

*This event is designed specifically for experienced performance measurement and risk professionals. It is not intended for more junior members of staff who are not able to fully contribute to the discussions. Staff seeking further information on performance measurement techniques may find that our training courses better suit their requirements.*

# European Performance Measurement Symposium

*“The key event on the performance measurement calendar”*

**18th & 19th**  
March 2003,  
Luxembourg

**Featuring Presentations from:-**

**ABN Amro Asset Management**  
**Credit Suisse Asset Management**  
**Deutsche Asset Management**  
**Fortis Investment Management**  
**Ikano Advisory Management**  
**Lehman Brothers**  
**Morgan Stanley**  
**Nordea Asset Management**  
**StatPro**  
**Threadneedle Investments Ltd**



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## Overview

The fourth annual European Performance Measurement Symposium will once again provide a forum for discussion for performance measurement professionals. This event will look at some of the more controversial aspects of performance measurement such as its current position as part of the investment management decision making process and the need for standards. It will also cover areas such as attribution, performance measurement for fixed income portfolios and feature case studies on system implementation. The added benefit of planned discussion time will also give you a truly pan-European perspective of these all important issues.

## Aims

### At this event you will be able to:

- Assess current trends in performance measurement
- Investigate performance measurement models for different asset classes
- Discuss new developments from the GIPS committee
- Evaluate the changes taking place in the asset management industry and how this will affect performance measurement
- Identify ways to improve the communication of performance measurement reports
- Assess the benefits and challenges of risk adjusted performance measurement
- Learn from system implementation case studies
- Explore current technology to enable improved performance measurement
- Network with other performance measurement professionals during planned discussion sessions

## Overview of symposium format

This symposium is designed as a coherent programme driven by a common theme during which dialogue, debate, collaboration and brainstorming are built in to the agenda. We put as much thought into the 'how side of the conference (the techniques to facilitate learning and comprehension) as into the 'what' side (the quality of the technical material presented) – a process that is a lot harder and more time consuming to arrange, but results in people coming back to our conferences time and again as they get far more out of them.

## What is wrong with normal conferences?

Listening to a disparate and unconnected series of speeches (usually 8 speakers per day, each speaking for exactly 40 minutes no matter how important the subject) has two major drawbacks:

- it hardly ever provides its stated aim of offering solutions
- it is very, very boring

The word 'conference' implies the word 'confer' – yet this is all too often completely missing on the day. We believe the symposium format is the ideal solution, combining presentations with networking and discussion.

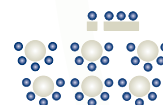
## Benefits of the format

We do not promise the earth, but we do promise presentations designed not to lecture, but to propose food for thought, explore common problems, explore possible solutions and prepare the ground for constructive discussion. The emphasis will be on generating solutions and ideas through discussion rather than imparting basic information in a lecture format. Delegates are encouraged to interact and will be allowed to submit written questions in advance to the speakers for their consideration.

In our experience, this level of interaction is best served by the symposium format. Delegates will be seated on round tables head up by a selected facilitator. Each session will consist of a presentation which will be discussed in isolation at the tables before each facilitator relates the tables questions and comments back to the speakers for general debate. This allows you to discuss issues pertinent to your situation before getting involved in a general discussion relevant to the floor.

## How the format improves the delivery of information

For this format it is important that you are prepared to discuss and debate with your peers. As delegates will be of a senior level, the emphasis will also be on learning through discussion rather than imparting basic information in a lecture format. You will be seated in a group of 6-8 with one delegate nominated per table to act as facilitator.



This interactive approach ensures you are actively thinking and interpreting these ideas for practical application in your own office. The round table discussion groups also allows you to benefit from the experiences of others attending the meeting, which serves several useful functions:

- You can find out what other people in a similar situations are doing
- If you have a question, the group may be able to answer it and, if not, this question can be put to the speaker(s) later
- This is particularly useful when delegates are concerned that their question is not appropriate (too complicated, too simple, too abstract etc.) to be asked in front of the whole audience. These questions, which often everyone may be thinking, usually go unanswered.
- You can ask questions anonymously through the table facilitator

**There are no filler presentations at Osney and PRA events**

## AGENDA

Chair: Oliver Draeger, Head of Performance Measurement, ABN Amro Asset Management (Deutschland)

### Day One

#### Trends in performance measurement

The asset management industry is changing, is performance measurement changing too? What developments have taken place in the last 12 months and what changes can be expected in the future?

- Assess how performance measurement needs to change to adapt to more difficult times
- Discuss the challenges facing performance measurement professionals with your peers
  - The changing role of performance measurement
  - The requirement to communicate performance measurement statistics more widely
  - The scrutiny attribution reports can be subject to
  - The increasing pressures put on to performance measurement professionals
- Prepare for the future by understanding the changes that are being demanded by clients, asset managers and regulators

*Phillipp Gillet*, Head of Performance Measurement,

**Fortis Investment Management**

#### Performance attribution for fixed income portfolios

Attributing performance of bond portfolios is a challenging task. What are the limitations of current models, and how these models can be improved? The shortcomings of the traditional fixed-income performance attribution models

- Multi-currency portfolios
- (Mis)interpreting allocation outperformance
- Ingredients for a perfect model
- Global and local reports
- Practical implementation issues
- Aggregation over time
- Intra-day transactions

*Vadim Kostantinovsky*, Senior Vice President,  
Quantitative Portfolio Strategy,

**Lehman Brothers**

#### Drilling down on performance attribution

As investments become more complex and clients and asset managers alike demand more information on the performance of their portfolios what can you do to ensure accurate reports that give the level of information needed?

- Understand the activities of investment managers
- Investigate aspects of investment management including asset mix, portfolio characteristics, risk, impact of turnover and security level and how you can accurately report on these
- Consider the needs of asset managers and how you can support and influence the decision making process via attribution
- Explore the need for attribution standards and automation of attribution processes

*Simon Blakeney*, Head of Performance,

**Threadneedle Investments Ltd**

#### New developments in GIPS

Now well established, GIPS continues to develop. Much has been said about the next big step in GIPS but what is it and how will it affect you? What will you need to do for 2005?

- Discuss the next steps for GIPS
- Assess how the introduction of the GIPS 'gold standard' will affect you
- Analyse the future of standards in a changing industry

*Dr Stefan Illmer*, Head of Performance Measurement,

**Credit Suisse Asset Management**

#### Bottom Up Performance Attribution

*Richard Henricsson*, Head of Performance,

**Nordea Asset Management**

### Day Two

#### The changing role of risk in performance measurement

As the fund management industry changes so does performance measurement. It has been said that performance measurement is beginning to move into the front office but is that where performance measurement functions should be? Where does risk fit into performance measurement

- Investigate the role of performance measurement and risk within a changing industry
- Identify appropriate decisions that could be made using risk and performance measurement data
  - Fund manager's remuneration
  - Value of market data
- Discuss the role of performance measurement and risk professionals - how this is likely to change in the coming months

*Suren Markosov*, Risk Control Officer,

**Morgan Stanley**

#### Improving communication of attribution

Performance attribution is vital for decision making but communicating the information often means ensuring that non-professionals understand the information too. This session examines who needs to know what and why? Are attribution reports an information or a sales tool?

- Examine who requires what information and the reasons they need it
- Appraise how you communicate with different people, are you communicating effectively?
- Discuss how you could improve your communications
  - Language
  - Timeliness
  - Technology

*Oliver Draeger*, Head of Performance and Risk Analysis,

**ABN Amro Asset Management (Deutschland)**

#### Risk Adjusted Performance Measurement

Many analysts are looking at balancing performance with risk but risk and performance statistics do not always 'speak the same language'. Should you ensure that performance and risk are in balance and how can this be achieved?

- Review how risk is measured in your organisation, how does this relate to performance measurement?
- Consider how risk and performance statistics can be 'bridged' to provide improved decision making

*Carl Bacon*, Non-executive chairman,

**StatPro**

#### Performance Measurement System Implementation

Here is your chance to hear a case study that explores the real life challenges and benefits found when implementing a performance measurement system. At this session you will be able to:-

- Assess the performance measurement systems available
- Identify the potential challenges and benefits you could face when implementing a performance measurement system
- Discuss the lessons learnt by the speaker and how you could employ these in your enterprise

*Peter Ellis*, Head of Performance Systems

**Deutsche Asset Management**

#### Performance Games: How performance measures can be manipulated

- Review the assumptions behind the main performance measures (Sharpe Ratio, Treynor Ratio)
- Detect manipulation of performance from the raw returns and quarterly holdings.
- Determine the weaknesses of different performance statistics

*John St. Hill*, Portfolio Strategist,

**Ikano Advisory Management**

