

A background image showing a business meeting. Several people in suits are gathered around a table. One person is holding a smartphone, and another is pointing at a document. The table is covered with various documents, including one with a line graph and another with a bar chart. A red mouse and a keyboard are visible in the foreground.

Handling Benchmark Misfit: Why It Matters and How to Manage It

Panelists: Debi Deyo Rossi, CIPM

Stephen Campisi, CFA

Moderator: Patrick W. Fowler, TSG

Meet Our Panel

- ❖ Debi Deyo Rossi, CIPM
- ❖ Stephen Campisi, CFA



Questions for our Panel

Why Are We Discussing This?

- Why is it important to talk about benchmark misfit risk? Why does it matter?
- How does benchmark misfit directly impact the way we measure, interpret, or report results?

Cause and Effect

- What causes benchmark misfit to occur in a multi-asset portfolio?
- Steve's article discusses how misfit can sometimes mask true manager skill. Could you explain how misfit risk does this and how it could distort performance attribution?

Index Overlap & Manager Skill



- Funds often don't behave like their stated benchmarks as there's often hidden exposure to other segments. Can you talk about how overlap between indices or styles compounds the benchmark misfit problem?
- Should we think of misfit risk more as an unintended allocation decision rather than a failure of manager skill? How should that influence how we evaluate a portfolio's success?

Practical Takeaways



- What advice do you have for performance professionals about benchmark misfit (how can they detect, measure, and manage benchmark misfit in their portfolios)?

Audience Q&A & Closing Comments



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