- Some stylized facts about financial return time series

- Historical approaches
 - Dynamic risk analysis: rolling statistics, exponentially-weighted statistics, introduction to GARCH
 - Covariance estimators: Shrinkage estimators (Ledoit/Wolf, Jorion), using random matrix theory to remove noise
 - Using economic and statistical factor models (PCA)
 - On the relative importance of correlations
- Parametric approaches
 - Distributions: NIG, normal mixtures
 - Bootstrapping, resampling
 - The Cornish-Fisher approximation and its limitations
- Scenario-based estimation of risk
- Handling estimation risk
- Applied Stress Testing and Scenario Analysis
 - The historical versus the parametric approach
 - Tweaking volatilities and correlations
 - Handling low probability scenarios

General Topics in Quantitative Portfolio Construction

- Backtesting issues
- Rebalancing strategies
- Turnover analysis
- Benchmarking issues
- Evaluating results: Performance and risk measures to consider
- On numerical optimization
- Using Excel and VBA
- Handling time series data from illiquid assets

Evaluation and Termination of the Course

Andreas Steiner

Andreas Steiner is an independent consultant specializing in portfolio analytics and risk management. The services provided include training, advanced portfolio analytics software and mandate-based projects for banks, investment managers, institutional investors and software companies. Andreas has been teaching as a lecturer at the Zurich University of Applied Sciences in Switzerland, where he gave courses covering performance analysis, international investing and Behavioral Finance. Andreas has published several articles in investment-related journals and is making available his research online in the form of research notes and blog entries.



Andreas has more than 15 years of working experience in institutional asset management and private banking. He held various performance and risk-related roles at Credit Suisse Asset Management and was head investment risk management at LGT Capital Management. Andreas holds a master's degree magna cum laude in Economics from the University of Zurich with specializations in Monetary Economics and Financial Markets.



Knowledge Leads the Way...

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Terms and Conditions of the MONECO Financial Training

MONECO Financial Training

MONECO Financial Training offers a comprehensive programme of English-language seminars, trainings and practical workshops lectured by qualified tutors. Our objective is to provide the industry professionals with advanced financial know-how and up-to-date analytical methods and skills.

Seminar Venue and Accommodation

The bulk of the MONECO seminars are traditionally held at the international four-star NH Prague Hotel in Prague, Czech Republic. Since we are expanding our training activities, we run some selected seminars also in other European destinations. Accommodation is not included in the seminar price, but upon request we are happy to offer you hotel reservations in every of our training destinations at special discounted prices for our valued clients.

Tuition Language

Seminar tuition is in English language, as are all manuals, training software etc. Therefore, in order to benefit from participation, at least a passive knowledge of English, including common financial phrases and related terminology, is required.

Registration

Clients who decided to participate, should submit us in advance a registration for a particular seminar (letter, fax, internet etc.). Subject to availability, the participant will then receive a confirmation of participation. The number of participants is always strictly limited in order to secure an effective and focused learning environment.

Seminar Prices

The quoted seminar prices are per person and include all the training manuals, lunches and refreshments, certification diploma in English and selected software solutions used at the seminar. The price does not include hotel accommodation. Quoted prices are exclusive of local VAT (21 %) "Bundle" prices represent the total fee for participation in mutually related seminars (i.e. "Bundles 3+2, 2+3, 2+2, 3+1, 1+3, 1+2+2 and 2+2+1"). "Bundle" prices are provided in the Calendar of the MONECO Financial Training seminars.

Discounts

Bulk discounts are offered when submitting an application for the participation of more than one person. A 10 % discount is offered when at least two participants from one company register for a seminar or one participant registers at once for two or more seminars. The discounts do not apply for "bundle" prices, as these already represent discounted prices.

Invoicing and Payment

An invoice for the seminar price will be sent to the participants no later than 10 working days prior to the beginning of the seminar. **Full payment of the invoice must be made before the start of the seminar as a precondition of participation.**

Terms of Cancellation

If for whatever reasons a registered participant is unable to attend, a substitute delegate may be appointed to participate instead. For cancellations received 20 days or more before the beginning of the seminar, a 10 % cancellation fee of the full price will be invoiced i.e. 90 % of the price is refunded. **For cancellations received less than 20 days prior to the beginning of the seminar, the full price is payable i.e. no refund will be provided. All cancellations must be in writing.** The organizers of the MONECO Financial Training courses reserve the right to cancel the individual participation or cancel the entire seminar or part of it for whatever unspecified reasons, including possible force majeure. In this case, the price paid will be refunded in full or in part, accordingly.

REGISTRATION FORM

• Risk-Based Investment Strategies: Smart Beta, Robust Risk Parity and Risk Budgeting

October 12 – 13, 2017

€ 1,400

COMPANY

Name:

Approving Manager:

Person responsible for training:

Address:

Tax Registration No.: VAT Identification No.:

PARTICIPANTS

1. Title: Name: Phone:
Mr/Mrs/Ms
E-mail: Position:

2. Title: Name: Phone:
Mr/Mrs/Ms
E-mail: Position:

3. Title: Name: Phone:
Mr/Mrs/Ms
E-mail: Position:

Date: Signature: