

# **Executive education for investment board members**

Getting the big decisions right

# Description:

This education program is designed for board members of institutional investment firms such as pension plans or endowments. Its primary goal is to provide practical guidance relating to key investment topics such as: 1) Investment beliefs and return sources 2) Investment strategy setting 3) Oversight and risk monitoring and 4) dynamic exposure management. The course focuses on promoting critical discussion, topical debates and best practice exchange, with only as much emphasis on technical investment details as needed.

## Part 1: Investment beliefs: Sources of return and risk.

Thoughtful investing always starts with a clear view about the sources of return and risk. We review the different return sources, discuss their origins, the size of their risk premium and how to capture them. Investing means deciding on the return sources one believes in and building a portfolio to harvest them. A clear understanding of the various return sources is therefore central to strategy setting and implementation design.

### Part 4: Exposure management: Re-adjusting the portfolio to market circumstances.

This session addresses the dynamic nature of portfolio management. We review the motivation for active exposure management and discuss approaches such as tactical asset allocation, risk hedging and currency management. The board needs to set the guidelines, deciding on what exposures shall be managed dynamically, what techniques should be applied and how much to deviate from the strategic portfolio. In this session we also review and discuss the use of derivatives, given their importance in the implementation process.

# Part 3: Oversight: What information does the board need to make informed decisions?

What are important oversight questions and what information does the board need in order to address them? In this hands-on session we work with existing reports and investment material. We review their content, interpret individual numbers and discuss how they can help the board fulfil its fiduciary duty. To promote best practice exchange we look at third party (risk) reports. Good reports should empower the board rather than distracting it through a flood of investment metrics.

## Part 2: Portfolio construction choices: Deciding on a strategic allocation.

Strategic allocation is a direct consequence of your investment beliefs, constraints and portfolio construction choices. What are the main choices the board can make and how do they impact the strategic portfolio, its risk and return? We investigate various real examples to discuss how other institutional investors have chosen to build their strategic portfolio. We identify the core ideas behind each approach, review limitations and discuss what they mean in term of implementation. Understanding these portfolio construction choices and their impact is fundamental to formulating an investment strategy.

# Delivered by practitioners

The trainers are all investment professionals combining practical knowhow with strong academic backgrounds and extensive education experience. They worked for many years on the business and education side of a major bank, where client focus and practical relevance is key. They speak at international investment conferences and have worked with many investors on topics such as strategy setting, risk management and portfolio construction.

#### Duration

The program consists of 4 sessions of each 2.5 hours, which can be rearranged to meet the board's time preferences.

# Selected follow up courses

- Portfolio Theory and Analysis
- Smart Beta and Factor portfolios
- Best practice in portfolio construction
- Derivative Essentials

#### The trainers



Walter Braegger, Ph.D.

Partner, 22 years of financial market & training experience

Walter is an experienced financial trainer. He is responsible for the development and delivery of all training aspects contained in NoscoPartners' services. Walter specializes in partnering with clients to plan and implement in-house education and training services. Before joining NoscoPartners Walter was the Global Head of Finance & Risk education at UBS / UBS Business University working out of Zurich and London. He is a recognized expert in developing and delivering financial training programs and has done so for numerous clients around the globe. His expertise covers cash and derivative products across all major capital markets as well as specific risk and investment topics.

Walter holds a Ph.D. in Mathematics from the University of Basel.

Walter and Vincent are regular speaker at institutional financial conferences.



**Vincent Couson, CFA, CAIA**Partner, 18 years of investment, advisory and banking experience

Before joining NoscoPartners Vincent was a Senior Member of the UBS Strategic Investment Advisory team developing tailored investment solutions for institutional clients around the globe. Prior to that he worked for UBS Asset Management in Zurich, Chicago and London as a portfolio manager for structured funds, member of the asset allocation & risk team as well as alternative investment specialist. His expertise includes topics such as portfolio construction & analysis, asset & risk management as well as derivatives and structured products.

Vincent holds a Master in finance & business administration from the University of Zurich. He is a Chartered Financial Analyst (CFA) as well a Chartered Alternative Investment Analyst (CAIA).

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