

PAK Online Seminar

Strategic Decision Making (SDM) Exam
Fall 2015 Edition



PAK Study Manual for SDM Fall 2015



PRODUCT FEATURES

Purposes	Features	PAK Study Manual	PAK Exam Aid	PAK Memorization Aid	PAK Test Aid	PAK Study Manual Package	PAK Online Seminar
Study	Summaries	X				X	
Study	Relevant Past Questions (List)	X				X	
Study	Practice Questions	X				X	
Study	Mock Questions	X				X	
Study	Suggested Schedule (Detailed)	X				X	
Study	Email Support	X				X	
Practice	Mock Questions		X			X	
Practice	Case Study Analysis		X			X	
Practice	Past Questions (Sorted PDFs)		X			X	
Review	Condensed Summary			X		X	
Review	Electronic Flash Cards			X		X	
Evaluation	Mock Exam				X	X	
Bonus	Bonus materials					X	
Study	Online Video Seminar						X
Study	Past Exam Questions						X
Study	Practice Question Set						X



PAK STUDY MANUAL

1. Summary

The PAK Study Manual covers the entire Strategic Decision Making (SDM) syllabus. Not only does it give you the detailed explanations on conceptual, calculation, and exam materials, but it also fills in the gaps among the topics that are not covered in the source readings. It helps you better understand and master the confusing logics and difficult materials.

In addition, it links the similar topics across readings together and connects them to the syllabus so that you can see the whole picture of this exam.

2. Relevant Past SDM SOA Exam Questions (List)

For each reading, we compose a list of relevant past exam questions (if any) so that you can locate the questions quickly and practice them immediately. This saves your time on searching what materials are relevant to this exam.

3. Practice Questions

One key point to pass this exam is to "practice" (Practice makes perfect!). Due to this reason, we include many practice questions in each reading to refresh the materials just learnt and to strengthen your knowledge. More practice will be available in the PAK Exam Aid.

4. Mock Exam Questions

The mock exam questions mimic the same difficulty level of the real exam questions. 5 mock exam questions and solutions are included in the PAK Study Manual to challenge your understandings. More practice will be available in the PAK Exam Aid.

5. Suggested Study Schedule (Detailed)

The syllabus is huge. It is very easy to lose track on your study. A clearly defined study schedule and some useful tips are included to help you better manage your schedule.

6. Email Support

Get questions? Please send me an email

"The study materials were very helpful in preparing me for the exam. Most importantly I was better able to apply the things that I learned to exam style questions."

By Marc Roberts

Read the whole story

DO YOU KNOW?

The PAK Study Manual and related aids are updated EVERY exam sitting.

You will see the most updated materials, examples, and explanations to help you master the concepts and pass this exam in the first attempt.

PAK MEMORIZATION AID

1. Electronic Flash Cards

- ◇ Summarize the key points (with mnemonics) (PDF version is also available)
- ◇ Work best for any big-screen cellular phone or mp3 player (e.g. iPhone, HTC, Android, Nook, etc)

2. Condensed Summary

- ◇ Summarize the key points in outline format
- ◇ Quickly refresh all the important topics in the readings

PAK TEST AID

1. Mock Exam

- ◇ This set of mock exam is different from those mock questions available in the PAK Exam Aid. You can write down your answers and send them to me. I will give you detailed feedbacks on how to improve your exam score

PAK EXAM AID

1. 30 Mock Exam Questions and Solutions

The mock exam questions mimic the same difficulty level of the real exam questions. 30 mock exam questions and solutions are included to challenge your understandings.

2. Case Study Analysis

This set connects the case study materials to the study materials so that you can see the picture on how they can be tested.

3. Past SOA Exam Questions (from All FSA Tracks) Relevant to This Exam

This set not only includes the past exam questions from the SDM exam, but also includes the past exam questions from all the other FSA exam tracks (e.g. FETE, APM, CSP, DP, etc). It helps you better understand how the materials were tested and gets you familiar with the SOA exam question style.

NOTES

1. The availability date of the 1st and 2nd items above may be different. It depends on when the SOA releases the new case study.
2. If the SOA do not release the case study, an additional 5 mock questions will be used to replace the case study analysis.

DO YOU KNOW?

You can find the most up-dated information about the PAK Study Manual and related aids under the "Announcement" section on the front page of the PAK website.

"The Mock questions, Mock exam and Exam Aid are also very beneficial to make sure you're abilities are up to par before the real exam." By Wes Smith

Read the whole story

RELEASE SCHEDULE

Purposes	Features	PAK Study Manual	PAK Exam Aid	PAK Memorization Aid	PAK Test Aid	PAK Study Manual Package	PAK Online Seminar
Study	Summaries	5/15				5/15	
Study	Relevant Past Questions (List)	5/15				5/15	
Study	Practice Questions	5/15				5/15	
Study	5 Mock Questions	5/15				5/15	
Study	Suggested Schedule (Detailed)	5/15				5/15	
Study	Email Support	Anytime				Anytime	
Practice	Mock Questions		8/30			8/30	
Practice	Case Study Analysis		8/30			8/30	
Practice	Past Questions (Sorted PDFs)		7/30			7/30	
Review	Condensed Summary			8/15		8/15	
Review	Electronic Flash Cards			8/15		8/15	
Evaluation	Mock Exam				9/15	9/15	
Bonus	Bonus materials					To Be Announced	
Study	Online Video Seminar						5/30
Study	Past Exam Questions						8/30
Study	Practice Question Set						7/30



DO YOU KNOW?

If you are not sure which exam track to take, or how it can advance your career, you can send an email to Paul or Eddy and discuss your situation with them. They will share their work experience with you so that you can make your decision informatively.

PAK STUDY MANUAL PACKAGE

1. PAK Study Manual
2. PAK Memorization Aid
3. PAK Exam Aid
4. PAK Test Aid
5. Bonus materials

PAK ONLINE SEMINAR

1. Over 80 videos to clarify and explain the key concepts/calculations in the readings of the entire syllabus
2. Discuss the past exam questions and what questions might be asked on the upcoming exam
3. Videos reviewing exam tips and techniques that can help you to maximize your score
4. Review the new version of the case study and discuss which sections are important, and how they might be tested
5. Contain condensed outlines for each reading
6. Practice Question Set (150 questions) to test your knowledge
7. Review the lectures and study at your own pace, on any PC, Mac, smartphone, and/or tablet device
8. All videos are available in MP3 (audio) format
9. Instructor support via email and PAK Forum support to help you to clarify any section of the syllabus
10. Free access for 2nd attempt (only for those who scored 2-5)

SAMPLES?

You can find more samples on the [PAK](#) website.

IMPORTANT NOTES

1. Please note that all products are in electronic (PDF) format. **No** hard copy is provided.
2. Once you make a purchase (please use your work email address), we will send you a confirmation email within 1 business days. Once the files are available, we will send them to you through email. Please make sure that you put the correct email address when you purchase the PAK products. **If you do not receive the confirmation email, please send us an email (services@pakstudymanual.com).**
3. Please check your “junk” mailbox. Sometimes, our email is blocked.

MORE INFORMATION

Want more information? Please contact me at eddy.chan@pakstudymanual.com, paulpeterson@pakstudymanual.com or visit www.pakstudymanual.com

COMMENTS FROM THE PAST CANDIDATES

You can find more comments from the past candidates here: [PAK Testimonials](#).

WHERE TO PURCHASE PAK PRODUCTS

The PAK products are available at [Actex](#), [Actuarial Bookstore](#), and [SlideRule Books](#).

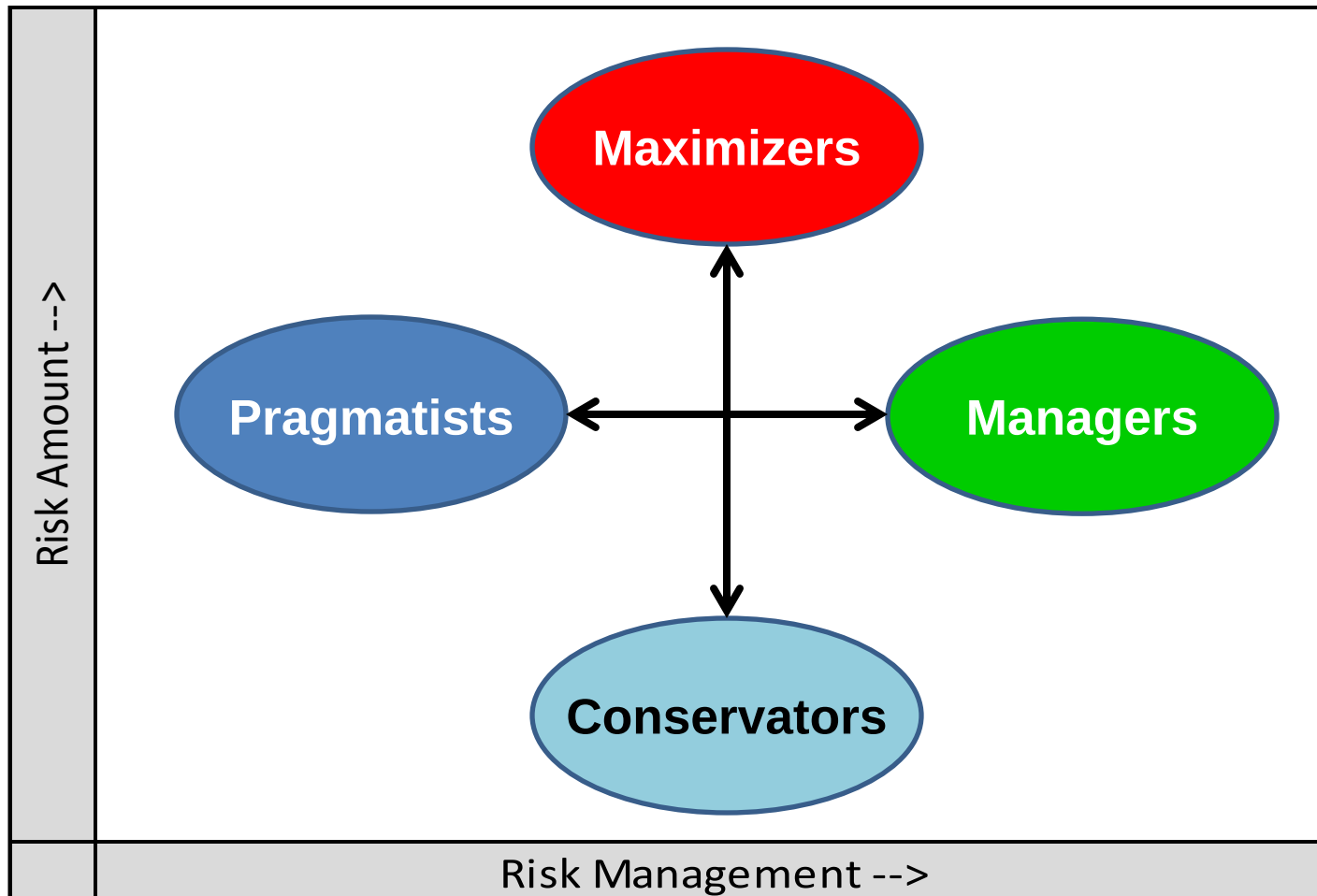
The Full Spectrum of Risk Attitude?

Key Point of This Reading

1. Understand the four different risk perspectives and their corresponding strategies
2. Understand the rational adaptability approach and the harmony approach

Four Different Perspectives on Risk

Companies and managers have their own views of risk



Four Different Perspectives on Risk

Perspective	Strategy
Maximizers	“The more risk, the better. All that matters is a good return.”
Conservators	“The less risk, the better. All that matters is low volatility”
Managers	“We know exactly how much risk we want, and how we want it to be managed.”
Pragmatists	“Let’s bring in a bunch of risks, they’ll probably offset.”

Resistance to the Current ERM Paradigm

- Current ERM is based off on “Managers” perspective
- There are problems fitting with other perspectives

What do other perspectives think about “Manager-only” ERM?

Maximizers		• ERM is an unnecessary restriction
Conservators		• ERM encourages too much risk
Pragmatists		• ERM is letting a model run the company

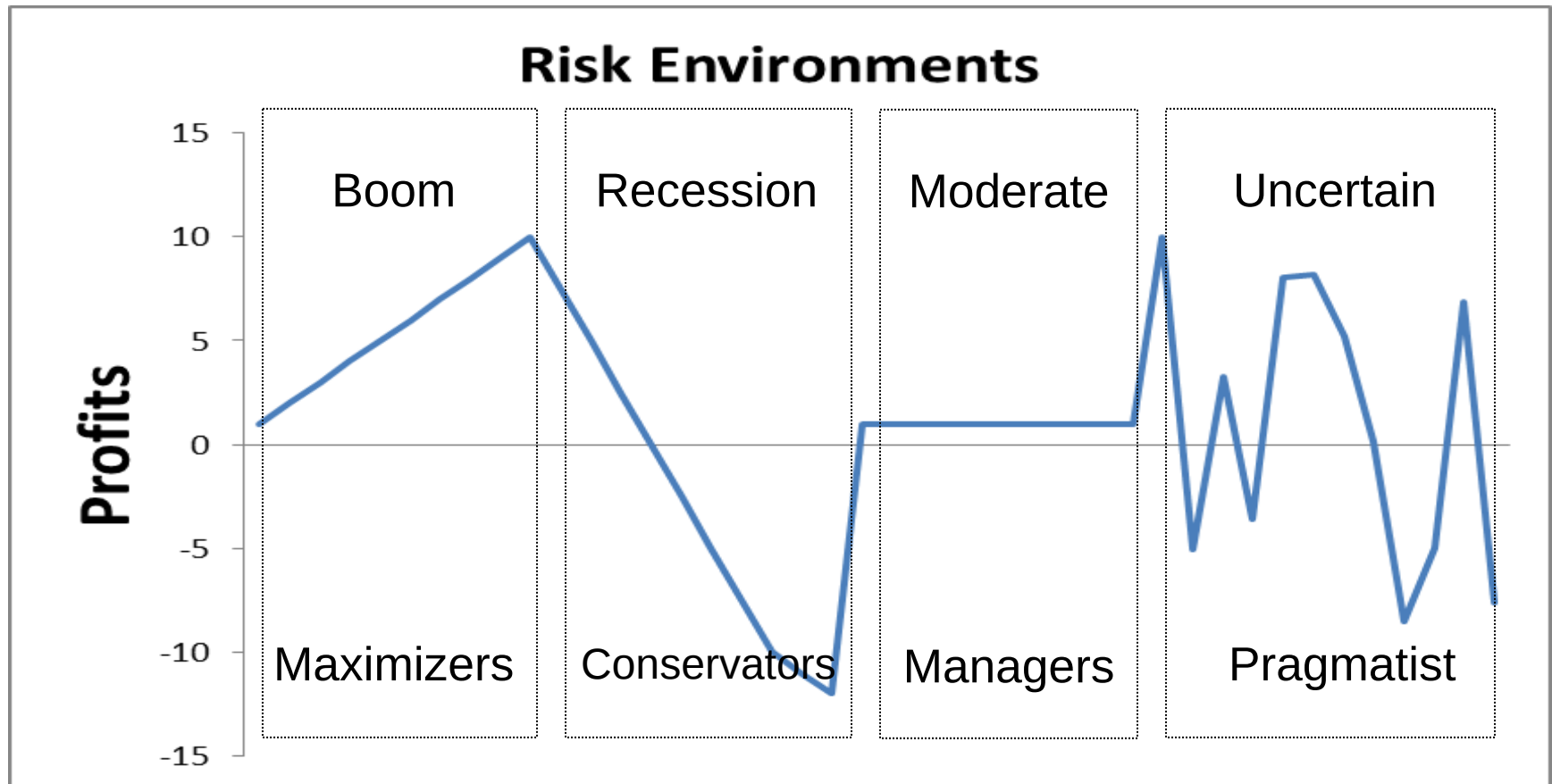
Build A Bigger Tent

A more flexible definition of ERM helps build buy in.



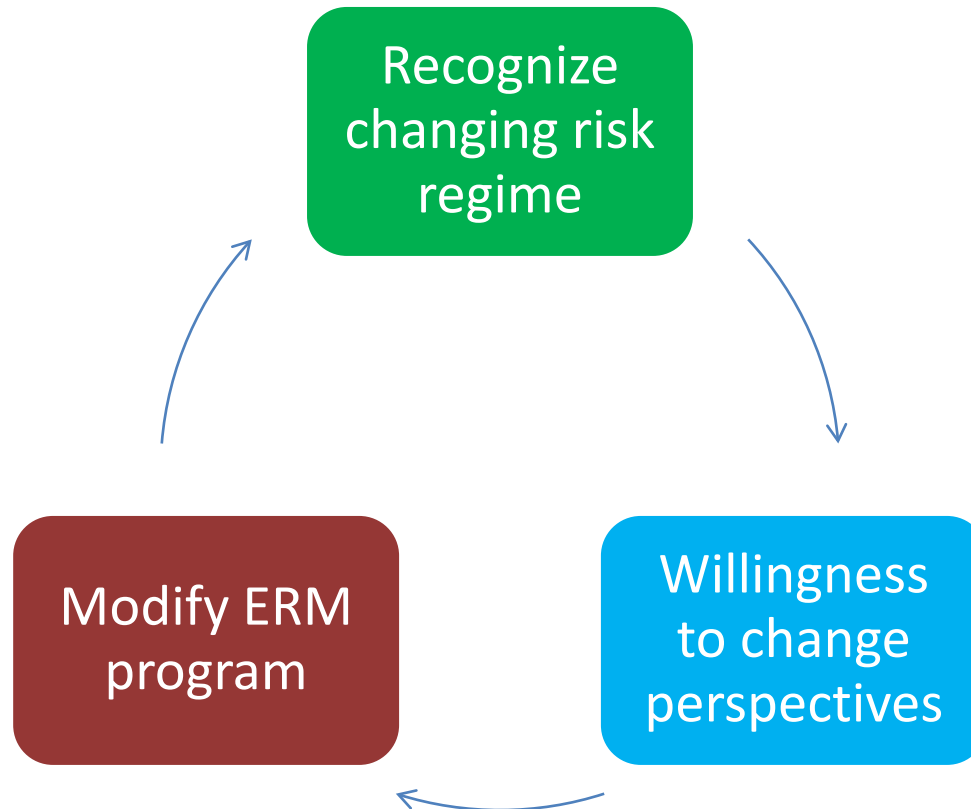
Changing Risk, Changing Perspective

Each perspective can fit into certain risk regimes, but **none are perfect**

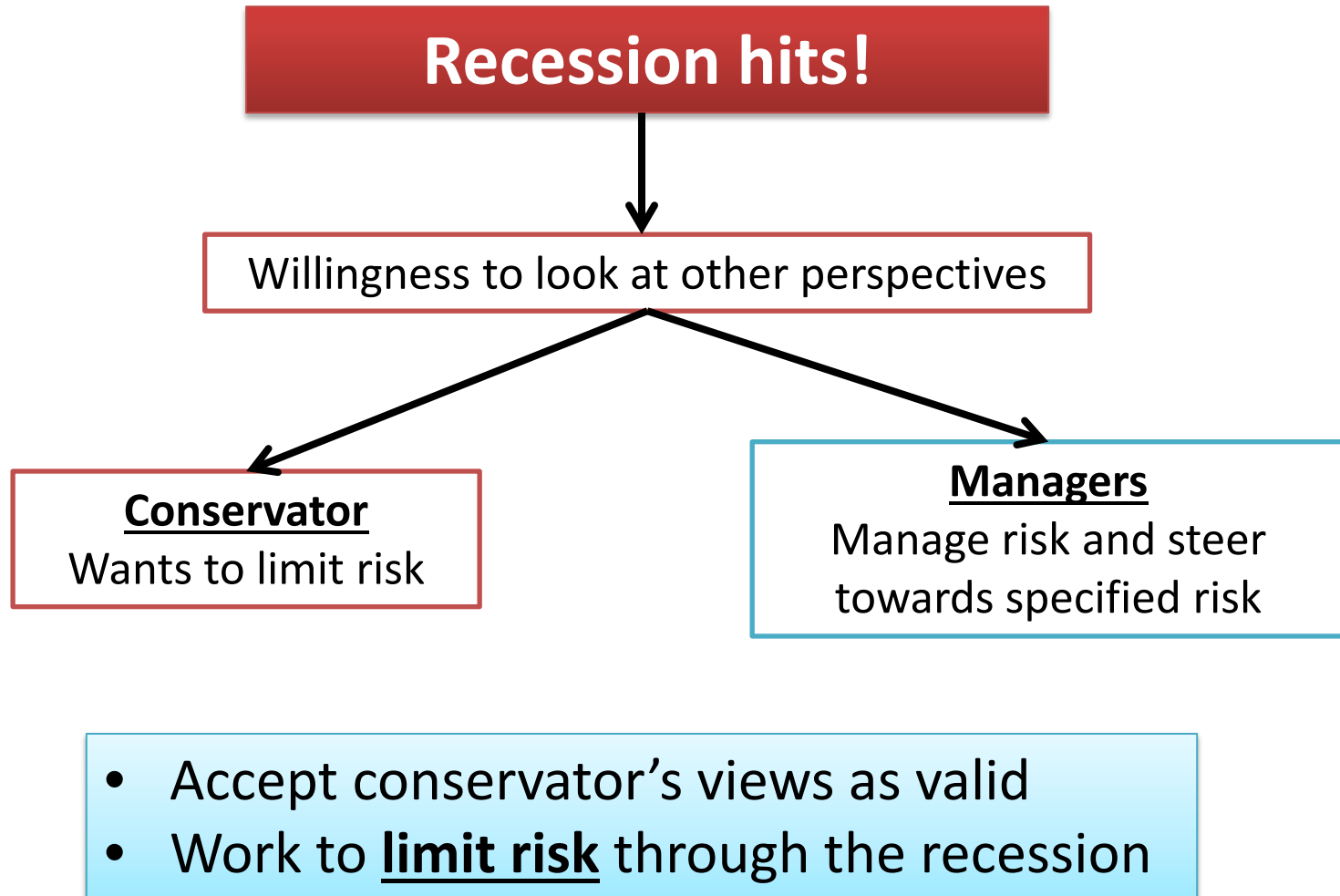


Rational Adaptability

It is appropriate to acknowledge differing risk perspectives and change strategy



Rational Adaptability - Example



Harmony

- Acknowledge that all perspectives offer value

- Corporate ERM must include all four perspectives

- There is no single best strategy
- Only the best strategy for the risk environment

Practice Question

Market volatility is at an all-time high. Wild fluctuations have made your companies well-planned ERM program less effective.

You decide to draw from other risk perspectives in the company. What type of perspective would be most appropriate?

Practice Answer

A pragmatist would be the most appropriate perspective:

- It is hard to do Risk Steering in an uncertain environment
- Diversification help reduce some volatility
- This allows the firm to compete with competitors who are more flexible