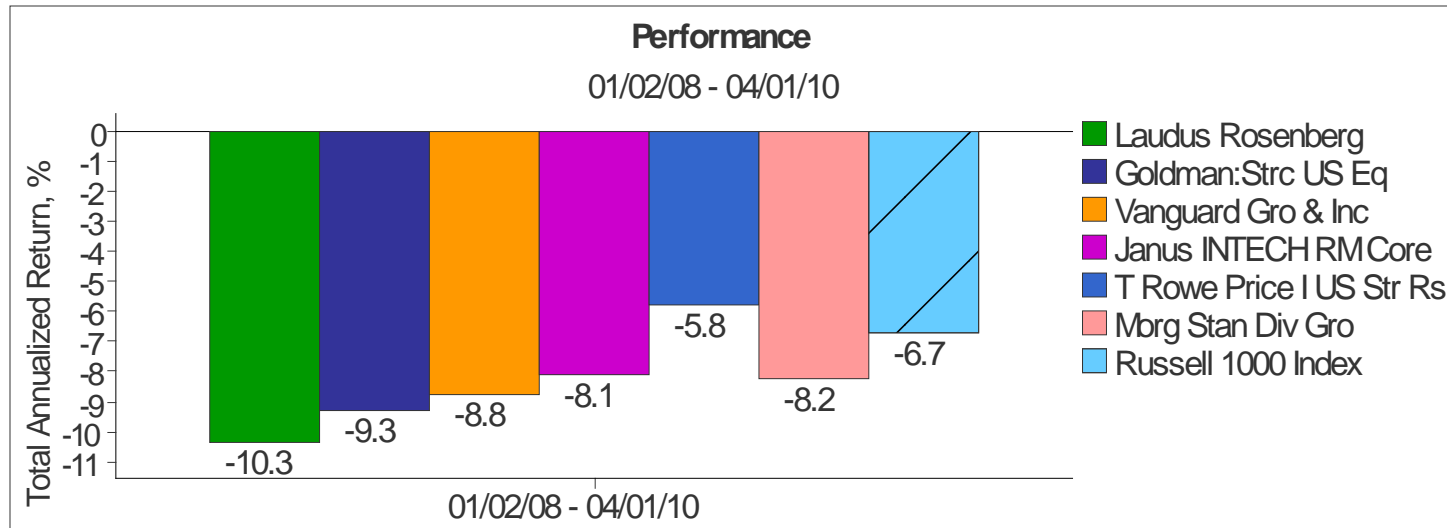




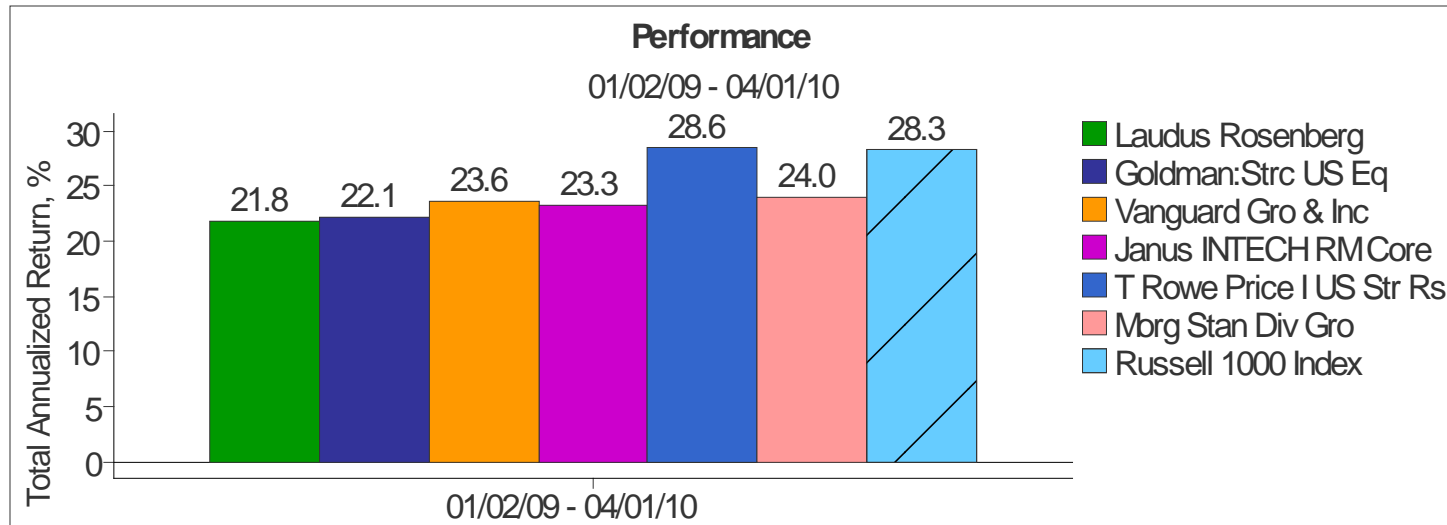
A MATTER OF PERSPECTIVE: A CASE STUDY ON MONITORING FUND RISK

KUSHAL KSHIRSAGAR, PH.D.
MAY 2010

ONE PERSPECTIVE...

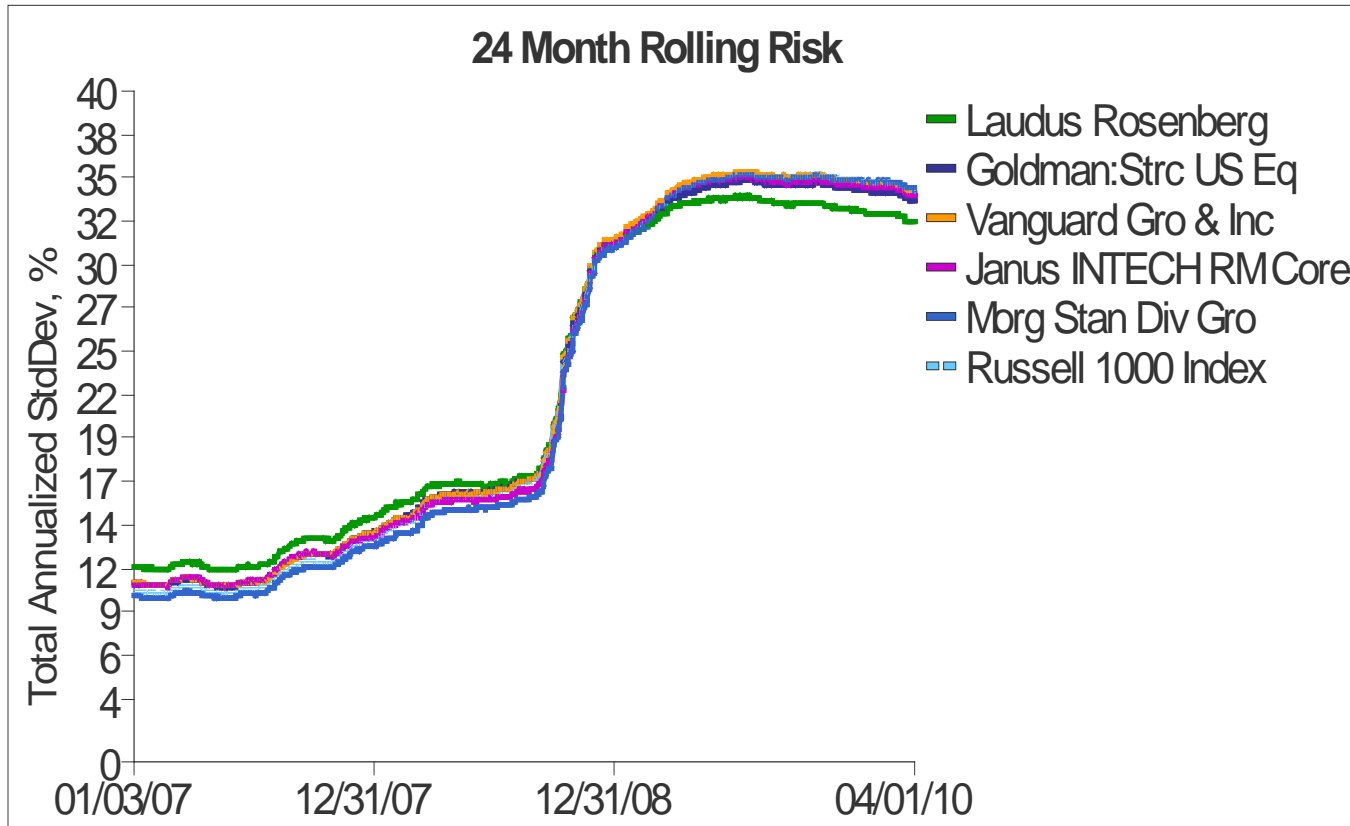


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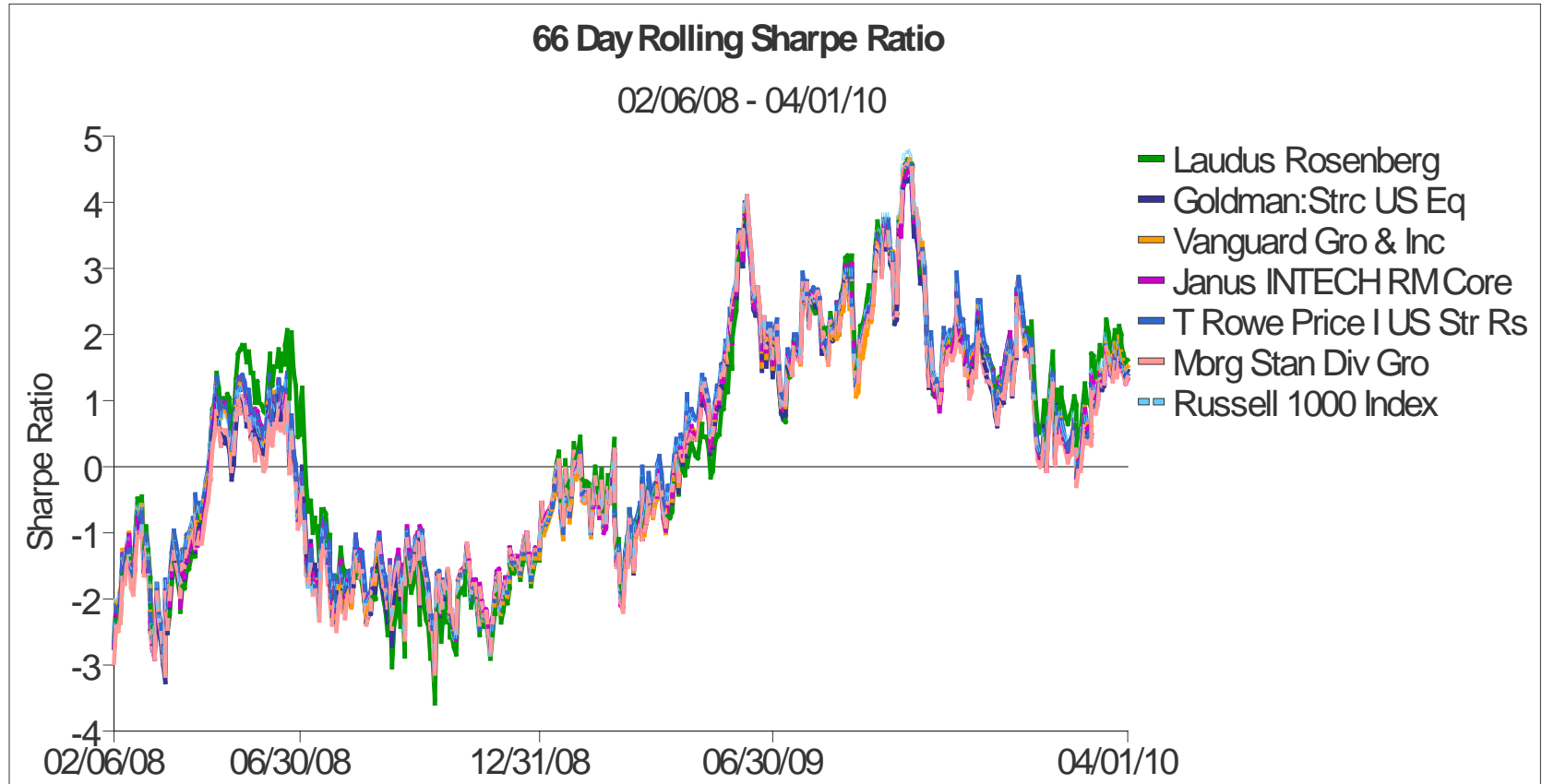
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ONE PERSPECTIVE...CONTD.



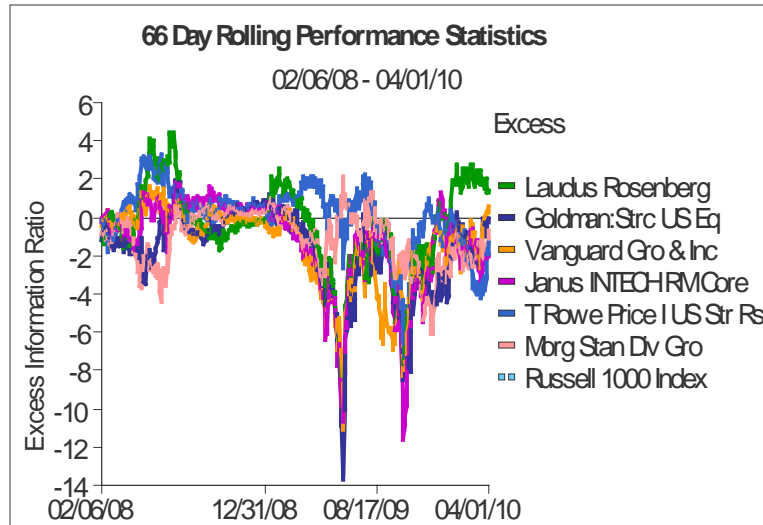
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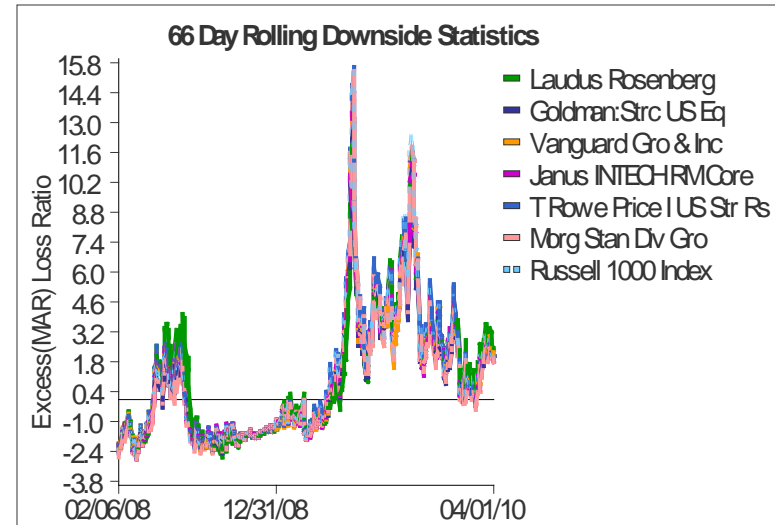


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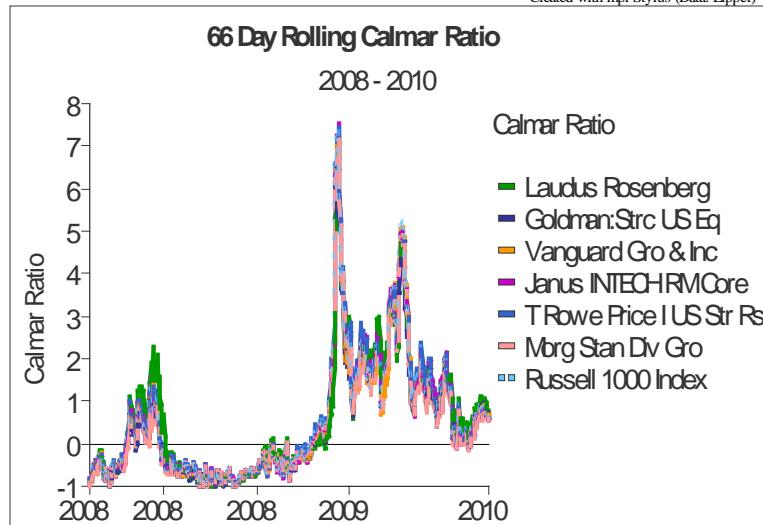
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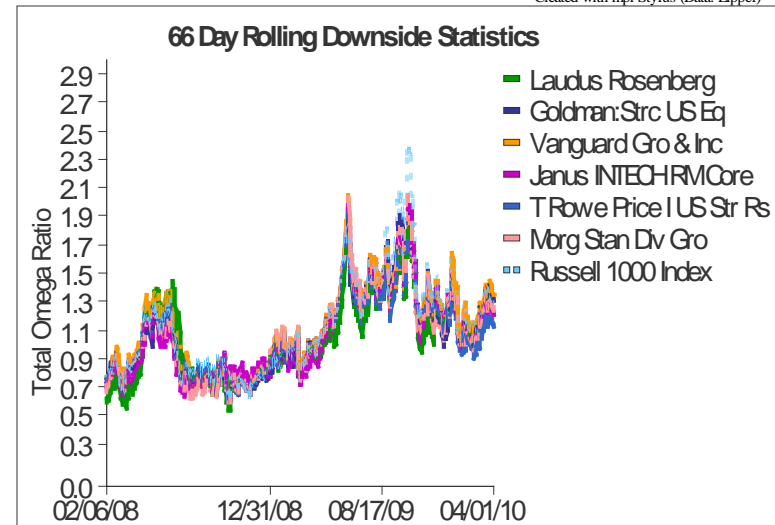
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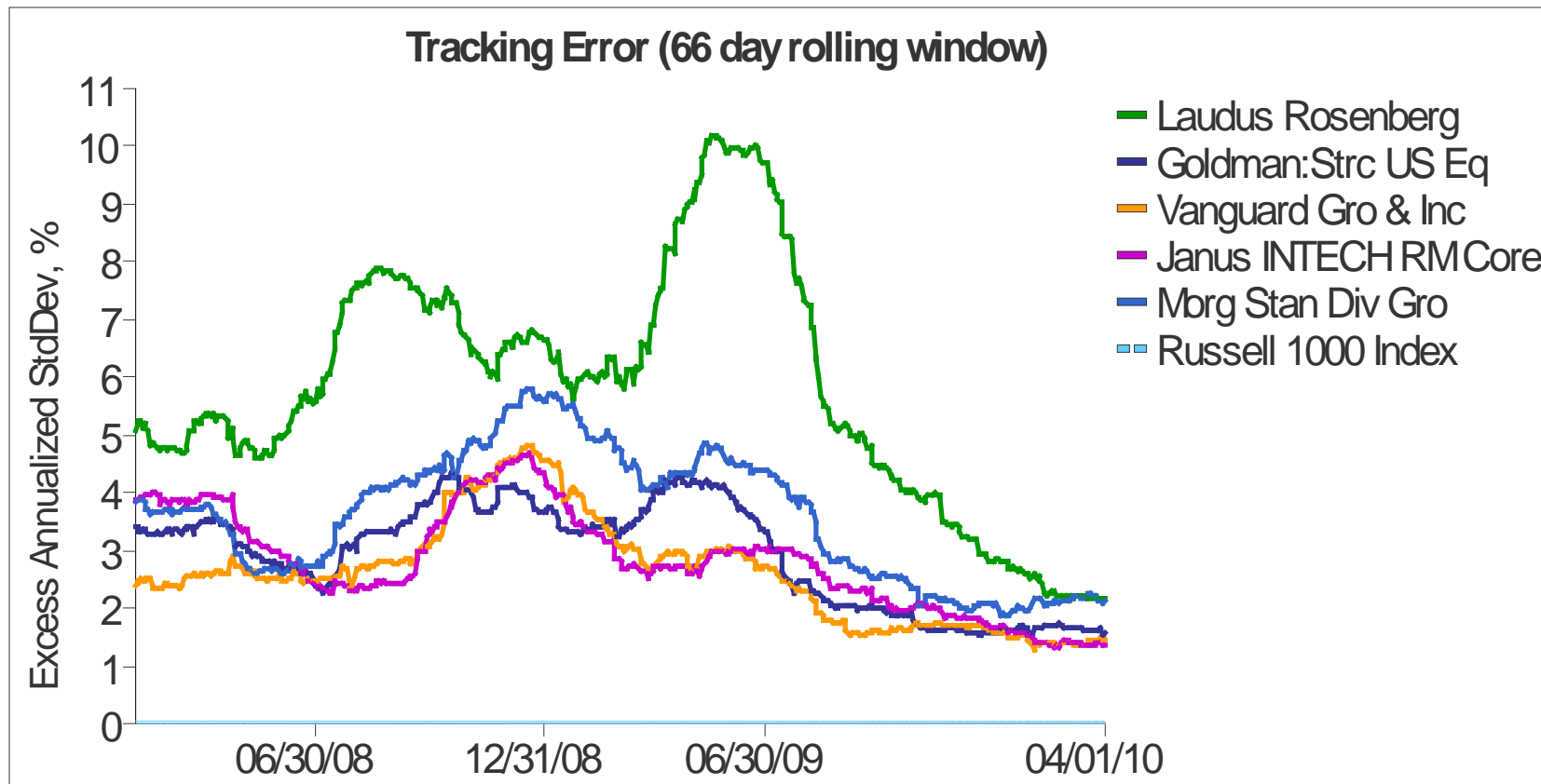


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ANOTHER PERSPECTIVE...

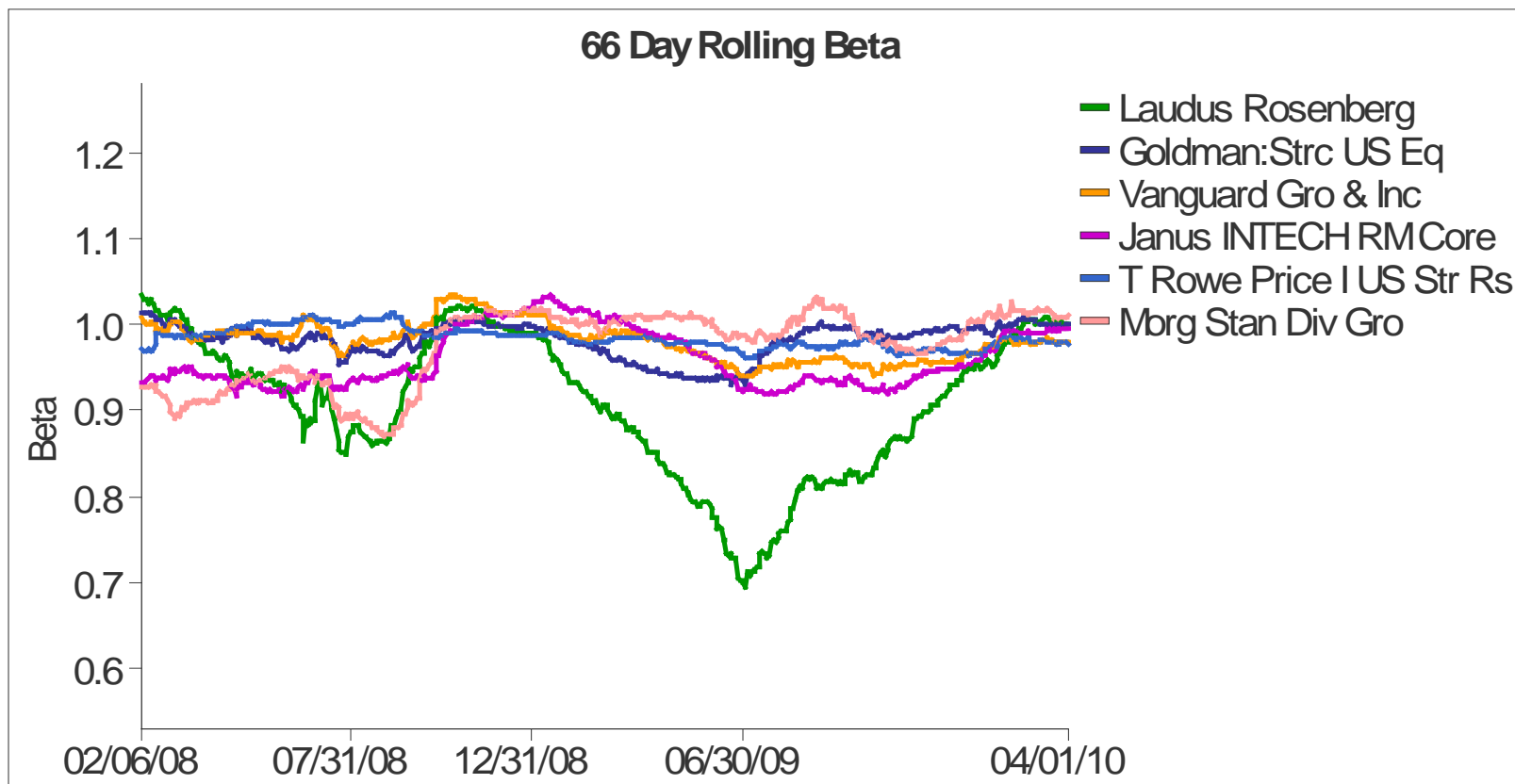
- Thoughtful peer analyses
- Less reliance on boilerplate ratios
- Identify factors that drive risk and return
 - Motivated by economic logic – not just data
 - Where do alphas come from?

ANOTHER PERSPECTIVE...CONTD.



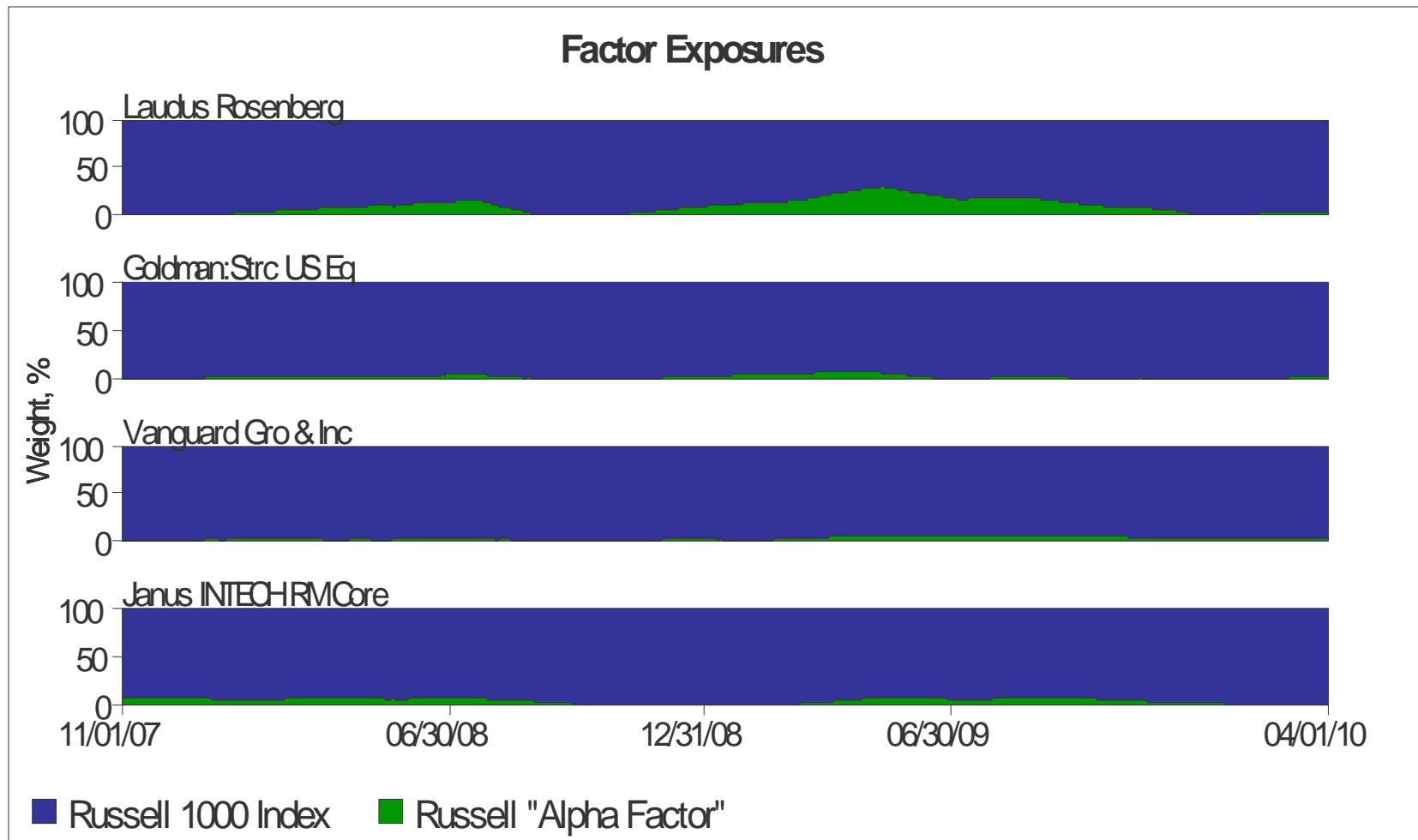
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ANOTHER PERSPECTIVE...CONTD.



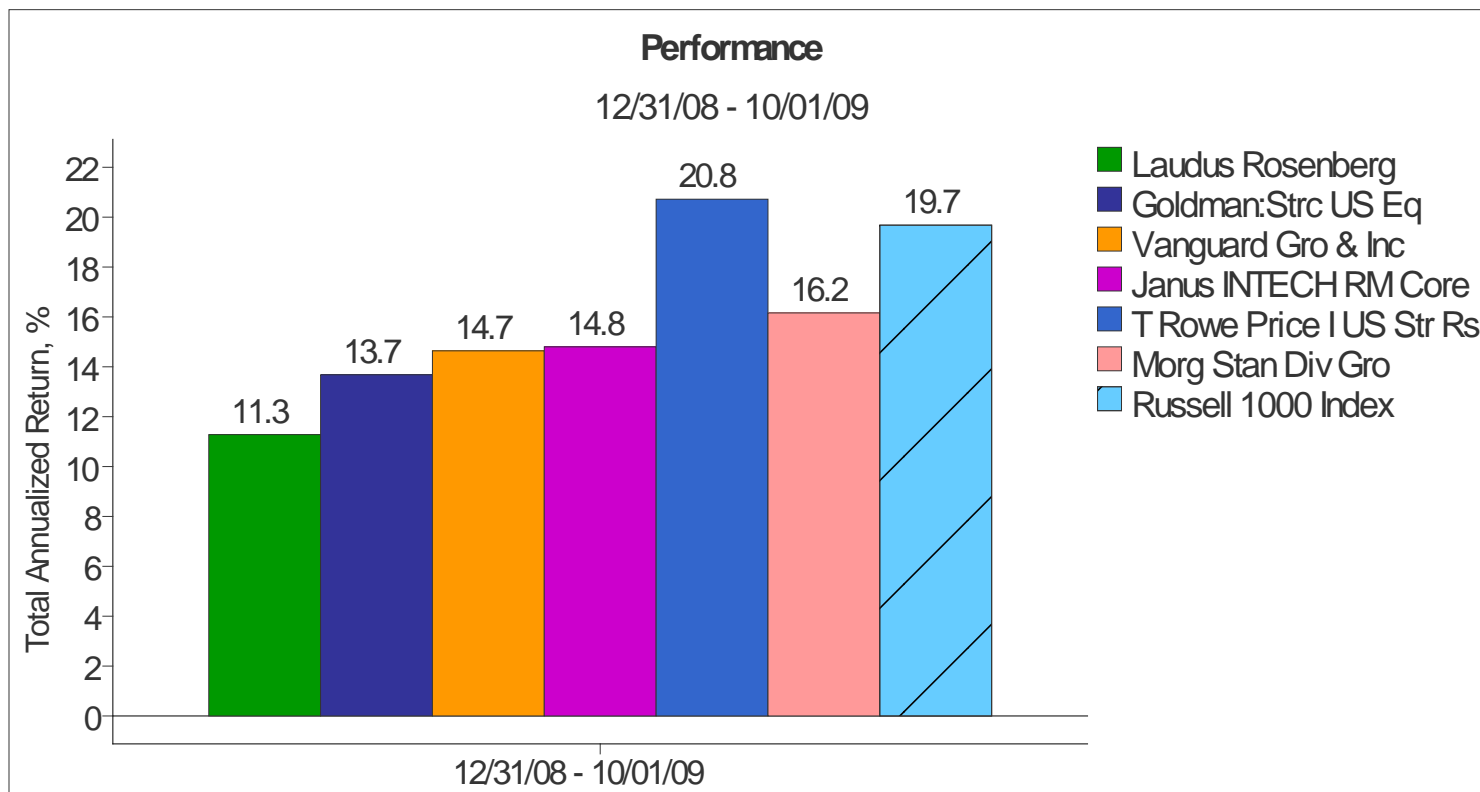
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ANOTHER PERSPECTIVE ... CONTD.



Created with mpi Stylus (Data: Lipper)

ANOTHER PERSPECTIVE ... CONTD.

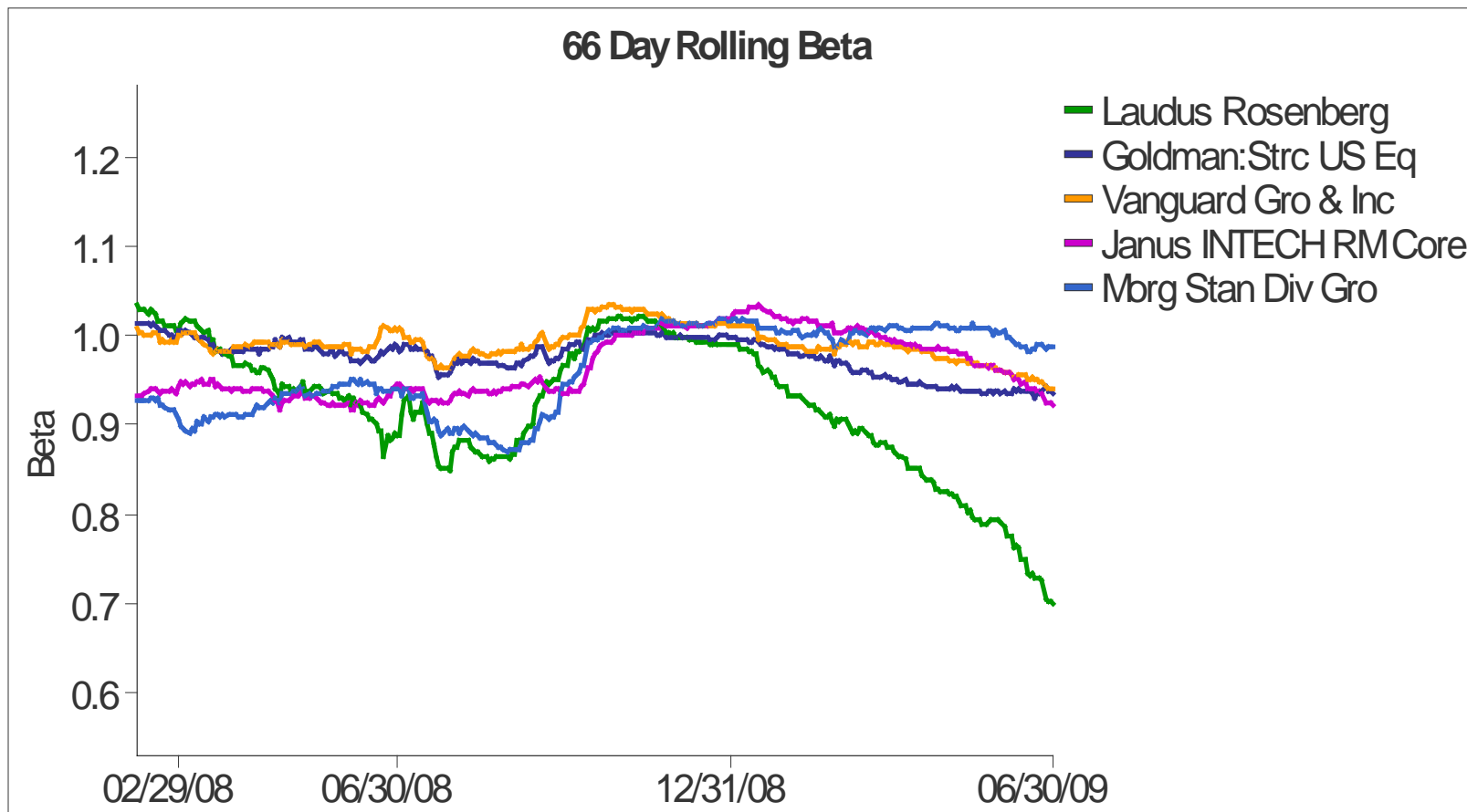


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OPEN QUESTIONS

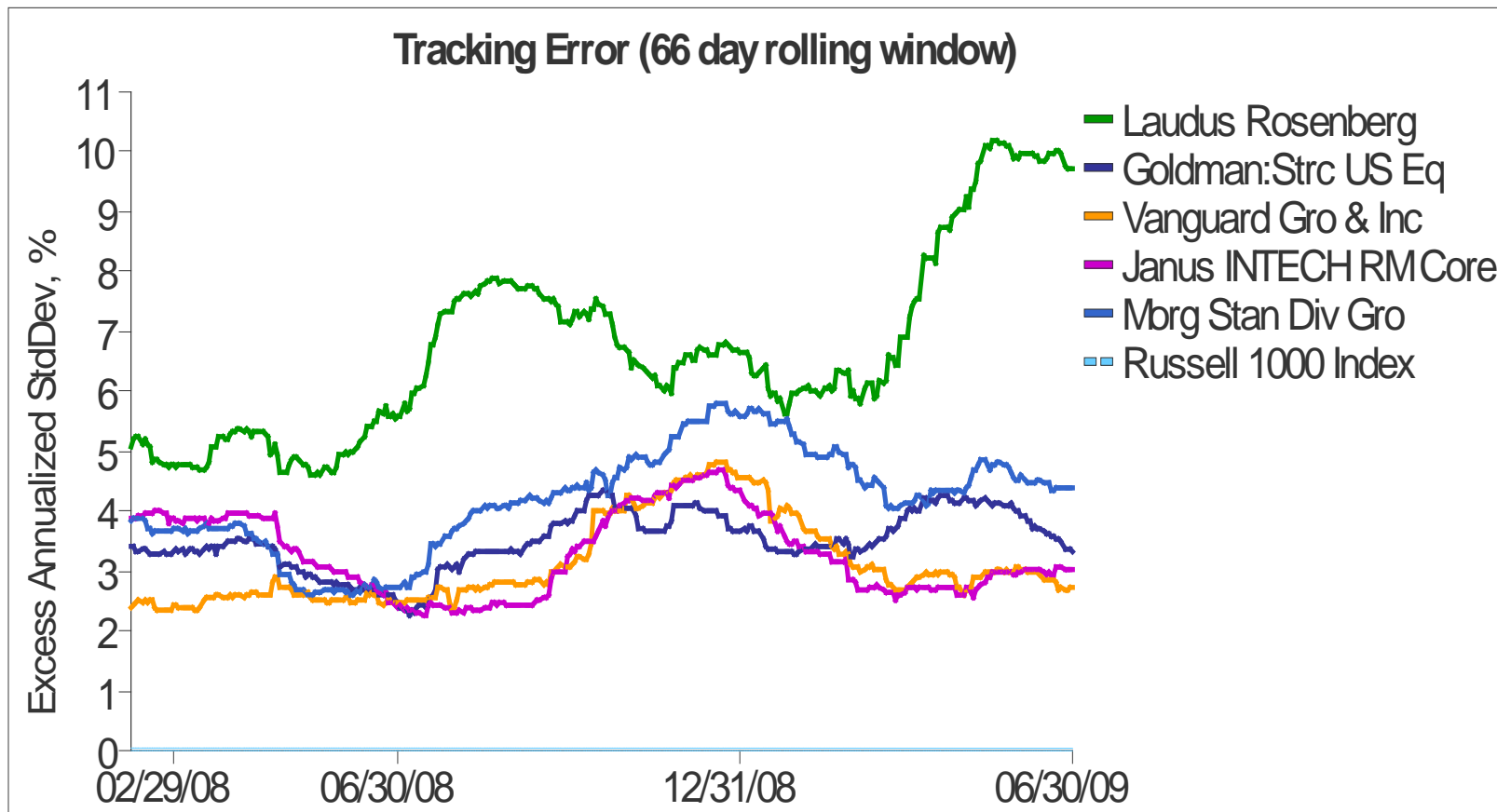
- Why did Tracking Error appear to spike in '08 and '09?
- Why did beta appear to spike down?
- Why did exposure to the alpha factor appear to increase?
- Did any of the above impact performance?
- Could the unusual risk profile have been detected 2009:Q3?

ANOTHER PERSPECTIVE...CONTD.



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ANOTHER PERSPECTIVE...CONTD.



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Thank You

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