JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Equity Portfolio Construction and Position Sizing Training Course

1 – 5 March 2027
Madrid

Equity Portfolio Construction and Position Sizing Training Course

Ref: 2688_102557 **Date:** 1 – 5 March 2027 **Location:** Madrid **Fees:** 5600 GBP

Equity Portfolio Construction and Position Sizing is a one-week training course for equity portfolio managers and analysts who turn stock ideas into a portfolio with deliberate weights, controlled active risk and measured trading costs, and leave with a portfolio construction policy. Index funds now set a low-cost alternative, so every active position must justify its size. Jupiter Prime Training offers this course on equity portfolio construction.

Why Equity Portfolio Construction Matters Now

Three pressures shape stock portfolios today. Asset owners compare active mandates with cheap index exposure and ask what each holding adds. Investment committees and risk teams expect tracking error, sector bets and style exposures to be explained before results arrive, not after. Dealing desks face thinner liquidity in mid-sized companies, so a good idea can be eroded by market impact. A desk that builds portfolios with clear sizing rules keeps conviction visible and drawdowns explainable; one that does not drifts into hidden factor bets and unexplained underperformance.

Who Gains Most from Equity Portfolio Construction

- Portfolio managers who set holding weights, sector limits and cash levels for a stock fund
- Equity analysts whose recommendations must be translated into position sizes and conviction tiers
- Risk specialists who monitor tracking error, factor exposure and concentration against mandate limits
- Dealers who schedule orders and estimate market impact for rebalancing trades
- Performance staff who attribute returns to stock selection, allocation and style tilts

An equity desk that sends a manager, an analyst and a risk specialist together gains most, because sizing decisions sit where their judgements meet.

Equity Portfolio Construction Capabilities

Participants practise turning a list of preferred stocks into weights that reflect conviction, risk budget and the cost of trading.

- Specify a portfolio construction policy with holding counts, weight bands and sector limits — the investment committee
- Calculate position sizes from conviction, volatility and liquidity — the portfolio manager's weighting decision
- Assess value, quality, momentum, size and low-volatility tilts in a portfolio — risk explanations to asset owners
- Build an active risk budget across stocks, sectors and styles — tracking error within mandate limits
- Estimate commission, spread and market impact for a rebalancing trade — the dealer's execution schedule
- Apply return attribution to separate selection from allocation — the quarterly performance discussion

Key Equity Portfolio Construction Terms

- Active weight — the difference between a stock's weight in the portfolio and its weight in the benchmark index.
- Tracking error — the variability of the portfolio's return relative to its benchmark, used as a measure of active risk.
- Factor tilt — a deliberate exposure to a share characteristic such as value, quality, momentum or size.
- Position sizing — the rule set that converts conviction, risk and liquidity into a holding's portfolio weight.
- Market impact — the price movement caused by the fund's own buying or selling of a share.
- Active share — the proportion of portfolio holdings that differs from the benchmark, showing how far the fund departs from the index.

Equity Portfolio Construction Day by Day

Day 1: Mandates, Benchmarks and Active Choices

- Mandate Objectives and Benchmark Index Selection — Defining What Active Means
- Active Share and Holding Concentration Measures — Distance From the Index
- Fee Pressure From Index Funds — Justifying Each Active Position
- Investment Committee Limits on Sectors and Cash — Boundaries for Construction
- Portfolio Construction Policy Outline — Rules Before Stock Selection

Day 2: Styles, Factors and Hidden Bets

- Value, Quality, Momentum and Size Tilts — Sources of Return Beyond Stocks
- Factor Exposure Reports — Spotting Unintended Style Concentration
- Sector and Country-Neutral Construction Choices — Isolating Stock Selection Skill
- Correlation Between Holdings — Diversification Within a Concentrated Fund
- Low-Volatility and Defensive Sleeves — Managing Drawdown Expectations

Day 3: Position Sizing and Risk Budgets

- Conviction Tiers and Weight Bands — Linking Research Scores to Weights
- Volatility-Scaled Sizing — Equalising Risk Contribution Across Holdings
- Liquidity Limits Based on Daily Traded Volume — Exit Capacity in Stress
- Active Risk Budget Allocation — Tracking Error Across Stocks and Styles
- Stop-Review Triggers for Losing Positions — Disciplined Reassessment of Theses

Day 4: Trading Costs and Rebalancing

- Commission, Spread and Market Impact Estimates — Full Cost of a Trade
- Rebalancing Bands Versus Calendar Rebalancing — Turnover and Drift Trade-Offs
- Order Scheduling With the Dealing Desk — Participation Rates for Large Orders
- Cash Flows From Subscriptions and Redemptions — Keeping Weights on Target
- Turnover Budget and Cost Reporting — Evidence for Asset Owners

Day 5: Building and Reviewing a Portfolio in Practice

- Return Attribution Into Allocation and Selection — Explaining Quarterly Results
- Sizing Rules Applied to a Model Stock List — From Ideas to Weights
- Factor Report Applied to the Model Portfolio — Correcting Unintended Bets
- Cost Estimates Applied to the Launch Trade — Execution Plan Sign-Off
- Portfolio Construction Policy Completion — Limits, Sizing Rules and Review Cycle

Applying Equity Portfolio Construction After the Course

- Run a factor exposure report on a live fund and present any unintended style tilts to the investment committee with proposed weight changes.
- Recalculate position sizes for the ten largest holdings using volatility and liquidity limits, and compare them with current weights.

Equity Portfolio Construction Questions FAQ

What is equity portfolio construction and why does it matter now?

Equity portfolio construction is the discipline of turning stock ideas into weights with controlled risk and cost. It matters now because low-cost index funds force active managers to justify every position size and every style bet.

Which roles gain most from equity portfolio construction and position sizing?

Portfolio managers, equity analysts, risk specialists, dealers and performance staff gain most. Each shapes a different part of how a stock idea becomes a sized, traded and explained holding.

How does equity portfolio construction differ from a stock valuation course?

Equity portfolio construction starts where stock valuation ends. Valuation decides which shares are attractive; construction decides how much of each to hold, how the bets interact and what trading them costs.

What do you bring back from equity portfolio construction training?

You bring back a portfolio construction policy with weight bands, sizing rules, factor limits and a review cycle. It is built from a model stock list, factor report and cost estimates prepared during the one week.

Equity Portfolio Construction: The Way Forward

The portfolio construction policy first informs the investment committee's sign-off on weight bands and active risk limits for the next rebalancing. Portfolio managers, analysts and risk specialists use it to size new ideas consistently. After its first use, the liquidity limits deserve a fresh look, because traded volumes and fund size both change faster than conviction does.