

FIXED INCOME PORTFOLIO MANAGEMENT

By **Andrew Doyle**

Introduction

The funds management industry has increasingly become challenged to efficiently manage assets. Modern portfolio theory encompasses both theoretical aspects and practical issues.

This modular programme is designed to give those in the investment management industry, or those financial institutions who regularly sell to the industry, a detailed and intensive examination of the processes of risk management for equity and fixed income products. Those who attend the final day will practice the skills learned using a series of custom-designed computer simulation exercises intended to demonstrate the skills learned during the previous sessions of the programme.

While participants are encouraged to attend all sessions, the opportunity exists for selective attendance of the specific modules where skill enhancement will be seen as most beneficial.

Workshop Details



21 – 22 February 2019



RAM Training Centre



Intermediate Level

10

SIDC
CPE POINTS

8

AICB
CPD HOURS

**EARLY
BIRD FEE**
Register Now!
before
21 January '19

LEARNING OUTCOMES

The workshop is designed to train those in the investment management industry. Successful course participants should be able to:

- recognise and apply the most current skills in fund management.
- deconstruct the yield curve from available data.
- create a consistent pricing & valuation model for interest rate products within their market.
- determine the market's perception of the future changes in the interest rate environment.

TARGET PARTICIPANTS

- ✓ Fund and Portfolio Managers
- ✓ Money, Bond & Derivative Traders
- ✓ Treasury & Capital Markets Sales Personnel
- ✓ Financial Market Regulators
- ✓ Private Bankers (Wealth Management)
- ✓ Risk and Product Controllers
- ✓ Support Staff Assigned to Private
- ✓ IT Staff Supporting Investment management or Wealth Management
- ✓ Internal & External Auditors

PRE-REQUISITES

A thorough knowledge of at least one of fixed income or equity products.

Delegates are requested to bring a **Financial Calculator** to this course and have a basic understanding of its functions.

COURSE TRAINER

Andrew Doyle has over 20 years of international trading experience in Asia and Australia. He is currently based in Singapore and spends a great deal of his time in Malaysia. He remains active in the areas of currency, interest rates, equity, credit and derivative trading and marketing as well as operational and technological support providing advice to governments, banks and corporations.

His previous experience includes being Regional Marketer for Derivatives at ABN AMRO Bank in Singapore. His responsibilities included structuring and pricing complex derivative risk management solutions for bank, corporate and government customers as well as training & new product development. These products covered the entire scope of the bank's suite including Spot & Forward Currency & Money Markets, Non Deliverable Forwards (NDFs) Fixed Income, Forward Rate Agreements, Convertible Bonds, Asset & Liability Swaps, Interest Rate and Cross Currency Swaps, Interest Rate & Currency Options, Equity & Fixed Income Derivatives and Exotic Options. He was the driving force behind the bank's development of swap trading books in New Taiwan Dollars & Indian Rupee and was a pioneer in the development of the derivatives markets in both countries.

Before joining ABN AMRO, Andrew was the Manager for Australian and New Zealand Dollar Bond Options at BZW, Sydney. His responsibilities included price making, risk management and strategic marketing of Australian and New Zealand Bond options globally. During his time there, he grew the business of BZW to be both the largest Bond option business in Australia as well as the largest within the Barclays group.

Andrew began his professional career as a Foreign Exchange, and then as a dealer in Interest rate options, gaining broad experience in Foreign Exchange, Interest Rate markets. He also has extensive trading experience in FX, Interest Rate, Equity and Commodity Markets. Andrew has been a member of the Australian Financial Markets Association (AFMA) OTC Interest Rate Options Market Committee.

Andrew has conducted seminars in Australia, Hong Kong, India, Indonesia, Japan, Malaysia, The Philippines, Singapore, South Africa, South Korea, Thailand, Taiwan and Vietnam. His courses cover all aspects of banking, risk management and treasury & capital market products including option & other derivative pricing, valuation, risk management and trading strategies.

Andrew has over a decade of experience in Malaysia and has conducted training programmes for organisations including Monetary Authority of Singapore (MAS), Securities Commission (Malaysia), Bank of the Philippines (BSP), RAM Holdings Berhad, the Malaysian Derivatives Exchange, Indonesian Banking Reconstruction Agency (BPPN), Development Bank of Southern Africa, Asia-Pacific Economic Cooperation (APEC), Citibank, CIMB, DBS Bank, Deutsche Bank, HSBC, Maybank, Standard Chartered Bank and JPMorgan. He remains an active option trader for his own account.

Andrew holds degrees in Finance, Economics and Psychology.

FIXED INCOME PORTFOLIO MANAGEMENT

COURSE CONTENT

Module 1: Bond Market Review

- 📖 Types of Instruments in Bond Markets
 - Fixed Coupon Bonds
 - ◆ Government
 - ◆ Agency
 - ◆ Corporate
 - Floating Rate Notes
 - Convertible Bonds
- 📖 Interest Rate Futures
 - Bond Futures

Module 2: Returns from Interest Bearing Securities

- 📖 Sources of Return
- 📖 Yield Computation
- 📖 Annualising Yields
- 📖 Internal Rate of Return (IRR)

Module 3: Review of Yield Curves

- 📖 Bond and Par Curves
- 📖 Zero Curve
 - Deconstruction
 - Bootstrapping
- 📖 Forward Curve
 - Construction
- 📖 Interpolation Methodology
- 📁 **Case Study: Creating a Zero Coupon Yield Curve**
Participants will use custom designed software to examine how a zero coupon yield curve is extracted and applied to valuing bonds and other interest rate products.

Module 4: Interest Rate Sensitivity Analysis

- 📖 How Bond Characteristics Affect Bond Price Sensitivity
- 📖 PV01/BPV/\$Volatility/Tick Value
 - Calculating
 - What It Means
 - Using PV01 to Measure and Manage Interest Rate Risk
- 📖 Macaulay and Modified Duration
 - Calculating
 - Short cuts
 - Estimating Bond Price Change
 - Using Duration to Measure and Manage Interest Rate Risk
- 📖 Convexity
 - Calculating
 - Seeing Convexity
 - Estimating Bond Price Change
 - Using Convexity to Measure and Manage Interest Rate Risk
- 📖 Which Curve Do I Use to Measure Risk?
- 📁 **Case Study: Sensitivity Analysis**
Delegates will calculate the yield sensitivity of a set of cashflows.

Module 5: Hedging Bonds

- 📖 Hedging a Bond
- 📖 Hedging a Portfolio
- 📁 **Case Study: Managing a Portfolio**
Participants will examine the value and the sensitivity of a portfolio of securities and determine an appropriate strategy to manage the portfolio within a mandate.

Module 6: Interest Rate Derivatives for Bonds

- 📖 Futures
 - Short Term Futures
 - Bond Futures
 - ◆ Cheapest to Deliver
 - ◆ Synthetic Bond
 - ◆ Zero Curve
 - Interest Rate Swap Futures
- 📁 **Case Study: Using Futures to Manage Duration**
Participants will examine how interest rate futures may be used to manage portfolio duration within the context of a manager's mandate.
- 📖 Interest Rate Swaps
 - Mechanics and Structure
 - ◆ Relationship to Bonds
 - Measuring Risk
 - Using Swaps to Hedge Interest Rate Risk
- ✍ **Exercise: Pricing Interest Rate Swaps**
Participants will determine the fair price for an Interest Rate Swap using market data.
- 📖 Cross Currency Swaps
 - Product Overview
 - Interest Rate Parity
 - The 'Internationalisation' Missing Link
 - Cross Currency Swap Structures
 - ◆ Basis Swap
 - ◆ Fixed-Floating
 - ◆ Fixed-Fixed
- 📖 Managing Interest Bearing Assets with Derivatives
 - Asset Swaps
 - Switching Risk
 - Generating the Desired Mix of Rate, Credit, Currency, Equity and Option Risks.
 - Using Cross Currency Swaps with Bonds

Module 7: Portfolio Construction

- 📖 Building a Portfolio
- 📖 Analysing and Quantifying the Risk
- 📖 Eliminating Interest Rate Risk
- 📖 Trading Curve Shape
 - Steepening
 - Flattening
- 📖 Butterflies
 - Residual Risks
- 📁 **Case Study: Executing a View**
Delegates will examine strategies to take advantage of yield curve shape views while eliminating other risks.

WORKSHOP DETAILS FIXED INCOME PORTFOLIO MANAGEMENT

21 – 22 February 2019
9.00 am to 5.00 pm
Registration will commence at 8.30 am

VENUE
RAM Training Centre, Level 5,
No. 19, The Boulevard, Mid Valley City

REGISTRATION FORM

PLEASE USE BLOCK PRINT AND PHOTOCOPY FOR MULTIPLE BOOKINGS

Name (1) : Mr/Ms _____
Designation : _____
Department : _____
E-mail add. : _____

Name (2) : Mr/Ms _____
Designation : _____
Department : _____
E-mail add. : _____

Organisation : _____
(As per registered with Royal Malaysian Customs Department)
Address : _____

Telephone : _____
Fax : _____

TRAINING DEPARTMENT CONTACT DETAILS

Contact person : Mr/Ms _____
Designation : _____
Department : _____
Email : _____
Organisation : _____
Address : _____

Tel : _____ Fax: _____
Cheque/Bank Draft No.: _____ Amount: _____

Registration form submitted on _____

CONFIRMATION REPLY SLIP (FIPM/FEB/19/03.02)

Attention : _____

- [] We would like to confirm participation of _____ personnel for this course. Kindly forward the registration fee of RM _____ before the event.
- [] We regret that your nomination cannot be accepted as registration has been closed
- [] We will KIV your nomination for a re-run of this course

3 Quick & Easy Ways to Register

Phone:
603 7628 1153 (Hanani)
603 7628 1151 (Sharimah)
603 7628 1152 (Sangeetha)

Email:
hanani@ram.com.my
sharimah@ram.com.my
sangeetha@ram.com.my

Fax:
603 7620 8250 (DID) / 603 2711 1701 (GEN)

REGISTRATION FEE:

RM4,028.00*/USD1,007.00 ** per delegate

EARLY BIRD:
RM3,826.60*/USD957.00 ** per delegate
(Before 21 January 2019)

(Fees include tuition, teaching materials, lunch & refreshments)

PAYMENT DETAILS

* **The registration fee is inclusive of 6% Service Tax**

** Total Registration fee should be net of all taxes, bank charges or any other deductions of any kind under the law of the jurisdiction from which such payment is made.

Please make crossed cheque / bank draft payable to 'RAM Holdings Berhad' and send to Suite 20.01, Level 20, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

Payment must be submitted before the workshop to guarantee your attendance.

If payment is made via Internet Bank Transfer (IBG), Please provide the course code as per above as reference and kindly provide the payment notification / advice slip immediately after remittance.

ADMINISTRATIVE INFORMATION

Group Registration

For 3 or more registrations from the same organisation, a 10% discount applies.

Cancellation & Transfer Policy

Should a delegate be unable to attend, a substitute may attend in his/her place at no extra charge.

Written cancellation received

- One (1) week before the event, a refund (less an administrative charge of 50%) will be made.
- For no-show on the day of the series, no refund will be entertained.
- Cancelled unpaid registrations will also be liable for penalty payments.

Disclaimer

RAM Holdings Berhad reserves the right to change the programme, speaker, date or venue or cancel any part of its published programme due to unforeseen circumstances. We reserve the right to refuse registration.

DATA PROTECTION

RAM collects your personal information when you register for this Course. This will enable us to enhance our services and ensure that you are kept informed of our new products and services. In addition, RAM may monitor the use of our website, including the brochures downloaded, information you post and actions taken thereof.

We trust that you consent to have RAM process your personal information. If you do not consent to the above, kindly contact us at the following contact details:

Attn : Personal Data Protection, RAM Holdings Berhad
Tel : 03 – 7628 1000
Fax : 03 – 7620 8250
Email : ram_pdpa@ram.com.my