

The Hong Kong Society of Financial Analysts

Presents Workshops on

“Performance Measurement and GIPS® Workshops”

- Intermediate Performance Measurement & Attribution
- Advanced Performance Measurement & Attribution
- Global Investment Performance Standards (GIPS®)

30th August (Mon), 31st August (Tue), 1st September (Wed) 2010

HK SFA is recognized by The Securities and Futures Commission as an institution for providing Continuous Professional Training. Each full-day workshop is qualified for 6 hours; half-day workshop is qualified for 3.5 hours.

As the recognized institution approved under SFC's CPT Program, each full-day workshop is qualified for 6 CPT hours and half-day workshop is qualified for 3.5 hours. The CPT hours are to receive due recognition from the Mandatory Provident Fund Scheme Authority (MPFA) as non-core CPD hours.

Each full-day workshop is also qualified for 6 Continuing Professional Development (CPD) Hours and half-day workshop is qualified for 3.5 for Registered Business Valuers (RBV) of Business Valuation Forum (BVF).



As a participant in the CFA Institute Approved-Provider of Continuing Education Program, the Hong Kong Society has determined that the above event qualifies for credit for the CFA Institute Continuing Education Program. Eligible for 6 CE credit hours for full-day workshop and 3.5 CE credits for half-day workshop.

“Performance Measurement and GIPS® Workshops”

As the local sponsor of the GIPS Standards, the HKSFA is pleased to have invited Mr. Carl Bacon, CIPM, and Chairman of StatPro, to conduct the **Performance Measurement and GIPS® Training Workshops**. The workshops will consist of the following programme:

- Intermediate Performance Measurement & Attribution
- Advanced Performance
- Global Investment Performance Standards (GIPS®)

Outlines of Workshops:

Intermediate Performance Measurement & Attribution

Date: Monday, 30th August 2010

Time: 9:00a.m. to 4:00p.m.

Course Objective

This course is designed as an introduction to new performance analysts and for those requiring a refresher of the basic principles.

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 Agenda

Introduction

- What is performance measurement?
- Basic calculations
- Currency effect
- Time weighted or money weighted?
- The evolution of return methodologies
- Practical exercise (Return calculations for an Emerging Markets portfolio)

Benchmarks

- Attributes of good benchmarks
- Peer groups or indexes
- Index calculations
- Practical exercise (Customised benchmark calculations)
- Excess returns
 - Geometric or arithmetic
- Performance Fees

Basic Attribution

- Attribution as a management tool
- The Brinson Models
- Geometric Attribution
- Practical exercise (Be a portfolio manager for a year attribution exercise)

Advanced Performance Measurement & Attribution

Date: Tuesday, 31st August 2010

Time: 9:00a.m. to 4:00p.m.

Course Objective

An intensive masterclass for investment professionals and other key players in the investment chain who wish to increase their technical knowledge and gain a detailing understanding of all aspects of performance return attribution and a broader understanding of the complete range of risk-adjusted performance measures.

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 Agenda

Risk

Risk types in Asset Management

What is the ideal risk control infrastructure?

Risk-adjusted Performance Measurement

Ex-post, Ex-ante

Common Risk Measures (Absolute, relative & regression measures)

- Sharpe
- Information Ratio (original & modified)
- M^2
- Jensen's Alpha, Beta, Co-variance, Correlation and R^2
- Appraisal ratio
- Fama Decomposition

Practical session – Performance Evaluation - calculate a range of risk measures for five portfolios and rank in order of preference.

Risk-Adjusted measures for Hedge Funds

Drawdown

- Calmar (MAR ratio)
- Sterling (original & modified)
- Burke
- Sterling-Calmar
- Ulcer Index, Pain Index
- Martin Ratio, Pain Ratio

Downside risk

- Sortino
- Upside Potential Ratio
- Omega, Omega Sharpe Ratio, Bernardo-Ledoit Ratio
- Prospect Ratio

Advanced Attribution

- Evolution of attribution methodologies
- Types of attribution
- Attribution issues
- Holdings, transaction and returns based attribution
- Off-benchmark investing
- Security level attribution

Multi-currency attribution

- Karnosky & Singer
- Naïve Currency Attribution
- Geometric multi-currency
- Forward Currency contracts

Practical Session – multi-currency attribution - including forward currency contracts

Attribution for Derivatives

- Futures, options and swaps
- Leverage & overlay
- Market Neutral
- 130/30 Funds

Global Investment Performance Standards (GIPS®)

Date: Wednesday, 1st September 2010

Time: 9:00a.m. to 12:30p.m.

Course Objective

To achieve a good understanding of Global Investment Performance Standards (GIPS®) including; how to achieve compliance, how to maximise the claim of compliance and understand the ongoing implications of the claim of compliance.

Course Agenda

Introduction

- Why have performance standards?
- Who are the standards aimed at?
- History of the Standards

GIPS® Detail

- Fundamentals of Compliance
 - Definition of Firm
 - Definition of Discretion
- Input Data
- Return Methodology
 - Portfolio return
 - Composite return
- Composite Construction
- Disclosures
- Presentation & Reporting

Independent Verification

Future Governance

- Structure
- Changes to the standards
- 2010 review

Guidance Statements

- Supplemental Information
- Large & Significant cash flows
- Carve-outs
- Error Correction

Why do it?

- Asset managers
- Pension Funds
- Verification

About the Instructor:

Mr. Carl Bacon, CIPM
Chairman
StatPro Group plc

Mr. Carl Bacon, CIPM, 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 a member of the Advisory Board of the Journal of Performance Measurement. A founder member of both the Investment Performance Council and GIPS®, Carl is a member of the GIPS Executive Committee, chair of the Verification Sub-Committee and a member of the UK Investment Performance Committee.

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

“Performance Measurement and GIPS® Workshops”

Details of workshops:

Date & Time:	Name of Workshops
Monday, 30th August 2010 9:00a.m. – 4:00p.m. <i>(Please bring a laptop with “Excel” application for the practical exercises session)</i>	Intermediate Performance Measurement & Attribution
Tuesday, 31st August 2010 9:00a.m. – 4:00p.m. <i>(Please bring a laptop with “Excel” application for the practical exercises session)</i>	Advanced Performance Measurement & Attribution
Wednesday, 1st September 2010 9:00a.m. – 12:30p.m.	Global Investment Performance Standards (GIPS®)

Venue (TBC):

Admiralty or Central District
(Please bring a laptop with “Excel” application for the practical exercises session, except for the workshop Global Investment Performance Standards (GIPS®))

Fee:

Intermediate Performance Measurement & Attribution / Advanced Performance Measurement & Attribution:

HKSFA Member(s) at \$2,200/person
 CFA Candidate(s) for Year 2010/11 at \$3,500/person
 Guest(s) and non-Member(s) at \$3,500/person

Global Investment Performance Standards (GIPS®):

HKSFA Member(s) at \$1,300/person
 CFA Candidate(s) for Year 2010/11 at \$2,000/person
 Guest(s) and non-Member(s) at \$2,000/person

Special Discount: 10% off for those who register for two (or more) workshops.

Registration:

- Interested parties are requested to **register online at <http://www.hksfa.org>**.
- Registration is only confirmed upon receipt of payment.**
- A place will be reserved for registrant upon successful online registration with email notification of registration details.**
- After completing the online registration and payment process, registrants will receive email notifications with registration details. A reminder will also be sent before the event begins. If you have not received the email notification and reminder from HKSFA, **it is the delegate’s responsibility to contact HKSFA to confirm their place.**

Policy for Substitutions, Cancellations and No Show:

- Registrations should be paid in full before the commencement of the event.** Immediate payment is required upon email confirmation. Should the registration fee remains outstanding, HKSFA reserves the right to disallow entrance to the event.
- Full amount will still be charged for no show or enrolment made after Monday, 23rd August 2010**, this would include those whose payment mode is “by cheque” but have not sent in the cheque to complete the payment process.
- An administration fee HK\$50 will be charged for any cancellation of confirmed enrollment made on or before **Monday, 23rd August 2010**. All cancellation requests must be made in writing and be confirmed by email

from HKSFA.

4. **Refund of the event fee (less an administration fee of HK\$50 per person)** will be given for cancellation received on/before **Monday, 23rd August 2010**.
 - **For payment made by credit card**, refund will be handled through the bank, please allow 4 to 6 weeks for processing. The amount will be refunded to the paid credit card account.
 - **For registrants whose payment mode is "by cheque"**, even if the cheque has not been sent to HKSFA in full amount, the HK\$50 administration fee is also applicable and must be settled by registrants.
 - **For payment made by cash**, HKSFA will arrange the refund cheque sending to registrants by mail, the amount will be the event fee less the administration fee HK\$50.
5. **No refund** will be given for cancellation received after **Monday, 23rd August 2010**. For registrants whose payment mode is "by cheque" but have not sent in the cheque to complete the payment process, will still have to settle the event fee in full amount.
6. Substitutions are allowed. Please notify us prior to the event. Non-member rate applies if the substitute is not an HKSFA member.
7. The Society reserves the right to change the venue, date or speaker of the event due to unforeseen circumstances.
8. To be awarded CPT/CPD/CE credit hours, full attendance of all parts of the event is required. No pro-rata credit hours will be awarded.