BAYFIELD



Asset Allocation Modelling

In-house training: One day

Build your own Asset Allocation Model in Excel for Real Estate Investment Portfolios. The course uses Excel to analyse return series, interrogate the reliability of forecasts and reconstruct, from scratch, the mathematics behind diversification. It also explores, using real world examples, the many assumptions behind technical portfolio construction in general and the further problems associated with property portfolios. The course will also show delegates how to benchmark their returns against a chosen index and learn why and how they under or over performed. The course will provide you with an entire toolkit to build an optimiser and performance model in Excel, and these tools will be completed on the course.

On this course you will...

- Learn how to calculate risk and return for individual property assets and portfolios
- Understand the benefits and limits of diversification
- Build your own optimisation, asset allocation and performance models
- Learn tools to improve optimisation techniques
- Appreciate the difference between technical and proactive allocations
- Learn how to measure performance against a benchmark

Course Outline

DAY ONE

Revisiting Risk

- Single Asset Risk: Historic Returns
- Single Asset Risk: Expectations
- Multi Asset Risk: Correlations; Formula and Increasing number of Assets
- Compiling Data for Risk Analysis

Correlations

- Understanding Paired Assets and Subsectors
- Is the Past a guide to the Future?
- Are correlations explanatory or co-incidence?

Optimisation

- Using Solver to find minimum Risk Portfolios
- Understanding Technical Allocations
- Issues with Optimisation

Attribution Analysis

- Benchmarking Returns
- Attributing Asset Allocation and Stock Selection
- Tracking Error
- Understanding Proactive Allocations

Contact us

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