

# Portfolio Optimization

## - *Risk premia, factor-modelling, private vs public*

### 09.00 Welcome and introduction

#### 09.15 1. Asset Allocation

- Investment Policy
- Strategic and Tactical Allocation
- Benchmark selection
- Performance Measurement

#### 10.00 2. The Public Asset Classes - Forecasting Risk, Return and Diversification Benefit

- Empirical Findings
- Forecasting Returns
- Estimating Volatility
- Volatility vs Tracking Error
- Sharpe Ratio vs. Information Ratio
- Problems with SR and IR
- Sortino Ratio

### 12.00-13.00 Lunch

#### 13.00 3. Private Markets' Investments

- Types of Private Markets and their Characteristics (Private Equity, Real Estate, Infrastructure, Private Debt, Hedge Funds)
- Why Private Markets?
  - Illiquidity Risk Premia
  - Diversification Benefit
  - Increased Returns
  - Lower Risk?
- Adjusting for Smoothing
- Alternative Risk Premia

#### 14.30 5. Optimizing Portfolios

- The Classical Markowitz Approach
- Problems with Markowitz
- Alternative Approaches
- Implied Returns
- Long Term Optimization
- Factor Modelling
  - Equity, Inflation, Interest and ARP
  - Sub Factors (Value, Size, Momentum, )
  - Empirical Findings

### 16.00 End of course and evaluation

#### Price

The price for the course is DKK 7000 ex VAT. The price includes course material, lunch and refreshments.

