

SEMINAIRE DU CYCLE POSTGRADE

INGENIERIE MATHEMATIQUE

Vendredi 30 janvier 2004 à 13h15

Salle MA 31, 3^{ème} étage FSB-IMA-EPFL, Ecublens

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présentera une conférence intitulée

Return measurement of a portfolio

Abstract: Portfolio values at different points in time are the basis for measuring the return of a portfolio. In this presentation, we give an introduction into the analytics of return measurement. The time weighted rate of return (TWR) reflects the return generated by the portfolio manager whereas the money weighted rate (MWR) of return takes the client's perspective into account. The difference of TWR and MWR measures the impact to the return by the timing of the portfolio's external cash flows.

Portfolio Analytics is concerned with identifying the sources of the portfolio return.

Decomposing the return is not a unique process. We present and interpret different possibilities for decomposing the return. The relevance of the theory is illustrated by an application to a balanced portfolio, i.e. a portfolio that invests in cash, equities and bonds.