

Classroom based courses (not yet available online)¹

General Finance Topics

Behavioural Finance (1/2 day)

Traditional finance makes several assumptions about the rationality and consistency of market participants. Arising from the examination of anomalies in the marketplace apparently at odds with those assumptions, Behavioural Finance addresses seemingly irrational behaviour and market phenomena inconsistent with the predictions of the academic models. This talk will increase the awareness of the participants to common investor pre-dispositions, biases, and "mistakes" that are observed in the market:

- What is Behavioural Finance and how does it differ from the Theory of Modern Finance?
- What are the factors that often influence (and sometimes cloud) one's thought processes and judgment?
- How can the insights of Behavioural Finance benefit those working in the capital markets?

Equity valuation (1/2 day)

This course provides a thorough introduction to equity valuation. It covers the popular valuation techniques – equity multiples, enterprise multiples and discounted cash flow methods. We introduce the main concepts behind each method, discuss their value drivers and reconcile seemingly contradictory results. In hands-on case studies and exercises participants will apply the different valuation techniques. The course is designed to make participants more efficient in reading equity research.

Statistics for portfolio management (1 day)

This course is an introduction to statistics and statistical methods. It is suitable both for the true beginner as well as those who have had statistics training in the past and wish to refresh their knowledge. The class explores key statistical concepts and techniques commonly used in portfolio management. It covers univariate and bivariate statistics, risk measures, distributions, regression and time series analysis.

Interest and bond math (2 days)

Everyone in the financial markets needs to know about interest rates. This course is our answer to what we think are the interest rate essentials. It equips the participants with the knowledge needed to understand the key characteristics, basic valuation and risk management of fixed income instruments. We start with discussing interest rate terminology and math, learn how to build and use yield curves and practice how to perform basic calculations on bonds, interest rate futures, interest rate swaps, etc. This course will serve you well during your entire career in the financial markets. Bring a calculator along, you will get your hands dirty!

¹ All Nosco e-learning courses can also be delivered as classroom courses, or in a blended format.

Banking industry

Understanding banks – “How UBS makes money”

Banking business explained through the financial statements of a universal bank (1/2 day)

This is a course designed for all those who work in banking, excel in their daily job and would like to better understand the big picture of how a universal banks really works. Starting from headline earning numbers, we embark on a journey through a bank’s annual reports to better understand the different facets of the banking industry. We investigate how the various divisions of the bank differ in income type, balance sheet impact and capital requirements. We then use these insights to show how a bank’s business model is reflected in its financial statements. In the second part of the course we investigate how the different banking businesses are managed as one firm. We discuss risk-, liquidity- and capital management of a universal bank and how key performance measures are used to balance profitability and constraints.

Risk Control Fundamentals (1 day)

Controlled risk-taking is a central part of the business of any financial services firm. Especially for banks, some losses from risk-taking activities are inevitable, but to be successful over time, risks taking must be balanced and controlled. If you want to understand how financial institutions work, this course will provide the needed foundation. This course introduces various types of risk a bank faces in carrying out its businesses. The course provides a broad overview and comparison of the categories of risks, how they are measured, and the relevant regulatory capital treatments. The first part of the course focuses on the top-down perspective. We explain the various types of risk, the business activities that create those risks, the bank’s internal & regulatory framework to keep them under control. The second part of the course focuses on the “bottom-up” perspective, we zoom deeper into market and counterparty credit risk. The course concludes with an overview of operational risk.

Financial Product Knowledge

Convertible bonds (1/2 day)

If you invest in a convertible bond you have the choice of becoming an equity or a fixed income investor. In a sense, you have the best of two worlds. But that also means you need to understand both worlds in order to spot investment opportunities. This course introduces convertibles and examines the issues associated with these unique hybrid securities. We will explain the main products and structures, identify their value drivers, investigate the convertible markets from the investor side, and finally switch to the issuer's perspective. We will also cover special structures like mandatory convertible bonds and CoCo bonds (contingent convertible bonds).

Structured products (I & II, ½ day each)

This course provides a good overview of the structured product markets from both an investor and issuer perspective. We will examine the rationale for these products and their underlying building blocks. The first part of the course focuses on classic structured products linked to equities, rates, and currencies. In the second part of the course we discuss the limitations of such "traditional" structured products and the reason why more "exotic" products have been developed. Participants will gain an understanding of the key ideas behind each structured product type, what factors affect its valuation, and the investor needs that are addressed: who uses (should use) the products? What are the benefits and risks? What are the most frequently asked questions by investors?

Credit derivatives (1/2 day)

This course provides a solid introduction to credit default swaps and other credit derivatives. We start with the mechanics of Credit Default Swaps, the rational and historic development of the single name CDS and index products. We then investigate the value drivers of credit derivatives and how credit derivatives are used to express views in the credit market. After completing the course, participants will understand the features of credit derivatives, what factors affect its valuation and how the products are traded and applied in the markets. Participants will be confident and knowledgeable enough to have informed discussions on credit derivatives.

Volatility derivatives - Investing in volatility (1/2 day)

Volatility based investments can be an effective diversifier for many portfolios. This course provides a solid introduction into this topic. We review the terminology and jargon of the volatility market by examining classic ways of trading volatility through vanilla options but then swiftly move to the more direct ways of trading volatility through volatility derivatives like VIX futures, VIX options and variance swaps. The use of volatility derivatives and the strategies to express volatility views will be an important part of this course. Participants should have a fundamental understanding of derivatives.

Managing currency risk in investment portfolios (1/2 day)

Any foreign investment carries two exposures; the performance of the foreign asset and the movement of the foreign currency. This FX exposure is often considered to be just a by-product of the actual investment decision and its management neglected. But currency movements can significantly affect the performance of the portfolio. This class examines the risk and return impact of currency exposure and investigates how it can be hedged and managed. Participants will learn how to decompose portfolio returns into local and foreign components and how to manage the implied currency risk.

Bitcoin & Crypto currencies (1/2 day)

Even though the acceptance of Bitcoin has increased among investment professionals, the crypto currency remains something of a closed book for many. In this course we explain how bitcoin really works, how secure bitcoins are and in general how a crypto currencies differ from a 'normal' currency. To understand what is so special about Bitcoin, we will have to look under the hood of the crypto currency, explaining terms like block-chain, digital signatures and more. After the course you will be able to separate fiction from reality and make your own judgment of how bitcoin and related technologies might change the world of finance.

Systematic Investment Strategies & Smart Beta (1/2 Day)

Traditionally asset management considers asset classes the main building blocks of portfolio construction. But a diversification between asset classes often yields suboptimal portfolios from a risk perspective. Can we build better portfolios by considering distinctive return patterns (Risk Factors) as the basic building blocks of the investment universe? Switching from an asset allocation to a risk factor allocation framework? In this seminar we explain the concepts and jargon behind factor investing, Smart Beta and discuss different ways to implement a systematic investment approach.

CVA and other valuation adjustments (1/2 day)

Do you want to know how derivatives are priced in the real world as opposed to the academic world? If so, this is the course you need! OTC derivatives expose counterparties to credit risk, funding risk and the need to back those risks with capital. The magnitude and cost of these risk and capital needs is important for pricing, risk management and marking-to-market. This class introduces the concepts and drivers of credit, funding and capital valuation adjustments of OTC derivatives (CVA). It helps participants' transition from a world where all cash flows are discounted using the 'risk-free rate' to one where credit spreads, funding costs and collateral quality affect the value of an OTC trade. Participants should have a fundamental understanding of derivatives as can be obtained by attending the derivative fundamentals course.

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