Learning Outcomes

This course is intended to provide professionals and individuals interested in market finance with strong fundamentals in behavioural finance, portfolio management and investment strategies.

The key idea is to bring behavioral finance concepts down to earth in a concise way to improve the investment or trading skills of the student.

This covers the analysis of the necessary conditions of different markets pattern (bear, bull, trading range) development of simple market timing in excel and the development of plain vanilla options strategies on equity indices.

The ultimate objective of the course is to give the students all the tools to establish his own investment or trading plan.

After this course, you will be able to:

- be free of behavioral disorders when you take an investment decision
- manage a portfolio by achieving absolute positive return even in situation of crisis
- build an living investment or trading process
- master options and futures strategy on equity indices
- build simple model in Excel
- have a solid understanding of the notion of risk : probability, permanent loss, black swan
Audience

This course is intended to professionals and individuals with a strong desire to improve their investments decision.

Lecturer: Bertrand SLUYS

Bertrand SLUYS is a senior portfolio manager specialized in alternative strategies. He is working with Fuchs and associés Finance to offer client the Vega Delta Investment program developed by himself for the last 15 years. A hedge fund based on his strategies is also under construction. Bertrand gives also classes at Vlerick school of Management at EFFAS and Febelfin programs.

He is also the founder of the Association of individual investors.

Reference

Main


Other very pedagogical references:

- Michael C. Thomsett (February 27 2008), Winning with Options: The Smart Way to Manage Portfolio Risk and Maximize Profit, AMACOM.
- James Montier (February 2010). The little book of behavioral investing, Little books, big profits
- John Mauldin (May 2004),Bull's Eye Investing: Targeting Real Returns in a Smoke and Mirrors Market

Pre-requisites

The course is supposed to be “self-containing” or “self-explanatory”. But recommending participants to read at least diagonally some key chapters for the jargon, some key concepts, or some key technical fundamentals is key, for such dense and swift programs.
Day 1: Behavioural finance and lessons learned from history

**Behavioural finance**
- Introduction to the Course
- Main objective: to build a personal investment process
- Investment versus speculation
- Behavioural finance: key points
- The anatomy of a bubble

**Performance evaluation: a quantitative and qualitative approach**
- Portfolio performance evaluation and return attribution
- Simple and Continuous returns
- IRR and Time-Weighted Return
- Risk adjusted performance

**Lessons learned from history**
- Risk: not only standard deviation
- What history tells us?
- Asset allocation
  - Risk and return. What history tells us?
  - What to expect for the next 10 year?
  - Strategic, tactical, dynamic
- Market timing: is it working?
  - Indicators building: short, medium and long term
  - Implementation: futures and options (an introduction)

**Case(s):**
- Vega Delta Investment program performance
- Futures and options key points
Day 2: Market timing models, options strategies, Kelly criteria

- Building and using a Market timing indicators

- Options strategies
  - Pay off at expiration of long short call put
  - Design of a Black and schools models in excel
  - Greeks and excel simulation
  - Put call parity
  - Key strategies
  - Option strategies adapted to different market condition
  - Directional and not directional

- Putting it all together: probability, black swan, behavioural finance and option strategies
  - How to avoid a “permanent” loss
  - The notion of risk budgeting
  - VIX and the choice of strategy
  - Market timing models and probability

Case(s):

- Example of options strategies adapted to current market conditions
  - Building of positions
  - Management of positions