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Sommario/riassunto

"Risk has an undeserved reputation within asset management for being an overly complex, mathematical subject. Practical Risk-adjusted Performance Measurement, Second Edition simplifies the subject and demonstrates with practical examples that risk is perfectly straightforward and not as complicated as it might seem. Written for risk and performance measurement practitioners from a buy side, asset management perspective, this book fills the gap between practice and theory, focusing on quantitative ex-post measures rather than the qualitative aspects of risk and providing numerous, practical worked examples of risk measures and their interpretation. This fully updated new edition takes the opportunity to add several new measures, provide additional explanations where necessary and add six new chapters. Chapters 1 and 2 introduce the subject of risk in the context of asset management firms and lay out the foundations by setting out the descriptive statistics that will be used in later chapters. The following chapters are structured according to the type of risk measure being considered: simple performance appraisal measures in Chapter 3, regression measures in Chapter 4, drawdown in Chapter 5, partial moments in Chapter 6, a new Chapter 7 based on Prospect Theory, extreme risk in Chapter 8, risk measures for fixed income instruments in Chapter 9, a new Chapter 10 including miscellaneous risk measures

which are difficult to characterise and risk-adjusted returns in Chapter 11. Chapters 12 to 16 are entirely new chapters for this edition. Chapter 12 classifies all of the ex-post risk measures and describes how they are linked in the form of a periodic table of risk measures. Chapter 13 discusses the use of risk-adjusted performance measures in the context of performance fees. Chapter 14 discusses dashboard design in the context of risk measures, Chapter 15 looks at the important subject of how appraisal measures should be used in the context of manager selection and Chapter 16 introduces the four dimensions of performance and makes the call for ex-ante risk standards. In the penultimate Chapter 17 there is a discussion about which risk measures to use and finally in Chapter 18 their application in terms of risk control. Risk, like beauty, is very much in the eye of the beholder -- different risk measures will suit different investment strategies or investor concerns at different times so this book does not recommend any particular risk measure. Instead, it provides the necessary information and insight to determine one's own preferences in a concise and easy-to -navigate style."--