



Course Outline for Education and Training
Programs undertaken by Gilt Investments Pty
Ltd

Introduction to Fixed Income: Central Bank of Samoa & National Reserve Bank of Tonga, to be held in Suva

Gilt Investments Pty Ltd

Presenters: Alastair Healey & Richard Brennan

Course Outline

The Gilt Training and Education Program has been specifically developed for Clients to:

- Introduce, refresh and upskill participants about the characteristics of the primary and secondary fixed income market;
- Inform participants about the different forms of fixed income and money market security; and
- Understand valuation techniques and portfolio management principles and practices.

Course Program

The **5-business day** Introduction to Fixed Income Training Course is scheduled for Monday 12th February 2024 to Friday 16th February 2024 at the RBF Conference Room, Tower 11, Reserve Bank of Fiji in Suva. Session times are 9.00am to 4.00pm each day.

Registration for the 5-day event will be **\$1,500 AUD per participant** or **\$2,655 Samoan Tala** or **\$2,415 Paānga**.

The 5-day Introductory course comprises 4 days of theoretical instruction with the 5th day being reserved to upskill participants in the practical application of theory taught throughout the Introductory course.

At the end of the Introductory course, participants will understand:

- the structure and function of the primary and secondary fixed income markets;
- the similarities and differences between common fixed income products;
- how the market is regulated;
- factors that impact the pricing of fixed income securities;
- fixed income risks and risk evaluation
- benefits of portfolio diversification;
- introduction to fixed income valuation; and
- valuation methods for different types of debt security.

Course Materials:

- **Attendees are encouraged to bring charged laptops to the practical session on Day 5 which includes MS Excel software or if not available, then are encouraged to share resources with other attendees.**
- **Attendees will receive a USB on Day 5 which contains the Course Presentation in pdf format and a copy of the Gilt Excel Calculator for Pricing Debt Securities.**
- **Attendees are encouraged to become listed on our mailing list to receive further educational supplements when developed.**

Course Outline – Introductory Program

Schedule	Timing	Course Agenda
Day 1 The Fixed Income Market and the Yield Curve (Theory)	9.00 am – 9.30 am	Course Introduction, Disclaimer, Housekeeping and Greeting
	9.30 am – 10.30 am	1. History of Money 2. Purchasing Power of Money 3. Role of a Central Bank; 4. Fixed Income Overview 5. Methods of Financing 6. Primary Benefits of Fixed Income 7. Investment Risk 8. Q&A
	10.30am – 11.00 am	Morning tea (provided by venue)
	11.00am – 12.30 pm	9. Types of Fixed Income Products (Savings Accounts/ Term Deposits) 10. Laddering Term Deposits 11. Introduction to Debt Securities 12. Terminology Used for Debt Securities 13. Key Considerations for an Investor interested in Debt Securities

		14. Q&A
	12.30 pm – 1.30pm	Light lunch (provided by venue)
	1.30 pm – 2.30 pm	15. Comparing Debt Securities to Term Deposits/ Shares 16. How does an Investor Access Debt Securities? (Primary and secondary Market) 17. Secondary Market Trading of Debt Securities 18. The Regulators of the Australian Debt Market 19. Q&A
	2.30 pm – 3.00 pm	Afternoon tea (provided by venue)
	3.00 pm – 4.00 pm	20. Factors Impacting the Price of Debt Securities 21. Understanding Yield 22. What is a Yield Curve? 23. Uses of the Yield Curve 24. Q&A
Schedule	Timing	Course Agenda
Day 2 Credit Quality, Spreads, Types of Debt Security/ Hybrid Securities/ Asset Backed Securities and Principles of Compounding (Theory)	9.00 am – 10.30 am	25. Credit Quality, Credit Risk and Credit Spreads 26. Default Events 27. Credit Ratings and Agencies 28. Liquidity 29. Yield Curve Spreads 30. Understanding Interest Rate Swaps 31. Q&A
	10.30am – 11.00 am	Morning tea (provided by venue)
	11.00am – 12.30 pm	32. The Swap Curve 33. Movement in Yields and Spreads 34. Credit Default Swaps 35. Categories of Debt Security 36. About Bonds/ Govt Bonds/ Semi-Govt Bonds/ Corporate Bonds/ Kangaroo Bonds/ Euro Bonds/ Covered Bonds 37. Why Buy Bonds? 38. Q&A
	12.30 pm – 1.30pm	Light lunch (provided by venue)
	1.30 pm – 2.30 pm	39. Hybrid Securities 40. Asset Backed Securities 41. Mortgage Backed Securities 42. Q&A
	2.30 pm – 3.00 pm	Afternoon tea (provided by venue)
	3.00 pm – 4.00 pm	43. Simple Interest Versus Compound Interest 44. Compounding and the Rule of 72 45. Understanding Exponential Functions 46. Q&A
Schedule	Timing	Course Agenda
Day 3 Time Value of Money, Discounted Cash Flows, NPV and IRR, Fixed Income Valuation Valuing Types of Debt	9.00 am – 10.30 am	47. Time Value of Money 48. Discounted Cashflow (DCF) 49. What the DCF Tells the Investor 50. Net Present Value 51. Using IRR to Evaluate an Investment Decision 52. Q&A
	10.30am – 11.00 am	Morning tea (provided by venue)
	11.00am – 12.30 pm	53. Summary of Key Valuation Concepts 54. Using DCF to Value a Bond 55. Effect of Compounding on Present Value 56. Valuing Fixed Rate Bonds 57. Types of Coupon Structure 58. Retiring Bonds by and Issuer 59. Bond Valuation Example

Securities (Theory)		60. Q&A
	12.30 pm – 1.30pm	Light lunch (provided by venue)
	1.30 pm – 2.30 pm	61. Using Excel to Calculate Bond Pricing 62. How to Value Floating Rate Notes 63. How to Value Perpetuals 64. Perpetual Valuation Example 65. Q&A
	2.30 pm – 3.00 pm	Afternoon tea (provided by venue)
	3.00 pm – 4.00 pm	66. Zero Coupon Bonds 67. How to Value Zero Coupon Bonds 68. Bank Bills and NCD's 69. Q&A
Schedule	Timing	Course Agenda
Day 4 Fixed Income Valuation Continued, Bond Portfolios and Portfolio Construction (Theory)	9.00 am – 10.30 am	70. Inflation Linked Bonds/ Capital Indexed Bonds 71. How a Capital Indexed Bond Works 72. When to Purchase an Inflation Linked Bond 73. Q&A
	10.30am – 11.00 am	Morning tea (provided by venue)
	11.00am – 12.30 pm	74. Bond Fund or Bond Portfolio 75. Diversifying your Portfolio Using Debt Securities 76. Q&A
	12.30 pm – 12.30pm	Light lunch (provided by venue)
	12.30 pm – 2.30 pm	77. Lifecycle Investing 78. Demographic Trends 79. How Debt Securities Can Improve Portfolio Performance 80. Volatility and Sequencing Risk 81. Diversification Benefits of Uncorrelated Assets 82. Case Study 83. Q&A
	2.30 pm – 3.00 pm	Afternoon tea (provided by venue)
	3.00 pm – 4.00 pm	84. Introduction to Fixed Income Portfolio Construction 85. Fixed Income Portfolio Management 86. Methods of Fixed Income Portfolio Creation 87. Laddering, Barbell, Bullet, Duration Matching, Sector Rotation, Credit Quality 88. Value at Risk Estimations for a Fixed Income Portfolio 89. Q&A
Schedule	Timing	Course Agenda
Day 5 Valuing Fixed Income Securities (Practical Session)	9.00 am – 10.30 am	90. Practical Session - How to Construct Yield Curves
	10.30am – 11.00 am	Morning tea (provided by venue)
	11.00am – 12.30 pm	91. Practical Session - Using DCF, NPV and IRR
	12.30 pm – 12.30pm	Light lunch (provided by venue)
	12.30 pm – 2.30 pm	92. Practical Session - Simple Bond Pricing using Excel
		Afternoon tea (provided by venue)
	2.30 pm – 4.00 pm	93. Practical Session – More Complex Bond Pricing using the Gilt Calculator 94. Course Conclusion