



# FIXED INCOME PORTFOLIO MANAGEMENT



ICMA Executive Education is a joint partnership between the International Capital Market Association and the ICMA Centre, Henley Business School, University of Reading





## INTERNATIONALLY RECOGNISED QUALIFICATIONS FOR THE **FINANCIAL MARKET**

### **COURSE OVERVIEW**

The Fixed Income Portfolio Management course provides an introduction to the management of fixed income portfolios. Starting with an overview of why and how investors allocate money to fixed income, it then delves more deeply into the many issues impacting risk and return.

The course focuses on the mechanics of portfolio construction and analysis across a whole range of instruments, including cash securities, swaps, inflation products, CDS and indices.

These issues are illustrated using examples from a real portfolio risk management system, enabling delegates to see how their actions would impact the business.

By completing the programme you will:

- Develop a broader understanding of fixed income portfolio management
- Understand the mechanics of portfolio construction and analysis across a whole range of instruments
- Be able to demonstrate how to measure performance and attribution
- Demonstrate an understanding of credit spreads and investment portfolios

## COURSE CONTENT

The course content is divided into several topic areas, which are then broken down into multiple subtopics:

### 1. Investing in Fixed Income

- The Fixed Income universe
- FI indices
- Cash, Securities & Derivatives
- Why Fixed Income?

### 2. Risk and Return

- Interest rate risk
- Expected returns on Fixed Income
- Managing duration & interest rate risk with Derivative overlays
- Yield & Spread

### 3. Managing Duration for Liability Matching

- Interest rate risk on liabilities
- Inflation risk on liabilities
- Asset-liability management
- Liability immunised active management
- Hedging strategies and “de-risking” – swaps, swaptions and other strategies

### 4. Fixed Income portfolios – Risk Analysis

- Exposure and sensitivity analysis by country, sector, rating & issuer
- Spreads risk measures – spread duration, spread deltas & spread DTS
- Slicing and dicing portfolio risk
- Concentration risk & default risk
- Scenario analysis
- Counterparty risk

### 5. Credit Spreads and Investment Portfolios

- Exercise review - credit spreads and investment
- Credit portfolio construction
- CDS & CDS indices
- Convertible bonds
- Securitised products
- Leveraged loans

### 6. Performance Measurement and Attribution for Fixed Income

- Performance by risk drivers - interest rates, spreads, inflation, carry & FX)
- Performance by sector, country & rating
- Daily chain-linked returns
- Performance relative to benchmark – returns, contributions & attribution

## COURSE FORMAT

The Fixed Income Portfolio Management course is a two day classroom-based programme, taking place in London throughout the year. This is a non-examined course but delegates will receive a certificate of attendance, issued jointly by ICMA and Henley Business School, University of Reading.

## TARGET AUDIENCE

This course is directly relevant to members of the buy side and, potentially, to those on the sell side, that deal with portfolio managers and want to understand their clients' business in more detail. It is also valuable for those who are in a regulatory or oversight function in the market.

## PROGRAMME RECOGNITION

Candidates who attend the Fixed Income Portfolio Management course qualify for 12 credit hours under the guidelines of the CFA Institute's Continuing Education Programme.

## ICMA EXECUTIVE EDUCATION

For many years ICMA Executive Education has been regarded as the benchmark in training for both the front office and operations areas of business. Our qualifications and training programmes are internationally recognised and are required training by many of our member firms. ICMA Executive Education is unique in that ICMA and the ICMA Centre, Henley Business School, University of Reading work together to deliver training courses, taught by current and former financial markets practitioners which blend practical and academic know-how, so that candidates have a thorough understanding of the topics being discussed.

Seven examined qualifications are offered:

- Financial Markets Foundation Qualification (FMFQ)
- Securities Operations Foundation Qualification (SOFQ)
- Introduction to Fixed Income Qualification (IFIQ)
- Introduction to Primary Markets Qualification (IPMQ)
- ICMA Fixed Income Certificate (FIC)
- Operations Certificate Programme (OCP)
- Primary Market Certificate (PMC)

All are recognised as certificates of competence in the capital markets and are successfully completed by large numbers of international participants each year. In addition to our examined qualifications we also offer a selection of non-examined training programmes throughout the year. These programmes look at a single topic from the syllabus of one of our intermediate qualifications, but are explored in much greater depth to a targeted audience. The training is extremely focused and provides an opportunity to network and discuss the issues affecting the financial markets with your industry peers.

ICMA Executive Education is able to provide any of its public qualifications and training programmes on an in-house basis.

## ICMA CENTRE

The ICMA Centre, University of Reading has an international reputation for providing quality teaching programmes tailored to the capital markets industry. Established in 1991 with funding provided by the International Capital Market Association (ICMA), the Centre is housed in a purpose-built modernist building with state-of-the-art facilities including two dealing rooms. In 2008, ICMA enabled an expansion to the building that now includes an additional 50 seat dealing room, 170 seat lecture theatre as well as new seminar rooms and a dedicated research area.

## THE INTERNATIONAL CAPITAL MARKET ASSOCIATION

The International Capital Market Association (ICMA) represents financial institutions and other participants in the international capital market worldwide with over 500 members in over 60 countries. ICMA's market conventions and standards have been the pillars of the international debt market for close to 50 years, providing the framework for good market practice which facilitates the orderly functioning of the market. ICMA actively promotes the efficiency and cost effectiveness of the capital markets by bringing together market participants including regulatory authorities and governments.

## FURTHER INFORMATION AND REGISTRATION

For further information and to register for any of our programmes, please visit:

[www.icmagroup.org/education](http://www.icmagroup.org/education)

or contact us at: [education@icmagroup.org](mailto:education@icmagroup.org)

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