Surviving the Asset Management (R)Evolution

Learning Objective
A critical appraisal of traditional asset allocation techniques, followed by principles of a new generation of asset allocation, indicate a survival strategy in the current (r)evolution of the asset management industry. As part of those principles you will learn how to effectively incentivize investment teams and individuals to make more rational investment decisions by proactively managing cognitive biases.

- Raising awareness on the limits of traditional optimization methods
- Understanding the logic and evolution of the new generation of asset allocation principles
- Acknowledging bounded reality in investment decision making
- Understanding your own cognitive biases
- Pro-actively managing your biases with concrete nudging methodologies

Content
Description
What are the characteristics of a modern, competitive interpretation of multi-asset and risk management? Based on applied behavioral finance insight, the third generation of asset allocation principles (3GEN) is currently gaining ground. Those principles are academically validated and empirically sound. Their advantage: they break with the basic assumptions of previous generations. Concepts like asset allocation, diversification and risk are redefined. A (r)evolution.

Nudging, Choice Architecture and Heuristics Management became success factors for professional investors in an increasingly competitive asset management industry. An investors’ survival probability is either increased through a) size b) digitalization or c) specialization. For most asset managers, specialization remains the only way forward.

In this intense, participants will first learn about how to differentiate between the asset allocation generations in interactive workshops. Subsequently, the principles of the third generation (i.e. risk factor diversification, causality analysis, etc.) are introduced. Participants will learn how to avoid typical irrationalities of investors based on cognitive dissonances. Practical choice architectures and nudging techniques for teams and individuals are introduced, intending to balance the use of qualitative optimization techniques in combination with latest technologies.

All together, participants get empowered through practical asset allocation tools that can be applied back at their desk to further specialize their profiles.
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1. Critical Appraisal of Traditional Asset Allocation Techniques
   Modern Portfolio Theory and the First Generation
   (Single Factor/Single Period Models)
   - Examples: Market Timing / Tactical Asset Allocation / Value at Risk
   - Risk Parity and the Second Generation (Multiple-Factor/Multi-Period Models)
   - Asset Allocation Myths at a Glance

2. Redefining Risk

3. Asset Allocation Principles of the Third Generation
   - The search for a robust starting point in portfolio construction
   - Market Timing as probability game
     - Changing from diversifying asset class to risk factors
     - Evidence-driven, rule-based DSAA process
   - How to implement an anti-cyclical investment process?
   - How to create a rulebook and stay committed?

4. Smart Teams Instead of Smart Beta
   - Behavioral Economics, Behavioral Finance and Neuroscience
   - Heuristics + Cognitive Dissonances = Behavior of a Market Participant

5. Nudging Methods & High Performance Investment Teams
   - Incentive systems and tools for rational investment decision making
   - Heuristics Management & Emotional Discipline
   - Individual Skills & Team Culture
   - Skin in the game - Incentive Systems

6. Simulation
   - An interactive case study on how participants can discipline their own investment behaviour
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Who should attend?
This seminar is tailored to the professional needs of practitioners from investment companies, regional/private banks, insurance companies, foundations, family offices and other professional investors in the fields of portfolio management, wealth management, investment controlling and treasury including.

Language
German

Date
April 07, 2017 Zurich

Time
09:00 – 12:20, 13:20 – 16:40

Place
SIX Swiss Exchange, ConventionPoint, Selnaustrasse 30, 8021 Zurich (www.conventionpoint.ch)

Seminar fees
SFAA members´attendance is free of charge. (Please refer to the Articles of Association, www.sfaa.ch) For non SFAA members the fee is CHF 625.– and includes documentation and refreshments.

Registration
Register online (www.azek.ch/campus) or apply with the Registration form on the reverse.

Information
For more information please contact the secretariat of AZEK at:
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Speaker
Markus Schuller has more than 15 years experience in trading, structuring and managing alternative investment products and constructing multi-asset portfolios. Prior to Panthera Solutions, Markus worked in executive roles for a L/S Equity Hedge Fund for which he developed the trading algorithm, being one of the first in Europe to fit a HF strategy into a UCITS–compliant structure in 2007.

Markus started his career by working for renowned banks as Equity/Derivatives Trader and Macro Analyst. He founded Panthera Solutions in 2010 in the Principality of Monaco, using his extensive sell-side know how to empower professional investors in optimizing their investment process choice architecture by pro-actively managing their behavioral biases, while using latest technologies in quantitative portfolio optimization.

Markus is a regular speaker at international investment conferences on Asset Allocation and Risk Management topics. He acts as a regular commentary contributor to international finance media as financial markets expert.

His co-authored book „Portfoliomanagement in Unternehmen“ (Springer Verlag, 2014) received positive feedback beyond the investment community. His OECD Insights articles are regularly cited in international publications. Since 2009 Markus teaches as adjunct professor courses like „Investment Banking“ and „Asset Allocation For Practitioners“ at the International University of Monaco.