PERFORMANCE MEASUREMENT ATTRIBUTION

This class is two full days devoted to this increasingly important topic. Attendees walk away with practical knowledge, are able to calculate performance attribution and interpret the results. There are no prerequisites for this course (although we recommend completing the Fundamentals of Performance Measurement class), and there is no advanced preparation required. This class is taught at the intermediate/advanced level.

COURSE OBJECTIVES:

- **Performance Attribution Concepts** – Understand the fundamentals concepts of attribution, and how they’re applied to investing. Learn the criteria for attribution systems.
- **Equity Attribution** – Develop an appreciation for the various effects and how they’re derived, including interaction.
- **Multi-currency Attribution** – Understand the key differences between naive currency attribution, and the more extensive Karnosky-Singer model. Appreciate the basic requirements of the Karnosky-Singer model.
- **Multi-period Attribution** – Learn why arithmetic attribution is “linking challenged,” and requires the use of a linking model to extend the results across time. Gain insights into several of the more common models.
- **Arithmetic vs. Geometric Attribution** – Gain an appreciation for the differences between these two approaches, and the benefits and shortcomings of each.
- **Holdings vs. Transaction-based Attribution** – Learn the key differences between these two approaches. Become familiar with the often overlooked disadvantages of the holdings-based model.
- **Applicability** – Understand the fundamental role of attribution, and how its implementation can vary, depending on the type of management (e.g., a long-only vs. hedge fund manager) or perspective (e.g., models for plan sponsors).

In addition to receiving a student guide that contains the details of the class presentation, each student receives supporting reference material to take back with them including:

- Copies of selected articles from *The Journal of Performance Measurement*.
- A calculator for students to work through hands on exercises.

TEACHING STAFF

David Spaulding, DPS, CIPM

David is an internationally recognized authority on investment performance measurement. He’s the CEO of The Spaulding Group, Inc., and founder and publisher of *The Journal of Performance Measurement®*. Dave is an author, contributing author, and coeditor of close to ten books on performance measurement. He earned his B.A. in Mathematics from Temple University, his M.S. in Systems Management from the University of Southern California, his M.B.A. in Finance from the University of Baltimore, and his doctorate in finance and International Economics from Pace University.

John D. Simpson, CIPM

John has been with The Spaulding Group since 2005. During this time he has conducted software verifications for several clients, verifications (both GIPS and non-GIPS) for dozens of firms, and training (both in-house and open enrollment, on many occasions) for numerous clients. In addition, he developed the firm’s CIPM prep courses. He was a coauthor of *The Spaulding Group’s Guide to the Performance Presentation Standards*, second edition. He has served on various industry and GIPS committees. Prior to joining The Spaulding Group, John spent 20 years with Integrated Decision Systems, which was a New York-based software vendor that provided portfolio accounting and performance measurement solutions to the investment industry (IDS was acquired by CheckFree). John holds a B.S. in Applied Mathematics from UCLA, where he was a member of their 1987 NCAA national championship volleyball team.

Jed Schneider, CIPM, FRM

Jed joined The Spaulding Group in 2011. Jed brings over 20 years of experience within the investment industry, with almost 15 in performance measurement. Jed oversees the firm’s verification practice, which includes overseeing the enhancement of the firm’s policies and procedures, and related materials. He has conducted both GIPS and non-GIPS verifications for several TSG clients. In addition, he has conducted training classes and participated in various consulting assignments. He was most recently with Morgan Stanley Smith Barney, where he was an Executive Director of Performance Reporting. Prior to MSSB, Jed spent more than 17 years with U.S. Trust Company, where he initially worked in securities operations, including time as a performance analyst, before going on to eventually manage the performance measurement team. Jed received a B.S. in Applied Mathematics from the State University of New York at Stony Brook and an M.S. in Statistics at Baruch College. He is also a former member of the CFA Institute’s CIPM Examination Review Panel.
FUNDAMENTALS OF PERFORMANCE MEASUREMENT

This course provides attendees with a core grounding in the tools and techniques used to calculate investment performance. Students are taken through practical examples and given ample opportunity for firm-specific questions. The class is conducted over two full days. Students walk away with a working knowledge of the concepts that define performance measurement. There are no prerequisites for this class and there is no advanced preparation required. This class is taught at the basic level.

COURSE OBJECTIVES:

- Performance Measurement Concepts – Develop a solid grounding on what performance measurement is all about.

- Rate of Return Calculations – Learn the various formulas to derive performance, understand the impact of cash flows and learn about time- and money-weighting. Students also learn about geometric linking, annualization, and much more.

- Benchmarks – Gain insights into the primary performance measurement benchmarks (indexes, peer groups, absolute, and custom) and the importance of each.

- Risk Measurement – Learn the importance of risk measurement and the various formulas available.

- Performance Attribution – Develop an appreciation and understanding of attribution.


In addition to receiving a student guide that contains the details of the class presentation, each student receives supporting reference material to take back with them, including:


- A copy of the GIPS standards, and because this is a hands on class, students receive a calculator, too!

AGENDA DAY 1

BACKGROUND
- What is performance measurement?
- A brief history of performance

RATES OF RETURN
- Time-weighting vs. Money-weighting
- Internal Rate of Return
- Mid-point and Modified Dietz
- Unit Value Method
- “True” Daily Returns
- Geometric linking
- Annualization

BENCHMARKS
- Absolute, market indexes, and peer groups
- Pros and cons

RISK
- What is Risk?
- A review of the common measures, including standard deviation, Sharpe Ratio, Treynor Ratio, Information Ratio, Tracking Error, and VAR
- Risk monitoring and management

AGENDA DAY 2

ATTRIBUTION
- The Three Laws of Attribution
- A review of the Brinson Hood Beebower and Brinson-Fachler models
- Currency attribution
- Arithmetic vs. Geometric
- Multi-period Attribution
- Fixed Income Attribution

PERFORMANCE PRESENTATION STANDARDS
- Detailed review of the Global Investment Performance Standards (GIPS®)
- Composite construction
- Calculations
- Discretion
- Points of confusion

THE PERFORMANCE MEASUREMENT PROFESSIONAL/ THE PERFORMANCE MEASUREMENT ORGANIZATION
- Staff / Organization characteristics / trends

AGENDA DAY 2

CURRENCY ATTRIBUTION
- A review of two approaches to global attribution, including the Karnosky-Singer model

MULTI-LEVEL ATTRIBUTION
- A review of the common approaches

OTHER ATTRIBUTION CONCEPTS
- Additional ways to gain insights into the sources of the return

MULTI-PERIOD ATTRIBUTION
- The third law of attribution
- A review of five approaches to linking effects over time, including the Carino (Logarithmic) and Menchero (Optimized) approaches

PLAN SPONSORS & ATTRIBUTION
- A review of macro and multi-tier attribution

OTHER FACTORS TO CONSIDER
- Daily vs. Monthly/Sector vs. Security

HEDGE FUND ATTRIBUTION
- Why it’s different and how to provide

USING THE RESULTS
- How to use what the models provide

FINDING AN ATTRIBUTION SYSTEM
- The special needs of attribution

THE FUTURE OF ATTRIBUTION
- To what do we look forward?
TSG’s Fundamentals of Performance Measurement Course

☐ YES! sign me up for the following class:

- May 19-20, 2014 – New Brunswick, NJ
- June 17-18, 2014 – Chicago, IL
- July 15-16, 2014 – San Francisco, CA
- July 15-16, 2014 – Sydney, Australia
- July 22-23, 2014 – New York, NY
- July 22-23, 2014 – Hong Kong
- September 23-24, 2014 – Los Angeles, CA
- October 14-15, 2014 – Chicago, IL
- November 11-12, 2014 – Dallas, TX
- December 9-10, 2014 – New Brunswick, NJ

TSG’s Performance Measurement Attribution Course

☐ YES! sign me up for the following class:

- June 19-20, 2014 – Chicago, IL
- July 17-18, 2014 – San Francisco, CA
- July 17-18, 2014 – Sydney, Australia
- July 24-25, 2014 – New York, NY
- July 24-25, 2014 – Hong Kong
- September 25-26, 2014 – Los Angeles, CA
- October 16-17, 2014 – Chicago, IL
- November 13-14, 2014 – Dallas, TX
- December 11-12, 2014 – New Brunswick, NJ
First student: US$1,795
Second student: US$1,595 (save $200)
Third student: US$1,395 (save $400)

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Signature: ________________________________

E-mail (info@SpauldingGrp.com) or fax (732-873-3997) your registration form or call (732-873-5700) to register or receive wire instructions.

Name: __________________________________________________________

Title: ___________________________________________________________

Company: ______________________________________________________

Address: ________________________________________________________

City: ___________________________________________________________

State/Prov: _____________________________________________________

Country: _____________________________Zip/Postal Code: ____________

Phone: _______________________________________________________

Fax: _______________________________________________________

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Emergency Contact Number: _________________________________

Please provide us with a contact number where you can be reached in case of an emergency cancellation.

We limit the class size to ensure that each student gets the time and attention they require.

Not only are these courses unique, this offer is unique too, if after the first day you feel the course isn’t helping you, you can cancel and receive a 100% refund. We’re so sure you’ll benefit from this training that we’ll take the risk. We’re willing to allow you to attend half the course for free, if we don’t meet your objectives. And, no hard feelings.

Please review our website prior to the training for last minute changes and updates.

NO RISK!