Strategic Asset Allocation and Dynamic Portfolio Management

Managing and Controlling Investment Risks to Enhance Investment Returns

Program Description:

Maximum Return with Minimal Risk – Seeking the Holy Grail of Portfolio Management

As investors and asset managers, we long to beat the market but the reality is that most money managers underperform the market, and individual investors do even worse. To improve and enhance our skills and performance, we constantly seek for a well balance approach to portfolio management with a deep, cutting-edge treatment on managing financial risk and forward our thinking in this critical subject.

Date: 7 and 8 April 2015 (Tues & Wed)
Time: 9:00 AM – 5:00PM
Venue: Concorde Hotel, Singapore (100 Orchard Road)
Instructor: Dr. Malick Sy

As a participant in the CFA Institute Approved-Provider Program, CFA Singapore has determined that this event qualifies for 14 credit hours. If you are a CFA Institute member, CE credit for your attendance at this event will be automatically recorded in your CE diary.
The Definitive Guide to Strategic Asset Allocation

This 2 days hands-on course adopts a disciplined strategy for mitigating risks using the multiple-asset class investment approach grounded in the key principles of modern portfolio theory. Renowned Investment Guru, Dr M Sy will demonstrate how adding new asset classes to a portfolio improves its risk-adjusted returns and how strategic asset allocation uses, rather than fights, the forces of the capital markets to achieve financial success.

With more than three decades of experience in managing portfolios, Dr M Sy will underscore the importance of identifying and working through the emotional and psychological traps that impede investment success. He will share key insights on how and why asset allocation works and distinguish between positive and negative correlation in portfolio diversification, and identifies strategies for maintaining portfolio diversification.

Who should attend?

This course is designed for Investment analysts, asset managers, investment managers, portfolio managers and investment directors:
- from long-only investment institutions including pension funds, insurance companies, mutual funds, endowment
- from short-term investment houses including hedge funds, specialised fund
- Investment Heads and Managers
- Fund Managers & Asset Managers

Financial Institutions and independent financial consultants including:
- Private Bankers & Wealth Managers
- Investment Advisors & Family Office Representatives
- Securities Sales Representatives & Brokers
- Legal, Compliance, and Regulators
- Wealthy private investors

Program Highlights

The objective of this course is to further develop the skills, competencies and knowledge needed to achieve investment objectives. By the end of the course, participants will be able to:

Manage and Control Investment Risk
- Gain new insights into state-of-the-art asset allocation trends and ideas
- Uniting theory and practice—the art and science of a SMART Asset Allocation Strategy
- Strategically manage the risk-return equation and set achievable investment objectives
- Develop a new effective risk criteria to manage investment risk in a multi asset portfolio
- Gain Fresh Perspective to Modern and Post Modern Portfolio Theory, the Capital Asset Pricing Model, and the Arbitration Pricing Theory

Learn the Methods for forecasting long-term asset class returns and the limitations of prediction
- Understand the dangers of market timing and the challenges involved in tactical asset allocation strategies—with insights from the field of behavioral finance
- Applying strategic investment planning when investing in different economic scenarios
- Construct an efficient strategy to manage investments in Emerging Markets

Please refer to next page for Course Information
Apply in-depth knowledge in equity valuation to construct growth portfolios across challenging market conditions

- Evaluate different investment management styles aimed at achieving today’s challenging investment objectives
- Enhance portfolio returns by the strategic use of alternative investments vehicles including Hedge Funds, Specialty Funds, Exchange Traded Funds, Private Equity, Structured Products, and non-financial assets
- Explore the main pitfalls and problems facing peers in asset management today

Program Content

DAY 1

I. Introduction: Programme Objectives

II. A Strategic Approach to Managing Investment Risk
   - Defining investment risk and its sources
   - Actions to manage risk actively
   - The importance of Post-Modern Portfolio Theory in asset allocation and portfolio construction

III. Strategic Approach to Pricing Risky Assets: The Required Rate of Return
   - Practical Relevance and Limitations of the William Sharp’s Capital Market Theory
     o Examining the reality of the Capital Asset Pricing Model (CAPM) variables
     o Using the Securities Market Line (SML) concept to determine over-valued and under-valued assets
     o Practical calculations of the required rate of return
     o The problems and limitations of beta a risk measure

IV. Risk Adjusted Return Measures: Portfolio Efficiency and Best Portfolio Criteria
   - Is there a best portfolio? What is an efficient portfolio?
   - Evaluating risk-return performance in multi-asset class portfolios
   - Analyzing different risk-adjusted performance ratios:
     o The Sharpe Ratio
     o The Treynor Ratio
     o The Sortino Ratio
     o Other tailored-made risk-adjusted return ratios
   - The concept of Alpha according to Michael Jensen

DAY 2

I. Planning Investment Growth Strategy through Economic and Business Cycles

II. Strategic Asset Allocation Exercise: Group Practical Application
   - Criteria for portfolio optimisation
     o The efficient frontier concept and the investor’s expectations
     o Maximizing Sharpe ratio and alpha
     o The limitations of optimisation models in portfolio management
     o The client’s investment needs vs. mathematical models

III. Investing through the Different Economic Cycles
   - What are economic cycles and what causes them?
   - A practical approach to using economic indicators strategically
   - Reading signs of recovery

Please refer to next page for Course Information
IV. Managing Investments in Emerging Markets: Strategic Planning and Control
  • Criteria for defining emerging markets
  • Strategic importance of emerging markets
  • Defining the investable market and its life cycle
  • The stages of development of an emerging market
  • Emerging Markets opportunities and risks
  • Constructing an investment management criteria to successfully manage investments in emerging markets

V. Equity Investing: Achieving Strategic Growth at Reasonable Values
  • Unique characteristics of equity investments
  • Analyzing company cycle, management, fundamentals, and financial position
  • Strategic approach to investing in Equity
  • Where is the value in equity investments?
  • Earnings’ valuation: historical trends and realistic forecasting
  • Relevant equity ratios for different types of equity investments
  • The Problem of Dividend Discount Models in today’s financial scenario
  • Criteria for stock selection and their strategic value

VI. Alternative Investment Vehicles and Strategies: Differentiating our Portfolio

VII. Practical Company Valuation Criteria: IPOs, Additional Offerings and M&As
  • Using Discounted Cash-Flows Models in Equity Transactions
  • Comparing Discounted Cash-Flow Valuations with Market Multiples Valuation Models

VIII. A Strategic Approach to Incorporating Private Equity Investments
  • The relevance and strategic value of private equity in an investor’s portfolio
  • Different types of private equity transactions
  • Stages in a private equity investment
  • Planning the exit: the key factor in private equity
  • Integrating private equity in the investor’s portfolio

IX. The Universe of Alternative Funds and Special Vehicles
  • The search for product differentiation and performance enhancements
  • Mutual Funds and Special Funds vehicles
  • The problem of product differentiation and sustainable performance in long term horizons
  • Reasons for using Exchange Traded Products and Indexing in asset allocation
  • Benefits, Limitations, and Product Risk awareness
  • Impact of ETPs in the investor’s portfolio
  • Evaluating the benefits and risks of hedge funds
  • What are hedge funds really about?
  • The hedge fund universe
  • Analyzing hedge fund structures and fees
  • Comparing Absolute returns vs. relative returns Strategies
  • Analysis different hedge funds strategies
  • Misconceptions of hedge funds
  • What are the alternatives to not including hedge funds in the investors’ portfolio?

X. Strategic Asset Allocation
  • A Strategic view to investing and its management process
  • The impact of market perception and market reality in our portfolio
  • Setting objectives that can be defined, quantified, and achieved successfully
  • Types of Asset Allocation
  • Asset allocation styles and their strategic use
  • A Strategic view to active and passive asset management
Dr Malick Sy has more than 25 years of experience in financial consulting and advisory to many financial institutions in Europe, Asia and Australia. He is a professor in Financial Management at Royal Melbourne Institute of Technology (RMIT) University-Australia, a visiting Professor at the City University of New York (USA) and adjunct professor of Arcadia University, Pennsylvania (USA). He is currently the Managing Director and Principal Consultant of a financial consulting firm with offices in South East Asia. He has been a Director with the Kuala Lumpur Stock Exchange and has been member of the Singapore Exchange Corporate Advisory Committee in Derivatives (SGX-DT).

His corporate clients include DBS Bank (Singapore), Singapore Exchange (SGX), Credit Suisse (Singapore), Singapore Institute of Management (SIM-Singapore), Bursa Malaysia, Association of Insurance and Asset Management Companies (Malaysia). He has set up the risk management department for many companies in Asia. Dr Sy has extensive consultancy relationships with financial institutions including DBS, UOB, Maybank, Credit Lyonnais, Arab Malaysia Bank, etc.). He has also recently won the Chicago Board of Trade (CBOT-USA) award.
Advanced reservation is required due to limited capacity.
For participation, please complete the fields below and fax or email back to CFA Singapore.
Please indicate membership ID to enjoy members’ rate.

Refund and Cancellation Policy:
- All cancellation requests have to be made in writing and a processing fee of S$50.00 will apply.
- Requests made 4 weeks before the workshop date will be charged at 10% of the original workshop fee.
- Requests made 2 weeks before the workshop date will be charged at 50% of the original workshop fee.
- Requests made 1 week before the workshop date will not receive any refund of the original workshop fee.

Name: Mr./Mrs./Ms./Dr./_________________________________________ Designation: _______________________
Membership No.: __________________________ Email: __________________________________________________
Tel: __________________________ Mobile: __________________________ Company: ________________________________
Address: ...........................................................................................................................................................
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Postal Code: ______________
Food Preferences: ☐ None ☐ Halal ☐ Vegetarian ☐ Others (please specify): ______________________________

Payment Details
I would like to attend: Please mark a tick in the relevant box:

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<th>Strategic Asset Allocation and Dynamic Portfolio Management</th>
<th>7 and 8 April 2015</th>
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<tr>
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<td>☐ CFA Singapore</td>
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(Bank, *Cheque No.): ____________________________________________ Amt Due: S$_________________________

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