

Continuing Education Program

3-Hour

Risks and Rewards of Investing in Structured Products

- Characteristics of structured products
- Explanation of risks/returns of various structured products commonly found
 - Equity-linked notes
 - Inflation-linked notes
 - Credit-linked notes
 - CDOs
 - Participation rate structured products
 - High yielding structures
 - Leverage structures
 - Multi-asset class structures
 - Rainbow structures
 - Autocall
 - Range accruals
 - Accumulators
- Investing in structured products
 - Changing risk/return profile
 - Efficient execution of market views
 - The use of structured products in asset allocation

Understanding Funds-of-Hedge-Funds: Their Values and Their Risks

- Explanations of various hedge fund strategies
 - Equity hedge and sub strategies
 - Trading and sub strategies
 - Arbitrage and sub strategies
- Advantages of funds-of-hedge-funds (FoHFs)
- The darks side
- Selecting FoHFs
 - Strategy allocation
 - Strategy diversification
 - Dynamic strategy re-allocation

Asset Class Dynamics and Their Roles in Clients' Portfolios

- Value of equity as an asset class in a client's portfolio
- Value of bond as an asset class in a client's portfolio
- Value of property investment in a client's portfolio
- Value of commodities in a client's portfolio
- Value of alternative investments in a client's portfolio
- Growth cycle and asset class performance
- Tactical adjustment of client's portfolio utilizing the understanding of asset class dynamics

How Fund Managers Use Stock Index Futures

- Essential knowledge on Stock Index Futures
- Stock Index Trading Mechanism
- Stock Index Futures traded in SGX-DT
- Uses of Stock Index Futures by Fund Managers:
 - Adjusting beta of a stock portfolio
 - Varying the size of investment in the market
 - Separation of stock selection from timing decision
 - Changing the asset allocation
 - Rebalancing the asset allocation
 - Anticipating cash inflows
 - Accumulating money for investment
 - Uncertain cash outflows
 - Investment in foreign equities
 - Tilt a fund

Strategies of Hedge Fund Managers

- What is a hedge fund?
- Traditional investments and alternative strategies
- Common hedge fund traits
- Hedge Fund Investment Strategies - Market Directional
- Equity long/short
 - Equity market timing
 - Short selling
- Hedge Fund Investment Strategies – Corporate Restructuring
 - Merger arbitrage
 - Distressed securities
 - Event-driven
- Hedge Fund Investment Strategies - Convergence Trading
 - Fixed income arbitrage
 - Convertible bond arbitrage
 - Equity market neutral
 - Statistical arbitrage
 - Relative value arbitrage
- Hedge Fund Investment Strategies – Opportunistic
 - Global macro
 - Fund of funds

Technical Trading versus Technical Analysis

- Key differences between technical analysis and technical trading
- 5 Cardinal rules of a good trading system
- Components of a good trading system
 - Strategic set-up
 - Tactical triggers
 - Risk management
 - Exit strategy
 - Money management

- Record keeping
- Trading psychology
- Strategic Set-Up: The Big Picture
- Technical Triggers: Time to Pull the Trigger
- Position / Loss Management: How to Protect your Profits and Contain your Losses
- Money Management: The Importance of Betting Size
- Integrating Everything: Trading a Total System
- Review of a trend-trading system
- Trading Psychology Pertaining to Trading with a System

Case: Coin toss experiment. Understanding optimal trading size and fundamental principles of risk management

Value Investing: Stock Selection for the Long Run

- Background of value investing: What is the style?
 - Definition of value investing
 - Degrees of value investing
 - Different assumptions in value investing
- Bases of value investing: What tools to use?
 - Traditional valuation parameters
 - Asset-based parameters
- Beliefs of value investing: How to value assets?
 - Comparison versus historical averages
 - Comparison versus industry/sectoral averages
 - Comparison versus market averages

Interest Rate Markets and Products

- Introduction to interest rate markets
 - Interest calculation methods
 - Money market interest calculations
 - Interest rate quotation formats
 - Common interest rate benchmarks
 - Yield and discount curves
- Factors influencing the movement of interest rates
- Examples of interest rate exposures
- Overview of interest rate financial instruments
 - Money market instruments
 - Forward rate agreements (FRAs)
 - Interest rate futures
 - Bonds
 - Interest rate & cross currency swaps

Economic Cycles and Asset Class Performance

- Key economic engines of economy
 - Interest rate engine
 - Inventory engine
- Growth cycle model
- Growth cycle and investment returns
 - Stock market performance
 - Bond market performance
 - Commodity market performance
- Economic indicators: Identifying position in the growth cycle
 - Key economic indicators and their interpretations
- Implications for investment

Trading Stock Options

- Essential of options
- Common mis-understanding of options
- The role volatility plays in option trading
- Option strategies
- Different ways to trade options
- Managing the risk of option position
- How hedge funds trade options

Forwards and Futures Instruments

- The concept of “prices in the future”
- Similarities and differences between forwards and futures
- Key participants in the futures and forwards markets and their roles
- Concept of arbitrage-free pricing and its importance
- Calculate forwards/futures prices for a range of different assets
- Contango versus backwardations

How to Plan towards a Gracious Retirement

- Understanding the need to plan
- Knowing what can cause your plan to fail
- Knowing how to fail proof your plan by having:
 - A strong financial health
 - A risk management plan
 - An investment strategy
 - An estate plan
- Knowing how you can still achieve your retirement goals despite the ever-so-often financial crisis
- Knowing how to choose an adviser if you need one

Economic Indicators: Their Interpretations and Effects on Asset Markets

- Impact of economic indicators on the stock market
- Economic indicators most sensitive to stock market
- Impact of economic indicators on the bond market
- Economic indicators most sensitive to bond market
- Composite Index of Leading Indicators
- Employment reports
 - Unemployment rate
 - Non-Farm Payroll
- Retail Sales
- GDP
- Durable Goods Order
- Industrial Product and Capacity Utilization
- ISM Manufacturing Survey
- Housing Starts and Building Permits
- Existing and New Home Sales
- CPI and PPI
- International Economic Indicators
 - German Industrial Production
 - German IFO Business Survey
 - German CPI
 - Japan Industrial Production
 - Japan Tankan Survey

Inside the Black Box

- Does Quant trading matters?
- Inside the black box
- Automated Market Making
- High-Frequency Trading (a.k.a. Algorithmic Trading)
- Statistical Arbitrage
- Equity Market Neutral
- What happened to the Quants in August 2007?
- Criticisms of Quant trading

Understand ETFs

- What is ETFs?
- Structure of ETFs
- Tax advantages
- ETF vs. unit trusts
- Different kinds of ETFs
 - Stock ETFs
 - Money market ETFs
 - Currency ETFs
 - Fixed Income ETFs
 - Commodity ETFs
 - Actively-managed ETFs

- Inverse ETFs
- Creating an all-ETFs investment portfolio
- How investors can use ETFs to leverage short term trading strategies