



**Venture
Alliance**

develop the best
strategy

create the greatest
synergy

arrive at and sustain
success

Portfolio Performance Measurement & Attribution

Course I

**Fundamentals of Performance
Measurement & Attribution**

1 - 2 May 2011

Course II

Advanced Portfolio Analysis

3 - 4 May 2011

at Marina Hotel, Salmiya, Kuwait

3S Venture Alliance (“3SVA”)

The increasing competition and complexity of the business environment in the Middle East had placed growing demands on the quality of education for business professionals. 3SVA has responded to this by selecting top experts from around the world to teach the latest developments in modern business. The faculty consists of lecturers with significant consulting and teaching experience from first-tier business schools worldwide.

3SVA offers courses that provide a unique blend of theoretical fundamentals coupled with practical applications of the covered topics. Our fundamental objective is to provide participants with the necessary tools and techniques to enable them to apply the principles learned to their business activities. Interaction and continued contacts among the participants is a valuable part of our courses.

Participants are often divided into small discussion groups to increase the cross fertilization of ideas and develop the concept of forming a coherent team strategy. The use of case studies guarantees that the principles taught can be actually applied in business decision-making process. Practical sessions often include the use of PCs and relevant software simulations. The combination of lectures, training sessions, case studies, guest speakers, and computer simulations ensures maximum knowledge transfer and active interaction among participants.

Performance Measurement & Attribution Program

Portfolio performance measurement answers the three basic questions central to the relationship between asset managers and the owners of capital:

1. What is the return on their assets?
2. Why has the portfolio performed that way?
3. How can we improve performance?

Portfolio performance measurement is the quality control of the investment decision process providing the necessary information to enable asset managers, clients and other stakeholders to assess exactly how the money has been invested and the results of the process.

Performance measurement is a key function in an asset management firm, it deserves better than to be grouped with the back office. Performance measurers provide real added value, with feedback into the investment decision process and analysis of structural issues. Since their role is to understand in full, make transparent and communicate the sources of risk and return within portfolios they are often the only independent source equipped to understand the performance of all portfolios and strategies operating within the asset management firm.

Performance measurers are in effect alternative risk controllers able to protect the firm from rogue managers and the unfortunate impact of failing to meet client expectations

“ Whether we manage our own investment assets or chose to hire others to manage the assets on our behalf, we are keen to know “how well” our collection or portfolio of assets is performing”



Course Director
Carl Bacon CIPM

Carl Bacon joined StatPro Group plc as Chairman in April 2000. StatPro provides sophisticated data and software solutions to the asset management industry. Carl also runs his own consultancy business providing advice to asset managers on various risk and performance measurement issues.

Prior to joining StatPro Carl was Director of Risk Control and Performance at Foreign & Colonial Management Ltd, Vice President Head of Performance (Europe) for J P Morgan Investment Management Inc., and Head of Performance for Royal Insurance Asset Management.

Carl holds a B.Sc. Hons. in Mathematics from Manchester University and is an executive committee member of Investmentperformance.com. A founder member of both the Investment Performance Council and GIPS®, Carl is a member of the GIPS Executive Committee, chair of the Verification/Practitioner Sub Committee, and is a member of the Advisory Board of the Journal of Performance Measurement.

Carl is also the author of “Practical Portfolio Performance Measurement & Attribution” part of the Wiley Finance Series, and editor of “Advanced Portfolio Attribution Analysis”

“ Carl Bacon is one of the most knowledgeable professionals I know on the subject of Performance Measurement. He has been a pioneer, leader, and teacher at the forefront of developments in global investment performance standards, performance attribution technique, and risk measurement”

James Hollis, Managing Director, Cutter Associates

Course I
**Fundamentals of Performance
 Measurement & Attribution**
 1 - 2 May 2011

Marina Hotel
 Salmiya, Kuwait

Course Outline

A 2-day practical course designed to give a thorough understanding of the fundamentals of performance measurement, ranging from basic return calculation, customised benchmarks, achieving GIPS® compliance and basic attribution analysis.

Through class lectures, interactive discussion, practical exercises and team presentations, you will be able to:

- Understand the concepts of performance measurement
- Learn the different ways to derive returns (and why the results can vary)
- Comprehend how cash flows affect the returns
- Analyse the principles of benchmarking
- Discern the role of attribution, the challenges in getting it right, and how it should be used
- Learn the status and application of the different international performance measurement standards

Who Should Attend ?

Portfolio Managers	Compliance Officers
Performance Analysts	Sales, Marketing and Operations Staff.
Risk Controllers	Pension Fund Trustees

Pre-Requisites

Participants will be required to have a basic knowledge of how to use Excel spreadsheets. If possible, participants should bring their own laptop with Excel loaded. Attendees will be asked to work in teams of two or three on Excel-based practical exercises.

Course I

Fundamentals of Performance Measurement & Attribution

1 - 2 May 2011

Day One - Sunday 1st May 2011	
08 : 45 - 09 : 00	Registration
09 : 00 - 10 : 15	Introduction
	<ul style="list-style-type: none"> • What is performance measurement? • The performance measurement process • Basic Calculations • Currency effect • Time Weighted or Money weighted? • The evolution of return methodologies
10 : 15 - 10 : 30	Coffee Break
10 : 30 - 11 : 45	Practical Exercise
	<ul style="list-style-type: none"> • Return calculations for an Emerging Markets portfolio
11 : 45 - 12 : 45	Lunch Break
12 : 45 - 14 : 00	Benchmarks
	<ul style="list-style-type: none"> • Attributes of good benchmarks • Peer Groups, Indexes or Random Portfolios? • Index calculations
14 : 00 - 14 : 15	Coffee Break
14 : 15 - 15 : 30	Practical Exercise
	<ul style="list-style-type: none"> • Customised benchmark calculations • Excess Returns - Geometric or arithmetic? • Performance Fees

Course I
**Fundamentals of Performance
 Measurement & Attribution**
 1 - 2 May 2011

Day Two - Monday 2nd May 2011	
09 : 00 - 10 : 15	Performance Standards <ul style="list-style-type: none"> • Background to Global Investment Performance Standards (GIPS) • GIPS in detail • 2011 review • Why do it? • Verification
10 : 15 - 10 : 30	Coffee Break
10 : 30 - 11 : 45	Practical Exercises <ul style="list-style-type: none"> • Definition of Firm • Definition of Discretion • Composite Allocation
11 : 45 - 12 : 45	Lunch Break
12 : 45 - 14 : 00	Basic Attribution <ul style="list-style-type: none"> • Attribution as a Management Tool • The Brinson Model • Geometric Attribution
14 : 00 - 14 : 15	Coffee Break
14 : 15 - 15 : 30	Practical Exercise <ul style="list-style-type: none"> • Be a portfolio manager for a year attribution exercise

Course: Fundamentals of Performance
Measurement & Attribution

Date: 1 - 2 May 2011

Fee: USD 2,480 / KD 695

Group Discount

Three Participants	5%	Save USD 372	Fee: USD 2,356 / KD 660 per Participant
Four Participants	10%	Save USD 992	Fee: USD 2,232 / KD 625 per Participant

Note: Same discounts apply when registering jointly with the Advanced Portfolio Analysis.

Participant Details

	Given Name	Last Name	Designation	Email
1 st Participant				
2 nd Participant				
3 rd Participant				
4 th Participant				

Company Name: _____

HR / Training Manager: _____ Signature: _____

Address: _____

Postal Code: _____ Country: _____ Tel.: _____

Fax: _____ Email: _____

Payments:

A confirmation letter and invoice will be faxed once we receive your registration form. Payments can be received by either wire transfers (see details below) or by checks payable to Venture Alliance. Full payment is required prior to admission.

Wire Transfer Details:

Bank : Kuwait Finance House - SWIFT : KFHOKWKW - Beneficiary : Venture Alliance
 USD Account No : 121060001365 IBAN No : KW08KFHO0000000000121060001365
 KD Account No : 121010019223 IBAN No : KW07KFHO0000000000121010019223

Cancellation :

We will happily substitute your seat in case you are unable to attend. If this is not possible, a USD 220 cancellation fee will be payable. Cancellations made 5 working days prior to the course should be paid in full.

Questions?

Please do not hesitate to contact us should you have any questions or concerns.

Fax this form to +965 2240 8488 or Call +965 2241 5910

Course II
Advanced Portfolio Analysis
3 - 4 May 2011

Marina Hotel
Salmiya, Kuwait

Course Outline

This practical 2 day course is designed for more advanced performance analysts requiring a thorough understanding of both theoretical and practical advanced attribution and ex-post risk measurement, ranging from risk-adjusted measures for hedge funds to performance measurement for derivative and fixed income instruments, alternative strategies and advanced multi-currency, multi-period attribution techniques.

Through class lectures, interactive discussion, practical exercises and team presentations, you will be able to:

- **Ascertain why risk measurement and control are important and what the measures mean**
- **Apply risk measures to hedge funds**
- **Understand the differences and difficulties of Fixed Income Attribution**
- **Adapt the standard attribution models for multi-currency and alternative investment strategies**

Who Should Attend ?

Portfolio Managers	Risk & Compliance Officers
Performance Analysts	Senior Management

Pre-Requisites

Participants will be required to have a basic knowledge of how to use Excel spreadsheets. If possible participants should bring their own laptop with excel loaded. Attendees will be asked to work in teams of two or three on excel based practical exercises.

Course II
Advanced Portfolio Analysis

3 - 4 May 2011

Day One - Tuesday 3rd May 2011

09 : 00 - 10 : 15 Measuring Portfolio Risk

- Risk types in asset management
- Risk Control
- Ex-post, Ex-ante Risk
- Absolute, relative and regression risk measures
- Sharpe ratio
- Information Ratio
- Modified Information Ratio
- M2
- Regression Statistics
 - Jensen's alpha
 - Beta
 - Covariance
 - Correlation
 - R2
 - Fama decomposition
- GHI & GH2

10 : 15 - 10 : 30 Coffee Break

10 : 30 - 11 : 45 Practical Exercise

- Portfolio Evaluation

11 : 45 - 12 : 45 Lunch Break

12 : 45 - 14 : 00 Risk-adjusted performance Measurement for hedge funds

- Skewness & Kurtosis
- Bera- Jacque Test
- Downside risk
 - Sortino ratio
 - Upside Potential ratio
 - VaR
 - Omega

14 : 00 - 14 : 15 Coffee Break

14 : 15 - 15 : 30 Practical Exercise

- (Detailed risk calculations from raw data)
- Adjusted Sharpe Ratio
- Modified Sharpe Ratio
- Prospect Ratio
- Drawdown
- Sterling ratio
 - Calmar ratio
 - Burke ratio
 - Sterling-Calmar ratio
 - MAR ratio
 - Pain index
 - Ulcer index
 - Pain ratio
 - Marin ratio

Course II
Advanced Portfolio Analysis
 3 - 4 May 2011

Day One Cont.

	Practical Exercise
--	---------------------------

- Practical Exercise
Risk-adjusted performance measurement for Hedge Funds
- Hurst Index
- Effective Risk Control actions
- Risk infrastructure

Day Two - Wednesday 4th May 2011

9 : 00 - 10 : 15	Further Attribution
-------------------------	----------------------------

- Multi-currency attribution
- Ankrim and Hensel
- Karnosky & Singer
- Bacon

10 : 15 - 10 : 30	Coffee Break
--------------------------	---------------------

10 : 30 - 11 : 45	Practical Exercise
--------------------------	---------------------------

- (Multi-currency geometric attribution exercise)
- Attribution issues
- The evolution of attribution methodologies
- Security level attribution
- Multi-level Attribution
- Transactions, holding and returns based attribution
- Smoothing algorithms
- Carino
- Menchero
- GRAP
- Frongello

11 : 45 - 12 : 45	Lunch Break
--------------------------	--------------------

12 : 45 - 14 : 00	Fixed Income Attribution
--------------------------	---------------------------------

- Weighted Duration (Van Breukelen) Attribution
- Campesi Framework
- Yield curve decomposition

14 : 00 - 14 : 15	Coffee Break
--------------------------	---------------------

14 : 15 - 15 : 30	Practical Exercise
--------------------------	---------------------------

(Weighted Duration attribution)

Derivatives

- Forwards
- Futures
- Swaps
- Options
- Currency overlay

Alternative Attribution

- Market Neutral
- 130/30 Funds
- Leverage
- Futures

Course: Advanced Portfolio Analysis

Date: 3 - 4 May 2011

Fee: USD 2,480 / KD 695

Group Discount

Three Participants	5%	Save USD 372	Fee: USD 2,356 / KD 660 per Participant
Four Participants	10%	Save USD 992	Fee: USD 2,232 / KD 625 per Participant

Note: Same discounts apply when registering jointly with the Fundamentals of Performance - Measurement & Attribution.

Participant Details

	Given Name	Last Name	Designation	Email
1 st Participant				
2 nd Participant				
3 rd Participant				
4 th Participant				

Company Name: _____

HR / Training Manager: _____ Signature: _____

Address: _____

Postal Code: _____ Country: _____ Tel.: _____

Fax: _____ Email: _____

Payments:

A confirmation letter and invoice will be faxed once we receive your registration form. Payments can be received by either wire transfers (see details below) or by checks payable to Venture Alliance. Full payment is required prior to admission.

Wire Transfer Details:

Bank : Kuwait Finance House - SWIFT : KFHOKWKW - Beneficiary : Venture Alliance
 USD Account No : 121060001365 IBAN No : KW08KFHO0000000000121060001365
 KD Account No : 121010019223 IBAN No : KW07KFHO0000000000121010019223

Cancellation :

We will happily substitute your seat in case you are unable to attend. If this is not possible, a USD 220 cancellation fee will be payable. Cancellations made 5 working days prior to the course should be paid in full.

Questions?

Please do not hesitate to contact us should you have any questions or concerns.

Fax this form to +965 2240 8488 or Call +965 2241 5910



3S Venture Alliance
Wataniya Tower, 1st Floor
Fahad Al-Salem Street, Kuwait

Tel. : +965 2241-5910
Fax : +965 2240-8488

Email: info@3sva.com
www.3sva.com