

### 1: Fatal Freelancing Fails Part 6: Over-Diversification

*The Issue of Investing: Part 6, Diversification Continued, The More The Merrier (or Smoother) Welcome to the next installment in our series of Joss Financial Group's EB Investing Insights: The More The Merrier (or Smoother).*

By nearly three-fourths of American textile production was concentrated in the South. Tobacco production also remained important through much of the early postwar period. By North Carolina was growing 51 percent of U. As the end of the twentieth century approached, North Carolina manufacturing faced several new challenges. Free trade agreements were instituted with various foreign countries, particularly those in Latin America and Asia, giving North Carolina textile mills tremendous competition, and corporations moved many operations abroad, closing all but the most efficient plants. Between January and December , the state lost more than , manufacturing jobs, nearly , of them in the textile industry. Environmental concerns brought accusations against many industries for polluting water and air resources, most notably in western North Carolina along the Pigeon River. Health concerns and legal action dealt the tobacco industry heavy blows, and tobacco manufacture dropped to sixteenth place among North Carolina manufacturing industries. North Carolina industries faced not only increased competition but also changes in the business climate. With most corporate stocks owned by institutions such as mutual funds and pension plans rather than individual investors, there was less interest in manufacturing itself and more interest in its profitability. Formerly, investors were willing to accept lower profits in stable industries, but institutional investors demand universally high profits from all businesses. To increase the bottom line, corporations downsized, often closing otherwise successful plants that were seen as relatively unprofitable. The s were characterized by mergers of large businesses into even larger, more diversified corporations. In the process, more marginally profitable plants were closed and management functions consolidated, resulting in large layoffs among white-collar, middle-management executives in the s. In addition, the state lost a number of corporate headquarters. Rising worldwide lumber prices and environmental concerns spawned wood chip processing plants that made more efficient use of valuable forest resources. Hog and poultry processing plants made North Carolina a major national supplier of hogs, chickens, and turkeys by . Despite some economic struggles, the furniture industry was still strong, remaining the second-largest employer in the state, with approximately 70, workers. University Research Park in Charlotte and Research Triangle Park RTP in the Raleigh - Durham -Chapel Hill area brought to the state not only research endeavors but also light manufacture of electronic components and development of computer software and other telecommunications equipment. In the production of fabricated metal products, electrical and transportation equipment, chemicals, paper, rubber, plastics, stone, clay, and glass were all significant in the state. Major Charlotte manufacturers included Goodrich Corporation , a Fortune company that produces aerospace components, systems, and services; SPX Corporation , makers of products as diverse as fire detection systems and freezer units for blood banks; Nucor Corporation , makers of a wide variety of steel products; and Sonic Automotive, Inc.

### 2: Part 6: Risk mitigation with bonds

*Risk monitoring* This lesson also covers NIST which is the guideline for risk management guide for information management systems and it has a 9-step process which participants will learn about in the unit.

Review the PowerPoint slides for Chapter 13 and select those you find most useful for enhancing your lecture and class discussion. For additional visual summaries of key chapter points, review the figures and tables in the text.

**INTRODUCTION** Because companies lack the resources to take advantage of all international opportunities they identify, they must determine both the order of country entry as well as the rates of resource allocation across countries. In many industries, facilities must be located near foreign customers; in others, market and production sites are continents away. Through the use of scanning, decision makers can perform a detailed analysis of a manageable number of geographic locations. Ultimately, variables must be weighed against each other to effectively evaluate the potential success of a particular venture and to compare various ventures.

**Opportunities** Opportunities are determined by competitiveness and profitability factors. Variables weighing heavily on the selection of market and production sites would include market size, ease and compatibility of operations, costs, resource availability and red tape. Market size is determined by sales potential. In some instances, past and current sales for either an existing product or a similar or complementary product are available on a country-by-country basis. In addition, data such as GNP, per capita income, population, income distribution, economic growth rates and levels of economic development will also be useful.

**Ease and Compatibility of Operations.** Companies are naturally attracted to countries that are located nearby, share the same language and offer market conditions similar to those in their home countries. Beyond that, proposals may then be limited to those countries that offer, among other factors, the appropriate plant size, the local availability of resources, an acceptable percentage of ownership and the sufficient repatriation of profits. However, the more time, money and energy a firm expends in examining a particular alternative, the more likely it is to accept it, regardless of its merits. This situation is known as the escalation of commitment. Feasibility studies should have clear decision points that prevent such a situation from occurring.

**Costs and Resource Availability.** Costs are a critical factor in production-location decisions. Productivity-related factors include the cost of labor, the cost of inputs, tax rates, and available capital, utilities, real estate and transportation. Often firms need to be located near suppliers and customers in an area where infrastructure will allow them to move supplies and finished products very efficiently. If a given production site will be used to serve multiple markets, the cost and ease of moving materials and products in and out the country will be especially important. Red tape disincentives includes the difficulty of getting permission to operate, bringing in expatriate personnel, obtaining licenses to produce and market goods and satisfying government agencies on matters such as taxes, labor conditions and environmental compliance. Although not a directly measurable cost, red tape increases the cost of doing business.

**Risks** Is it ever rational for a firm to invest in a country with high economic and political risk ratings? Such questions must be carefully weighed when making international capital-investment decisions. Firms usually experience higher risk and uncertainty when they operate abroad. In fact, the liability of foreignness refers to the fact that foreign firms have a lower rate of survival than local firms for the initial years after the start of operations. However, those foreign firms that manage to overcome their initial problems have long-term survival rates comparable to those of local firms. Firms use a variety of financial techniques to compare potential investments, including discounted cash flows, economic value added, payback period, net present value, return on sales, return on equity, return on assets employed, internal rate of return and the accounting rate of return. Given the same expected return, most decision makers prefer a more certain outcome to a less certain one. Often firms may choose to reduce risk through some form of insurance. As part of a feasibility study, the degree of acceptable risk should be determined so a firm does not incur unacceptable costs. When pursuing a strategy known as imitation lag, a firm moves first to those countries most likely to adapt and catch up to the advantage. In some instances firms may seek those countries where they are least likely to confront significant competition; in others they may gain advantages by moving into countries where competitors are already present. Liquidity

preference refers to the theory investors want some of the holdings to be in highly liquid assets on which they are willing to take a lower return. When evaluating political risk, decision makers refer to past patterns in a given country, expert opinions and country analysts. They also look for economic and social conditions that could lead to political instability, but there is no consensus as to what constitutes dangerous instability or how it can be predicted. The costs of data collection should always be weighed against the probable payoffs in terms of revenue gains or cost savings. Problems with Research Results and Data Numerous countries have agreed to standards for collecting and publishing various categories of national data. However, the lack, obsolescence and inaccuracy of data on other countries can make research difficult and expensive to undertake. Further, data discrepancies further increase uncertainty in decision-making. For the most part, incomplete or inaccurate data result from the inability of governments to collect the needed information. Both economic and educational factors will affect the quantity and quality of available data. Of equal concern, however, is the publication of false or purposely misleading information, as well as the non-reporting or under-reporting of information people wish to hide or distort. Comparability problems result from definitional differences across countries e. External Sources of Information Both the specificity and cost of information will vary by source. Market research and business consulting firms conduct country studies for a fee. The fact that a firm can specify the information it wants may make the cost worthwhile. Certain research organizations generate specific studies about countries, regions, industries, issues, etc. The price is much lower than for an individualized study. Most international service-related firms publish reports that are usually geared toward either the conduct of business in a given country or region or about some specific subject of general interest, such as tax or trademark legislation. Governments and their agencies publish tomes of information designed to stimulate business activity both at home and abroad. International Organizations and Agencies. Many of the international development banks even help fund investment feasibility studies. Many trade associations collect, evaluate and disseminate a wide variety of data dealing with competitive and technical factors in their industries. Their reports may or may not be available to non-members. Certain companies offer information-retrieval services; they maintain databases from hundreds of sources from which they will access data for a fee. The quantity of information available via the Internet is increasingly extensive. As with other sources, a researcher must be concerned about the reliability and validity of information gathered from Internet sources. Internal Generation of Data When firms have to conduct studies in foreign countries, they may find traditional data gathering and analytical methods do not reveal critical insights. In that case, a researcher must be extremely imaginative and observant. In some instances, useful information may be found by analyzing indirect or complementary indicators. Also, once a firm commits to a location, it will need continuous updates regarding external conditions that might affect its operations there. Grids [See Table Although useful for establishing minimum scores and for ranking countries, grids often obscure interrelationships among countries. Matrices [See Figures An opportunity-risk matrix plots a country according to the perceived value of the opportunity the country offers, on the one hand, and the expected level of risk associated with operating in that country on the other. Which factors are good indicators of risk and opportunity and the weight assigned to each must be identified and assigned by the firm. Once scores are determined for each country being considered, they can be plotted and reviewed from a comparative perspective. A useful application of this technique is to develop both present and future scores for countries e. Country Attractiveness-Company Strength Matrix. Firms should concentrate their activities in those countries where both the country attractiveness and the competitive strength ratings are high. When opportunity ratings are high but company strength is not, a firm may decide to try to remedy its competitive weakness. Thus, in deciding where to invest, firms must consider whether to reinvest or harvest, to what degree there is interdependence among their locations and whether they should diversify or concentrate their activities. Harvesting Once a firm makes an initial investment, it will then need to decide whether to continue investing in that operation or to harvest the earnings and possibly divest the assets and use them elsewhere. Aside from competitive factors, a company may need several years of almost total reinvestment and often allocation of additional funds in order to realize its objectives at a given location. Harvesting refers to the reduction in the amount of an investment; a firm may choose to simply harvest the earnings of an operation or divest the assets

there as well. When selling or closing facilities, firms must consider possible government performance contracts as well as potential adverse publicity, plus the possible difficulty in re-establishing operations in that country in the future.

**Interdependence of Locations** It is often difficult to assess the true impact a particular foreign subsidiary has on other operations within an MNE if several operations are interdependent. In the case of intra-firm sales, transfer pricing strategy will definitely affect the relative profitability of one unit as compared to another. Likewise, the net value of a particular operation may be similarly distorted for corporate profit maximization purposes.

**Concentration** A firm may take different paths en route to gaining a sizable presence in most countries. At one end of the spectrum is geographic diversification, whereby a firm moves rapidly into many foreign countries and then gradually builds its presence in each. At the other end of the spectrum is geographic concentration, whereby a firm moves into a limited number of countries and develops a strong competitive position there before moving into others. When deciding which strategy, or perhaps some hybrid of the two, is desirable, a firm must consider a number of variables.

**Growth Rate in Each Market.** When the growth rate in each market is high, a firm will likely concentrate on a few markets because of the cost of keeping up with market expansion.

**Sales Stability in Each Market.** The more stable sales and profits are within a single market, the less advantageous a diversification strategy will be. Sequential entry into multiple markets is more common than simultaneous entry. If a firm has a long lead time before competitors can copy or supercede its advantages, then it may be able to follow a concentration strategy and still beat competitors to other markets.

**Spillover effects** represent situations in which a marketing program in one country results in the awareness of a product in other countries. When a single marketing program can reach many countries via cross-country media, for example, a diversification strategy is advantageous.

**Need for Product, Communication and Distribution Adaptation.** The more a company needs control over a foreign operation, the more appropriate a concentration strategy because additional resources will be required to maintain that control. When a firm is constrained by limited resources, it will likely follow a concentration strategy because spreading resources too thinly can be a recipe for failure. For new investments they will need to develop detailed estimates of all costs and expenses and consider whether to enter a particular venture alone or with a partner. For acquisitions, firms will need to examine financial statements in great detail.

**3: MP Fundamentals of Investments with StockTrak access card**

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entails significant risk and is not appropriate for all investors. Bond funds contain interest rate risk as interest rates rise bond prices usually fall. There are additional risks for funds that invest in mortgage-backed and asset-backed securities, including the risk of issuer default, credit risk and inflation risk. Funds that invest in lower-quality debt securities generally offer higher yields, but also carry more risk. The municipal market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state or local income tax or may be subject to the federal alternative minimum tax. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses associated with the fund or brokerage commissions associated with buying and selling a fund. Index performance is not meant to represent that of any particular fund. Before you invest, you should read the prospectus in that registration statement and other documents GLD has filed with the SEC for more complete information about GLD and this offering. The GLD prospectus is available by clicking [here](#). Alternatively, the Trust or any authorized participant will arrange to send you the prospectus if you request it by calling . As a result, shareholders of the Trust do not have the protections associated with ownership of shares in an investment company registered under the Act or the protections afforded by the CEA. GLD shares trade like stocks, are subject to investment risk and will fluctuate in market value. The value of GLD shares relates directly to the value of the gold held by GLD less its expenses , and fluctuations in the price of gold could materially and adversely affect an investment in the shares. The price received upon the sale of the shares, which trade at market price, may be more or less than the value of the gold represented by them. GLD does not generate any income, and as GLD regularly sells gold to pay for its ongoing expenses, the amount of gold represented by each Share will decline over time to that extent. Investing involves risk, and you could lose money on an investment in GLD. SSGA Intermediary Business offers a number of products and services designed specifically for various categories of investors. Not all products will be available to all investors. The information provided on the Site is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. All persons and entities accessing the Site do so on their own initiative and are responsible for compliance with applicable local laws and regulations. Persons under these restrictions must not access the Site.

### 4: Financial Risk Manager Handbook + Test Bank: FRM Part I / Part II, 6th Edition [Book]

*How diversification and risk-pooling can make independent risks easy to handle. How correlated risks are harder to handle.*

A Brief History of Risk: What Exactly Is Risk? Dealing with Risk the Old-Fashioned Way. The Look and Feel of Risk and Uncertainty. Integrated Risk Analysis Framework. From Risk to Riches. The Basics of Risk. The Nature of Risk and Return. The Statistics of Risk. The Measurements of Risk. A Guide to Model-Building Etiquette. Separate Inputs, Calculations, and Results. Make the Model User-Friendly: Data Validation and Alerts. Automate the Model with VBA. Model Aesthetics and Conditional Formatting. On the Shores of Monaco. What Is Monte Carlo Simulation? Why Are Simulations Important? Comparing Simulation with Traditional Analyses. Test Driving Risk Simulator. Getting Started with Risk Simulator. Running a Monte Carlo Simulation. Using Forecast Charts and Confidence Intervals. Correlations and Precision Control. Tornado and Sensitivity Tools in Simulation. Single Variable and Multiple Variables. Extended Business Cases I: Pharmaceutical and Biotech Deal Structuring. Oil and Gas Exploration and Production. Financial Planning with Simulation. Risk-Based Executive Compensation Valuation. Different Types of Forecasting Techniques. Running the Forecasting Tool in Risk Simulator. Using the Past to Predict the Future. No Trend and No Seasonality. With Trend but No Seasonality. No Trend but with Seasonality. With Seasonality and with Trend. The Pitfalls of Forecasting: Other Technical Issues in Regression Analysis. Appendix B-Ordinary Least Squares. Appendix C-Detecting and Fixing Heteroskedasticity. Appendix D-Detecting and Fixing Multicollinearity. Appendix E-Detecting and Fixing Autocorrelation. The Search for the Optimal Decision. What Is an Optimization Model? The Traveling Financial Planner. The Lingo of Optimization. What Are Real Options? The Real Options Solution in a Nutshell. Implementing Real Options Analysis. Industry Leaders Embracing Real Options. What the Experts Are Saying. Criticisms, Caveats, and Misunderstandings in Real Options. The Black Box Made Transparent: Single Asset Super Lattice Solver. Multiple Super Lattice Solver. Extended Business Cases II: Manufacturing and Sales in the Automotive Aftermarket. The Problem of Negligent Entrustment. Sins of an Analyst. Changing a Corporate Culture. Change-Management Issues and Paradigm Shifts. Tables You Really Need. Standard Normal Distribution partial area. Standard Normal Distribution full area. Durbin-Watson Critical Values alpha 0. Random Numbers multiple digits. Real Options Analysis Values. Answers to End of Chapter Questions and Exercises. Mun demonstrates a deep understanding of the underlying mathematical theory in his ability to reduce complex concepts to lucid explanations and applications. Other books speak in academic generalities, or focus on one area of risk application. Nielsen Book Data Supplemental links.

### 5: Modeling Risk - PDF Free Download

*PART 6 RISK MANAGEMENT IN AGRICULTURE. Contents 1 Introduction 2 Risks in Agriculture Overview Types of Risk Risk Management Strategies and Mechanisms 3 Climatic Variability & Change*

Phase II Options 8. Reports Presentation and Update Analysis Add Monte Carlo simulation to the analysis and the financial model outputs become inputs into the real options analysis. Dynamic Monte Carlo Simulation Risk Management Moving Beyond Uncertainty 25 approach of using the forecast revenues and costs, and discounting the net of these revenues and costs at an appropriate risk-adjusted rate. The return on investment and other metrics are generated here. Monte Carlo Simulation Because the static discounted cash flow produces only a single-point estimate result, there is oftentimes little confidence in its accuracy given that future events that affect forecast cash flows are highly uncertain. To better estimate the actual value of a particular project, Monte Carlo simulation should be employed next. Usually, a sensitivity analysis is first performed on the discounted cash flow model; that is, setting the net present value as the resulting variable, we can change each of its precedent variables and note the change in the resulting variable. Precedent variables include revenues, costs, tax rates, discount rates, capital expenditures, depreciation, and so forth, which ultimately flow through the model to affect the net present value figure. By tracing back all these precedent variables, we can change each one by a preset amount and see the effect on the resulting net present value. Armed with this information, the analyst can then decide which key variables are highly uncertain in the future and which are deterministic. The uncertain key variables that drive the net present value and, hence, the decision are called critical success drivers. These critical success drivers are prime candidates for Monte Carlo simulation. Because some of these critical success drivers may be correlated—for example, operating costs may increase in proportion to quantity sold of a particular product, or prices may be inversely correlated to quantity sold—a correlated Monte Carlo simulation may be required. Typically, these correlations can be obtained through historical data. Real Options Problem Framing The question now is that after quantifying risks in the previous step, what next? The risk information obtained somehow needs to be converted into actionable intelligence. Just because risk has been quantified to be such and such using Monte Carlo simulation, so what, and what do we do about it? The answer is to use real options analysis to hedge these risks, to value these risks, and to position yourself to take advantage of the risks. Based on the overall problem identification occurring during the initial qualitative management screening process, certain strategic optionalities would have become apparent for each particular project. The strategic optionalities may include, among other things, the option to expand, contract, abandon, switch, choose, and so forth. Based on the identification of strategic optionalities that exist for each project or at each stage of the project, the analyst can then choose from a list of options to analyze in more detail. Real options are added to the projects to hedge downside risks and to take advantage of upside swings. Real Options Modeling and Analysis Through the use of Monte Carlo simulation, the resulting stochastic discounted cash flow model will have a distribution of values. Thus, simulation models, analyzes, and quantifies the various risks and uncertainties of each project. In real options, we assume that the underlying variable is the future profitability of the project, which is the future cash flow series. An implied volatility of the future free cash flow or underlying variable can be calculated through the results of a Monte Carlo simulation previously performed. Usually, the volatility is measured as the standard deviation of the logarithmic returns on the free cash flow stream. In addition, the present value of future cash flows for the base case discounted cash flow model is used as the initial underlying asset value in real options modeling. Portfolio and Resource Optimization Portfolio optimization is an optional step in the analysis. If the analysis is done on multiple projects, management should view the results as a portfolio of rolled-up projects because the projects are in most cases correlated with one another, and viewing them individually will not present the true picture. As firms do not only have single projects, portfolio optimization is crucial. Given that certain projects are related to others, there are opportunities for hedging and diversifying risks through a portfolio. Because firms have limited budgets, have time and resource constraints, while at the same time have requirements for certain overall levels of returns, risk

tolerances, and so forth, portfolio optimization takes into account all these to create an optimal portfolio mix. The analysis will provide the optimal allocation of investments across multiple projects. See Chapters 10 and 11 for details on using Risk Simulator to perform portfolio optimization. Moving Beyond Uncertainty 27 8. Reporting and Update Analysis The analysis is not complete until reports can be generated. Not only are results presented, but the process should also be shown. Clear, concise, and precise explanations transform a difficult black-box set of analytics into transparent steps. Management will never accept results coming from black boxes if they do not understand where the assumptions or data originate and what types of mathematical or financial massaging takes place. Risk analysis assumes that the future is uncertain and that management has the right to make midcourse corrections when these uncertainties become resolved or risks become known; the analysis is usually done ahead of time and, thus, ahead of such uncertainty and risks. Therefore, when these risks become known, the analysis should be revisited to incorporate the decisions made or revising any input assumptions. Sometimes, for long-horizon projects, several iterations of the real options analysis should be performed, where future iterations are updated with the latest data and assumptions. Understanding the steps required to undertake an integrated risk analysis is important because it provides insight not only into the methodology itself, but also into how it evolves from traditional analyses, showing where the traditional approach ends and where the new analytics start. Why is risk important in making decisions? Describe the concept of bang for the buck. Compare and contrast risk and uncertainty. These names are some of the biggest in the world of business and finance. Their claim to fame is not simply being the best and brightest individuals or being the largest and most respected firms, but for bearing the stigma of being involved in highly risky ventures that turned sour almost overnight. Paul Reichmann was a reputable and brilliant real estate and property tycoon. Between the two of them, nothing was impossible, but when they ventured into investments in Mexican real estate, the wild fluctuations of the peso in the foreign exchange market was nothing short of a disaster. During late and early , the peso hit an all-time low and their ventures went from bad to worse, but the one thing that they did not expect was that the situation would become a lot worse before it was all over and billions would be lost as a consequence. Long Term Capital Management was headed by Meriweather, one of the rising stars in Wall Street, with a slew of superstars on its management team, including several Nobel laureates in finance and economics Robert Merton and Myron Scholes. The firm was also backed by giant investment banks. A firm that seemed indestructible literally blew up with billions of dollars in the red, shaking the international investment community with repercussions throughout Wall Street as individual investors started to lose faith in large hedge funds and wealth-management firms, forcing the eventual massive Federal Reserve bailout. Barings was one of the oldest banks in England. It was so respected that even Queen Elizabeth II herself held a private account with it. This multibillion dollar institution was brought down single-handedly by Nicholas Leeson, an employee halfway around the world. His illegally doctored track record showed significant investment profits, which gave him more leeway and trust from the home office over time. He was able to cover his losses through fancy accounting and by taking significant amounts of risk. His speculations in the Japanese yen went south and he took Barings down with him, and the top echelon in London never knew what hit them. Had any of the managers in the boardroom at their respective headquarters bothered to look at the risk profile of their investments, they would surely have made a very different decision much earlier on, preventing what became major embarrassments in the global investment community. If the projected returns are adjusted for risks, that is, finding what levels of risks are required to attain such seemingly extravagant returns, it would be sensible not to proceed. Risks occur in everyday life that do not require investments in the multimillions. For instance, when would one purchase a house in a fluctuating housing market? When would it be more profitable to lock in a fixed-rate mortgage rather than keep a floating variable rate? What are the chances that there will be insufficient funds at retirement? What about the potential personal property losses when a hurricane hits? How much accident insurance is considered sufficient? How much is a lottery ticket actually worth? Risk permeates all aspects of life and one can never avoid taking or facing risks. What we can do is understand risks better through a systematic assessment of their impacts and repercussions. This assessment framework must also be capable of measuring, monitoring, and managing risks; otherwise, simply noting that risks exist and moving on is not optimal. This book provides the tools and

framework necessary to tackle risks head-on. Only with the added insights gained through a rigorous assessment of risk can one actively manage and monitor risk. Risks permeate every aspect of business, but we do not have to be passive participants. What we can do is develop a framework to better understand risks through a systematic assessment of their impacts and repercussions. This framework also must be capable of measuring, monitoring, and managing risks. In every instance, for risk to be evident, the following generalities must exist: Uncertainties exist in the future and will evolve over time. Uncertainties become risks if they affect the outcomes and scenarios of the system. The measurement has to be set against a benchmark. Risk is never instantaneous. It has a time horizon. For instance, a firm engaged in a risky research and development venture will face significant amounts of risk but only until the product is fully developed or has proven itself in the market. These risks are caused by uncertainties in the technology of the product under research, uncertainties about the potential market, uncertainties about the level of competitive threats and substitutes, and so forth. However, only the uncertainties that affect the product directly will have any bearing on the risks of the product being successful. That is, only uncertainties that change the possible scenario outcomes will make the product risky. Finally, risk exists if it can be measured and compared against a benchmark. If no benchmark exists, then perhaps the conditions just described are the norm for research and development activities, and thus the negative results are to be expected. These benchmarks have to be measurable and tangible, for example, gross profits, success rates, market share, time to implementation, and so forth. Risk is any uncertainty that affects a system in an unknown fashion and its ramifications are unknown, but it brings great fluctuation in value and outcome. Risk has a time horizon, meaning that uncertainty evolves over time, which affects measurable future outcomes and scenarios with respect to a benchmark. Markowitz did not look at risk as the enemy but as a condition that should be embraced and balanced out through its expected returns. In essence, a higher risk asset requires a higher return. Depending on the risk appetite of an investor, the optimal or best-case returns can be obtained through the efficient frontier. Should the investor require a higher level of returns, he or she would have to face a higher level of risk. In order to better understand this balance, also known as risk adjustment in modern risk analysis language, risks must first be measured and understood. The following section illustrates how risk can be measured.

### 6: Modern Portfolio Theory: Foundations, Analysis, and New Developments, + Website [Book]

*Part 5 was about the importance of diversifying to build your freelance career and make it more financially secure. So why am I warning you about the dangers of freelance diversification in part 6? Because there's a limit to how much you should diversify - and not all diversification is wise diversification.*

*Touch typing Made Simple Krotov physics book Communication Between Cultures (with InfoTrac (Wadsworth Series in Speech Communication) Ethiopian orthodox church books Inorganic stereochemistry Origins of the English people and the English language Zine Scene (Nick Zone) Judging and enforcing : courts and compliance Elements of the comparative grammar of the Indo-Germanic languages Invading Spanish Florida Immunology of Pregnancy (Chemical Immunology) KJV/Amplified Parallel Bible Jesse Duplantis Ministries Cytogenetics, FISH and Molecular Testing in Hematologic Malignancies HIPAA NPI Road Map Teddy Bug and the hot purple snowball The cultural dimension of international business 7th edition Religion, order, and law Policy, practice and teacher experience A pro-slavery crusade Killing the shadows Celebrity drug use The application of goal setting in sport Kieran M. Kingston and Kylie M. Wilson Run on sentence worksheet 5th grade Mild iron deficiency and hormonal alterations during rest and exhaustive exercise The Book of Hindu Imagery Causation of loss Grudge bearer by gav thorpe Pt. 10. Vocabulary and concept review Concluding thoughts Peter Hernon, Camila A. Alire, and Joan Giesecke. Legal foundations of special education for African American learners Elizabeth A. Dooley and Katherine L. Definition of data analysis in qualitative research Sap fico configuration The history and adventures of Joseph Andrews and his friend Mr. Abraham Adams Working effectively with others The Japanese tax treaty (T. Doc. 108-14 and the Sri Lanka tax protocol (T. Doc. 108-9) Making your case the art of persuading judges The 2007-2012 Outlook for Drafting Services in the United States Jurans quality planning and analysis for enterprise quality Cannot open uments in browser The Life of Jesus for Today (For Today (For Today)*