PORTFOLIO MANAGEMENT & HEDGING



GENTEX®
TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Portfolio Management & Hedging Training Course prepares investment, treasury and risk professionals to manage portfolios and control the exposure that comes with them. Participants learn how portfolios are constructed, how risk is measured and budgeted, and how hedging instruments are selected and applied. The programme covers asset allocation, diversification, portfolio risk measurement, futures, swaps, options and collars, hedge accounting and performance review. Furthermore, it addresses basis risk, collateral demands and governance over hedging activity. As a result, delegates can run a portfolio with defined risk limits and evidence behind each decision. Gentex Training Center delivers the programme through modelling workshops and portfolio case work.

Portfolio Management & Hedging Course Objectives

- Explain portfolio management objectives, constraints and mandate design.
- Apply asset allocation, diversification and rebalancing principles.
- Measure portfolio risk using standard deviation, beta and correlation.
- Apply value at risk, stress testing and drawdown analysis.
- Identify price, currency, interest rate and liquidity exposures in a portfolio.
- Apply futures, swaps, options and collar strategies to hedging.
- Design a hedging policy with objectives, instruments and limits.
- Assess basis risk and counterparty exposure in hedging programmes.
- Apply hedge accounting concepts and documentation under IFRS 9.
- Measure performance and report portfolio and hedge outcomes to committees.

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Course Methodology

The course combines market briefings with hands-on modelling workshops and portfolio case studies. Participants build a portfolio model, measure risk and design a hedging programme for a chosen exposure. In addition, structured peer review and group debate sharpen judgement, and each day closes with an applied portfolio or hedging task.

Who Should Take This Course

- Portfolio managers, analysts and investment staff.
- Treasury and risk professionals in corporates and funds.
- Pension, endowment and sovereign fund investment teams.
- Energy and commodity trading risk officers.
- Corporate finance and funding professionals managing exposure.
- Auditors and advisers reviewing portfolio and hedging activity.

Portfolio Management & Hedging Course Outlines

Day 1: Portfolio Framework and Objective Setting

- Portfolio objectives, return targets and risk tolerance.
- Constraints: liquidity, horizon, tax, legal and mandate limits.
- Investment policy statements and delegation of authority.
- Asset class roles: growth, income, defensive and matching assets.
- Governance structures and committee oversight.
- Performance benchmarks and reporting expectations.
- Workshop: drafting a portfolio mandate and policy framework.

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Day 2: Portfolio Construction and Risk Measurement

- Strategic and tactical asset allocation decisions.
- Diversification, correlation and the efficient frontier concept.
- Risk measurement using standard deviation, beta and correlation.
- Value at risk using variance-covariance and historical simulation.
- Stress testing, scenario analysis and drawdown control.
- Position sizing, concentration limits and liquidity management.
- Workshop: building a multi-asset portfolio model with risk limits.

Day 3: Hedging Instruments and Strategy Design

- Futures, forwards, swaps and options across asset classes.
- Fixed-price swaps, collars, caps and floors and their payoffs.
- Choosing between linear and option-based hedging.
- Hedge ratio selection and layered hedging programmes.
- Currency and interest rate hedging for portfolios.
- Commodity price hedging for corporates and funds.
- Workshop: designing a hedge with futures, swaps and collars.

Day 4: Basis Risk, Counterparty Risk and Hedge Accounting

- Basis risk between hedged exposure and hedging instrument.
- Locational, quality, timing and cross-currency basis.
- Counterparty credit assessment, limits and margining demands.
- Collateral management and liquidity implications of hedging.

- Hedge accounting concepts, effectiveness and documentation under IFRS 9.
- Controls, segregation of duties and trading mandates.
- Workshop: assessing basis and counterparty exposure on a hedge.

Day 5: Performance Review, Governance and Reporting

- Performance measurement and attribution for portfolios.
- Evaluating hedge effectiveness and cost of carry.
- Monitoring against mandate limits and escalation triggers.
- Reporting portfolio and hedge positions to boards and committees.
- Regulatory, audit and disclosure expectations.
- Reviewing decisions and incorporating lessons learned.
- Workshop: presenting a portfolio and hedging review before a review panel.

Conclusion

By successfully completing Portfolio Management & Hedging Training Course, participants will have acquired the knowledge to manage portfolios and control the risk within them. They will understand allocation, risk measurement, hedging instruments, basis and counterparty risk, hedge accounting and governance, and they will know how to report decisions that withstand scrutiny. As a result, delegates improve portfolio outcomes and risk control. Gentex Training Center builds the programme around current investment and hedging practice.

FAQs for the Portfolio Management & Hedging course

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Q1 What is the "Portfolio Management & Hedging" course about?

It covers how portfolios are managed and how their exposures are hedged. You learn allocation and risk measurement, futures, swaps, options and collars, basis and counterparty risk, hedge accounting and governance, with practical modelling and portfolio case work.

Q2 What are the key benefits of the "Portfolio Management & Hedging" course?

You gain the ability to quantify portfolio exposure and hedge it deliberately rather than by instinct. You also improve risk control and limit setting, reduce hedging cost through instrument choice, strengthen committee reporting, and control counterparty and collateral exposure properly.

Q3 What skills will I gain from the "Portfolio Management & Hedging" course?

You will gain portfolio construction and asset allocation, portfolio risk measurement and stress testing, hedging instrument selection and strategy design, and basis, counterparty and hedge governance management.

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Q4 What tools, methods, or standards are covered in the "Portfolio Management & Hedging" course?

The course covers strategic and tactical asset allocation, efficient frontier and correlation analysis, standard deviation, beta and correlation measurement, value at risk using variance-covariance and historical simulation, stress testing and drawdown analysis, futures, forwards, swaps, caps, floors and collars, hedge ratio and layered hedging design, basis risk assessment, counterparty credit limits and margining, collateral management, and hedge accounting under IFRS 9.

Q5 How is the "Portfolio Management & Hedging" course applied in real-world practice?

Graduates apply it to set portfolio mandates and limits, construct and rebalance portfolios, measure value at risk and stress test exposures, design and review hedging programmes across currency, interest rate and commodity risk, evaluate basis and counterparty exposure, prepare hedge accounting documentation, and report portfolio and hedge positions to management and boards.