



International Degrees Ltd

Financial Training Academy Courses

From the Heart of the World's Main Financial Centre

The Financial
Training
Academy Ltd

CerEPB

Enhanced Introduction to Private Banking Wealth and Portfolio Management

Course Director

The lecturers for this training event will be selected from amongst the faculty of lecturers provided by Risk Reward Limited UK.

Course Description

This course offers an opportunity for staff to learn techniques used in private banking / private wealth management to equip themselves with the skills to formulate innovative strategies, improve their customer relationships and effectively manage their clients' wealth.

Learning Objectives

Upon the completion of this training event participants will have gained an;

- Understanding and applying investor profiling
- Asset allocation and portfolio structuring techniques
- Structured products and solutions for private banking clients
- Risk reduction and return enhancement opportunities and strategies

Who Should Attend

- Staff entering Private Banking and Asset Management
- Employees in legal and accountancy practices working with private bankers
- Legal & Trust Staff

- Branch staff and Credit Officers who need to understand the complementary nature of private banking services
- Service Providers

Course Outline

DAY 1

Session 1: Investor Profiling

- Traditional approaches to profiling private investors
- Understanding what motivates other peoples' investment and financial behaviour

Case Study: Investor Temperament Analysis

- Efficient markets and behavioural finance
- What private bankers and their clients need to understand about behavioural finance
- Systematic errors and mistakes in investment thinking
- Common behavioural finance traits
- Overconfidence and over-reaction bias
- Myopic loss aversion

Case Study: Why Investors make systematic errors in their investment decision making

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LOCAL CONTACT



Session 2 : Portfolio Planning

- Investor herding behaviour and portfolio planning
- How do investors really interpret the behaviour and performance of assets
- Portfolio diversification – the importance of correlation
- Absolute vs relative return objectives and benchmarks
- Benchmarks and benchmarking

Case Study: Portfolio Planning Exercises

DAY 2

New Approaches to Asset Allocation and Portfolio Structuring for Private Clients

Applying the Principles of Modern & Post-Modern Portfolio Theory to Private Clients

- Foundations of post-modern portfolio theory
- What private bankers need to know about post-modern portfolio theory
- Problems with standard deviation as a measure of risk
- Downside deviation and the minimum acceptable return (MAR)
- The target rate of return and upside potential
- Applying the principles of post-modern portfolio theory in private client portfolio management

Case Study: Post-Modern Portfolio Theory applied to Private Investors

Asset Allocation and Portfolio Structure

- Phases and cycles in asset allocation
- Matching asset classes with wealth levels and income needs
- Factors affecting individual investors' asset allocation decisions
- Determinants of individual investors' asset allocation
- The influence of investors' actions and market outcomes on investor satisfaction
- Market cycle analysis – factors influencing asset prices in different phases
- Individual investor behaviour and insights from behavioural finance

Asset Allocation Rebalancing and Restructuring in Response to Market Moves

- Principles of asset allocation rebalancing
- Advantages and disadvantages of rebalancing
- Scope of rebalancing
- Asset allocation rebalancing approaches
- Critical success factors in rebalancing
- Choosing a rebalancing approach to match the client's risk tolerance

DAY 3

Derivatives, Hedge funds, Structured Products and Total Return Solutions for Private Banking Clients

The Demand for Total Return and Absolute Return Products by Private Clients

- Why private clients are becoming more absolute and total return oriented
- The differences between absolute and total return
- The convergence of absolute and total return
- Why do investors buy total return and structured products
- Overview of total return and structured products
- Uses and applications of total return and structured products in portfolios

Case Study: Positioning Absolute and Total Return Products Appropriately

Building Blocks of Financial Engineering for Private Bankers

- Structural Alpha vs. Investment Alpha
- What is a structured derivative vs. an exchange traded derivative
- The basic building blocks
- Some common structures found in practice – Spreads, Volatility Structures, Arbitrage Structures, Exotics
- How to lock in the absolute return when achieved
- Downside protection vs. upside return potential

Practical Exercise: Designing simple structures to match a client's views and risk tolerances

