
Investment Portfolio Management Course: Asset Allocation, Risk Budgeting and Governance

26 – 30 July 2027
Cape town





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Programme Summary

Investment portfolio management for institutional assets is the subject of this one-week training course for chief investment officers and committee members at advanced level, culminating in a revised investment policy and allocation framework for their own fund. Pension, endowment, treasury and sovereign portfolios drift from their objectives when policy, allocation, manager oversight and risk limits are set separately. The approach links objectives to the policy portfolio, then to construction, risk budgeting, attribution and committee governance. Mars Training Centre UK delivers this programme in investment portfolio management.

The Business Case

The asset allocation decision sets most of a portfolio's long-run return and volatility, yet many committees spend their time on individual managers and short-term results. A disciplined process gives boards a clear line from mandate to measured result and separates skill from market movement.

- Real Return Against Objective: Improves as the policy portfolio is set from liabilities, spending needs and risk tolerance.
- Active Risk Versus Risk Budget: Stays within agreed limits as tracking error is allocated deliberately.
- Net-of-Fee Value Added: Becomes measurable as attribution separates allocation from manager selection.

Principles and Evidence Base

- CFA Institute Portfolio Management Process and the Investment Policy Statement: Objectives, constraints and risk tolerance set the policy portfolio drafted in Sessions 1 and 2.
- Strategic Versus Tactical Asset Allocation: Separating the long-term policy mix from bounded tilts frames Session 2.
- Brinson-Style Performance Attribution and GIPS: Allocation and selection effects, presented to the Global Investment Performance Standards, structure Session 4.
- Santiago Principles: Generally accepted practices for sovereign wealth funds inform the governance design in Session 5.

Intended Participants

- Leaders who set investment objectives and recommend the policy portfolio to a board.
- Committee members who approve mandates, managers and risk limits.
- Heads of treasury and reserves who invest long-term funds.
- Senior officials who oversee external managers and custodians.



The programme serves pension funds, sovereign and government investment entities, endowments and insurers.

Learning Outcomes

1. Participants will be able to construct an investment policy statement linking objectives, liabilities, constraints and risk tolerance.
2. Participants will be able to justify a strategic asset allocation and ranges for tactical deviation.
3. Participants will be able to evaluate portfolio construction choices across equities, fixed income and alternatives.
4. Participants will be able to design a risk budget across asset classes and managers.
5. Participants will be able to diagnose performance through attribution and challenge manager results.
6. Participants will be able to prioritise committee decision rights and reporting arrangements.

Programme Structure

Day 1: Investment Objectives and Policy Statements

What is the portfolio for, and what may it not do?

- Investor Types: Pension, Endowment, Treasury and Sovereign Mandates
- Return Objectives, Liabilities and Spending Rules
- Risk Tolerance: Ability Versus Willingness to Bear Risk
- Constraints: Liquidity, Time Horizon, Legal and Ethical Limits
- Investment Policy Statement Structure and Approval

Day 2: Strategic and Tactical Asset Allocation

Which mix of assets serves the objectives over a full cycle?

- Capital Market Assumptions and Their Review
- Mean-Variance Optimisation and Its Limitations
- Liability-Relative and Factor-Based Allocation Approaches
- Policy Benchmarks and Rebalancing Ranges
- Tactical Tilts: Signals, Limits and Accountability

Day 3: Investment Portfolio Construction and Manager Selection

How is the policy mix turned into holdings and mandates?

- Equity and Fixed Income Building Blocks: Passive, Enhanced and Active
- Alternative Assets: Private Equity, Real Estate, Infrastructure and Hedge Funds
- Liquidity Budgeting and Commitment Pacing for Private Markets
- Manager Due Diligence, Mandate Terms and Fee Structures
- Core-Satellite Design and Manager Concentration



Day 4: Risk Budgeting and Performance Attribution

Is the risk taken the risk intended, and was it rewarded?

- Total Risk, Tracking Error and Drawdown Measures
- Risk Budget Allocation Across Asset Classes and Managers
- Stress Testing and Scenario Analysis of the Policy Portfolio
- Brinson Attribution: Allocation and Selection Effects
- GIPS-Consistent Performance Presentation

Day 5: Governing Investment Portfolio Management

Is the revised framework governed and ready for the board?

- Committee Charters, Delegation and Decision Rights
- Santiago Principles: Transparency and Accountability for Public Investors
- Linking Day 1 Objectives to the Day 2 Policy Benchmark
- Applying the Day 4 Risk Budget to the Day 3 Manager Line-Up
- Revised Investment Policy and Allocation Framework Completion

Methodology

The programme is built around an investment committee simulation. Participants act as the committee of a fictional multi-asset fund, receiving manager reports and market shocks, and must defend their decisions. Pension, sovereign and endowment cases show how liabilities shape policy portfolios.

- Suggested activity: Drafting the objectives and constraints of a policy statement for a case fund.
- Suggested activity: Rebalancing a portfolio within agreed ranges after a market shock.
- Suggested activity: Scoring a candidate manager against the risk budget.

Capstone Output

Each participant completes a revised investment policy and allocation framework for their own fund. It sets out objectives and constraints, the policy portfolio and rebalancing ranges, the risk budget, manager structure, reporting pack and committee decision rights. It is used to brief trustees or the board at the next strategy review.

Frequently Asked Questions

Is the investment portfolio management programme suitable for committee members without a portfolio manager background?

Yes. It is set at advanced level for those who oversee institutional portfolios and assumes familiarity with asset classes, not trading experience.



Which frameworks does the investment portfolio management course rest on?

It rests on the CFA Institute investment policy statement process, strategic and tactical asset allocation, Brinson attribution with GIPS presentation, and the Santiago Principles.

How is the capstone from investment portfolio management training used at work?

You can table the revised framework at the next strategy review and use its risk budget to brief managers.

How does investment portfolio management training differ from a course on corporate finance?

Corporate finance concerns a company's own capital and project decisions. Investment portfolio management concerns how an asset owner allocates, measures and governs external investments.