

Wealth Management



Making A Difference

Wealth Management: Making A Difference

Objectives:

During this programme participants will:

- Explore key asset classes and the importance of FX, commodities, fixed income and equity in a balanced portfolio
- Draft pertinent questions to identify opportunities to cross-sell suitable and appropriate solutions across asset classes
- Understand how structured products can potentially enhance or reduce portfolio risk as well as provide opportunities for market participation
- Look at the role of tailored solutions in balanced asset allocation
- See how to differentiate themselves from the competition to become a Trusted Advisor
- Cover the importance of reputation risk and the consequences of mis-selling.

Training methodology:

The programme is highly interactive and it will encourage participation through exercises and case studies, which the delegates will solve individually or in small work-groups.

These activities are designed to allow delegates to practice and to consolidate the concepts that will be discussed during the lectured sessions of the program.

The program will focus on the practical realities of the market, rather than taking an excessively mathematical or academic approach.

Who should attend:

The programme is designed for:

- Wealth Management Relationship Bankers
- Treasury Sales
- Family Offices

It is understood that the participants have a fundamental knowledge of Financial Markets.

Course Duration

Two Days

Day 1

Introduction

The Course Director will introduce the day's course and learning objectives to the group.

Identifying Equity Market Opportunities in Wealth Management

- Identifying opportunities for equity-based opportunities in a client portfolio
 - The importance of equity in a balanced portfolio
 - Overview of recent movements
 - Performance relative to other asset classes

Equity Fundamentals

- Equity fundamentals
 - Ordinary shares
 - Stocks versus shares
 - Preference shares
 - Exchange traded Funds (ETFs)
 - Depository Receipts (DRs)
- The role of the Stock Exchange
 - The mechanics of the futures markets
 - Margin calls
 - Risk-reward of futures versus options

Equity Options

- Overview of fundamental derivative structures
- The importance of forward prices when introducing options
 - Why are equity options used?
 - How equity options work
 - Premium
 - Settlement
 - Strike setting
 - Applications for private clients
- Call versus cliquet options

Equity-Linked Notes (ELNs) and Tailored Solutions

How to use equity-linked notes (ELNs) for:

- Capital protection
- Currency protection
- Multiple market access

The mechanism of ELNs

- How to improve participation rates
 - Tailored solutions
 - Range structures
 - Reverse convertibles
 - Equity swaps

Identifying Currency Opportunities

- Identifying opportunities for FX in a client portfolio
 - FX as an asset class
 - The role of FX solutions to mitigate loan or portfolio risk
 - Identifying various vehicles to express and FX return

Exercise: Create an FX opportunity checklist

Spot and Forward FX

- Understanding FX quotes
 - Quoting spot FX rates
 - The relationship between forward FX rates and interest rates
 - Non-deliverable forwards (NDFs)

Currency Options

- The role of FX options in Wealth Management
 - The uses of options to provide flexible hedging alternatives
 - The importance of payoff diagrams
 - Suitability and appropriateness when dealing with options
 - Strategies to reduce option premium

Exercise: Mini case studies to identify suitable strategies based on a client's opinion

Enhanced Yield Solutions

- Embedding options to potentially increase returns
 - Daily range accrual deposit
 - Synthetic single currency note
- Engaging clients

Day 2

Identifying Commodity Opportunities

- Identifying opportunities for commodities in a client portfolio
 - Commodities as part of a balanced investment portfolio
 - Using indices such as the GSCI to adopt a broad commodity exposure
 - Pricing and market drivers

Commodity Futures

- Establishing forward asset prices
- Using exchanges and futures contracts to gain commodity price exposure
 - Returns from futures and the importance of leverage
 - The mechanics of the futures markets
 - Margin calls
 - Risk-reward of futures versus options

Exchange Traded Funds (ETFs)

- The use of ETFs to gain broad market exposure
- (Dis)advantages of ETFs
 - Year-to-date commodity performance

Commodity Swaps

- Overview of fundamental derivative structures
 - Swaps, options, exotics
- Investor swap on oil
- Intuitive swap pricing

Enhanced Yield Structures

- Range trades
- “Wedding cake”
- Range accrual
- Ladder / ratchet structures

Exercise: Mini case studies

Identifying Fixed Income Opportunities

- Identifying opportunities for bonds in a client portfolio
 - The role of rating agencies
 - The structured of the bonds markets
 - Government bonds
 - Corporate bonds
 - Private placements
 - High yield

Bond Pricing and Value

- Intuitive bond pricing
 - The relationship of price to interest rates and credit spreads
 - Quoting bond prices and yields

Asset Swaps

- Tailoring credit and market risk
 - Combining interest rate and cross currency swaps
 - Arbitraging the foreign bond markets

Credit Derivatives

Understanding how credit derivatives are used

- To isolate risk
 - Gain leverage
 - Remove currency risk
 - Access different maturities
 - Access different credit profiles

The Move to Trusted Advisor

- Understanding the client's needs
 - Needs analysis checklist
- Exploring investment motivations
 - Absolute returns
 - Family legacy
 - Estate planning
 - Time frame

Exercise: Profiling Mr Tan

Five Steps To Trusted Advisor

- Isolate the five step process to becoming a Trusted Advisor
 - Opinion provider
 - Subject matter expert
 - Valued source
 - Influential resource
 - Trusted Advisor
- What skill sets are needed at each stage?

