

Financial Markets Series

2010 Brochure



Financial Market Series

The Financial Markets training series introduces the learner to the fascinating, complex and rapidly changing world of financial markets and endeavors to explain some of the more commonly encountered financial market terminology.

Target Market

Persons employed in or interested in the financial services and investment industries.

Financial Market Series

Course Includes

The material consists of a series of modules, divided into topics and sections. Learning objectives are set out at the beginning of each topic and ending with summary points.

Also included is:

- Access to reference sites and glossaries of financial and investment words and terms
- Fully searchable text
- Access to Plumb Line's online learning centre for each module
- Links to course facilitators for assistance.

Course Content

- Introduction to Financial Markets
- Equities
- Derivatives
- Investment Performance
- Interest-Bearing Securities
- Collective Investments
- International Investments
- Custody I
- Custody II
- Trusteeship and Unit Trusts
- Money Laundering

Course Outcomes

The emphasis of the material is to keep it relevant to the current financial industry without overwhelming the learner with complex theories and masses of text.

Admission Requirements

Persons employed in the financial services or investment industries.

Provider Accreditation:

Plumb Line is a registered training provider with Bankseta (Bankseta Acc No: 557024)

Course Accreditation

The following certificates of completion are awarded:

- Certificate in Financial Markets (Introduction course only)
- Advanced Certificate (Introduction course plus four modules of choice)
- Masters Certificate (Introduction course plus 9 modules of choice)
- Merit Certificate (Introduction course plus all 10 other modules)

Study Pack

The course (both study material and assessments) is available via Plumb Line's online learning centre. The material can also be distributed via corporate intranets or networks, as well as on CD or in paper format.

Costs

Module Costs

- Introduction to Financial Markets - R 2 650
- All other modules - R 1 650 each

Software Fees

- A once-off software license fee of R300
- An annual examination fee of R200, irrespective of the number of exams

Other

- An additional fee of R300 per module if paper modules are ordered
- Above prices are exclusive of VAT.

Continuous update and rental option

- A three year training rental option as well as update service is available; please contact us for a quote



Available Modules

Introduction to Financial Markets

Estimated study time: 18 - 29 hours

The Introduction to Financial Markets module comprises 15 topics introducing the learner to the fascinating, complex and rapidly changing world of financial markets. The module endeavours to explain some of the more commonly encountered financial market terminology while introducing the learner to a range of different financial markets plus a variety of aspects related to these markets and the financial system.

The module kicks off with topics dealing with the economy, the financial system and the financial institutions that exist in South Africa. International investment, custody and financial legislation are discussed, before the learner is introduced to a variety of financial markets and the financial instruments that trade on these markets. Equities, interest-bearing securities, derivatives, property, collective investment schemes (unit trusts), hedge funds, and securities lending are all covered at a high level in this module. Finally, the module deals with retirement funds, portfolio management and portfolio performance.

Intro To Fin Topics

- The Economy & Financial System
- Financial Institutions in SA
- International Investment
- Custody
- Financial Regulation
- The Equity Market
- The Bond Market
- The Derivatives Market
- The Property Market
- Intro to CIS
- Hedge Funds
- Securities Lending
- Retirement Funds
- Portfolio Management
- Performance Investment

Equities

Estimated study time: 6 - 10 hours

The Equities module offers the learner a peek into the vibrant world of the stock market. The module comprises four topics and commences with a review of the financial markets and different types of business ownership. The focus then shifts to shares and the concept of equity ownership. How shares are issued, the markets that shares trade on and different types of shares and equity-related securities are discussed in this module. Debentures, stock market indices, index funds and collective investment schemes are also briefly outlined in this module. Finally, the learner is introduced to the equity trade cycle, with all its different stages from order placement through to final share registration.

Equities Topics

- Equity as a Means of Finance
- Types of Equity Instruments
- How Equities are Listed Traded
- The Equity Trade Cycle

Interest-Bearing Securities

Estimated study time: 12 - 19 hours

The Interest-Bearing Securities module offers the learner detailed insight into the bond market and money market. This seven topic module commences with some background to the South African financial system and the components that comprise this system. The focus then shifts to the time value of money and the concepts of present value versus future value.

Discount and yield calculations and the inverse relationship between the yield and price of an interest-bearing security are examined in this material, before the local money market and bond exchange (BESA) are introduced.

How are bonds issued and traded? How are money market transactions executed? This module answers these and other questions the learner may have about interest-bearing securities. Finally, the learner is introduced to the bond trade cycle and the money market trade cycle.

Interest-Bearing Sec Topics

- The South African Fin System
- Pricing of Interest Bearing Sec
- Money Market Securities
- How & Where Bonds are Traded
- Bond Market Securities
- The Bond Market Trade Cycle
- The Money Market Trade Cycle

Available Modules Continued

Investment Performance

Estimated study time: 8 – 12.5 hours

Plumb Line's Investment Performance module offers the learner a deeper look into the world of performance calculation and returns. This five topic module starts with some background as to why performance measurement is important. The focus then shifts to specific performance calculations and how different types of money-weighted and time-weighted returns are calculated.

What is a benchmark? How can performance be attributed to different effects? What is style analysis? How is risk measured? How are performance surveys used? What are AIMR's PPS? This module answers these questions and introduces the learner to a variety of performance-related measures, ratios, surveys and standards.

Inv Performance Topics

- Inv Performance Overview
- Performance Measurement
- Benchmarks & Attr Analysis
- Risk and Performance
- Return Summeries, Standards & Surveys

Collective Investments

Estimated study time: 5.5 – 8.5 hours

The Collective Investments module delves into an industry that receives widespread publicity and in-depth coverage, particularly when performance figures are released each quarter.

The 1st topic introduces the learner to the collective investment industry and a variety of concepts related to collective investment.

The 2nd topic summarises the legislation and bodies governing the unit trust industry. Collective investment scheme structures and the classification of portfolios are outlined and a variety of packaged investment products introduced.

The 3rd topic deals with participatory interest and the calculation of net asset value. Historic and forward pricing methodologies are differentiated and the distribution of fund income is outlined. Finally, collective investment scheme portfolio performance is summarised

Collective Inv Topics

- Collective Investment Scheme Structures
- Scheme Managers & Portfolios
- Fund Classification
- Scheme Regulation

Derivatives

Estimated study time: 8 - 14 hours

The Derivatives module offers the learner some insight into the complex world of futures and options. The seven topic module starts with some background on the development of derivatives. The focus then shifts to specific types of derivative instruments.

Futures, options, warrants and swaps are examined in this material before the local futures exchange, SAFEX, is introduced.

Who owns SAFEX? How is risk managed on the exchange? What is the function of the clearing house? What is a margin payment? How do futures close out? How do options expire? This module answers these questions and introduces the learner to the OTC option trade cycle and the SAFEX-listed trade cycle, from order placement through to final registration.

Derivatives Topics

- What are Derivatives?
- Futures
- Options and Warrants
- Interest Rate Swaps
- How & Where Derivatives are Traded
- The OTC Options Trade Cycle
- SAFEX-Listed Derivatives Trade Cycle

Available Modules Continued

Custody I

Estimated study time: 8 - 11 hours

The Custody I module is the first in a series of two modules that deal with the custody function.

The 1st first topic describes the markets that have developed for the trade of financial assets globally and in South Africa. The role and functions performed by Strate and the Participants are described. Transfer secretaries and typical clients of custody service providers are introduced.

The 2nd topic in this module summarises the various stages of the securities' trade cycle. The contrast between a paper-based settlement environment and an electronic settlement environment are highlighted in this topic.

In the 3rd topic the learner is introduced to concepts related to custodianship. The settlement agent and safe custody functions are summarised and various types of custodians are described. Finally, the key components of a custodianship agreement are outlined to the learner.

Custody I Topics

- Stakeholders in the Industry
- The Trade Cycle
- Custody

Custody II

Estimated study time: 8 – 12.5 hours

The Custody II module is the second in a series of two modules that deal with the custody function. The 1st first topic outlines the regulatory environment in which the custody function operates. The topic introduces various sections of relevant legislation and the purpose of the legislation. Principles of good governance and the role of regulatory bodies and the Registrars are also described. Nominees are introduced and the process related to their approval and regulation summarised.

The 2nd topic in this module deals with straight through processing. Thereafter, certain systems, software, networks and projects involved in STP in South Africa and globally are introduced. The role and purpose of SWIFT is summarised and the structure of SWIFT messages are outlined.

The third and final topic of this module describes the stages of the corporate action trade cycle and outlines the processing of corporate actions in South Africa under Strate. Rights offers and various dividend related and non-dividend related corporate actions are explained. Finally, terminology associated with bond events and proxy voting procedures are summarised.

Custody II Topics

- The Regulatory Environment
- STP and SWIFT
- Corporate Actions, Income & Proxy Voting



Available Modules Continued

International Investment

Estimated study time: 8 - 12 hours

The International Investment module introduces the learner to the world of foreign exchange and international investment. The module comprises four topics, and commences with a contrast between emerging markets and developed economies. The concepts underlying fixed and floating exchange rates, foreign reserves and the gold standard are outlined to the learner. International investment and the options available to South African investors wishing to diversify offshore are summarised.

The two tier currency system that South Africa had in place for a number of years, the gradual phasing out of exchange controls in South Africa and the development of the net open forward position are outlined. Factors affecting the stability of the balance of payments position are summarised and leads and lags are defined.

The final topic in this module introduces the learner to international offshore financial centres, money laundering and the requirements of local legislation. Trusts and offshore trusts are introduced and the problems with multi-jurisdiction estates summarised. Finally, different types of offshore mutual funds and taxes payable on foreign investments are listed.

International Inv Topics

- Foreign Exchange & Foreign Markets
- Investing Offshore
- Foreign Exchange Control
- Tax Havens and Trusts

Unit Trusts & Trusteeship

Estimated study time: 6 – 9 hours

The Unit Trusts Trusteeship module gives an in-depth look into the functions performed primarily by a collective investment scheme trustee. A trustee is defined in the context of a collective investment scheme as “the caretaker of all cash and securities in a (collective investments) scheme”. The topics that comprise this module dealing with this vital care taking function.

The 1st topic deals with all aspects of the collective investment scheme trustee, from the requirements that need to be met in order to register as a trustee or a custodian to the different types of trustees that exist.

The 2nd topic summarises the trust deed in all its parts, and outlines its place in a collective investment scheme. The main deed is described in some detail.

The 3rd topic describes the duties and functions performed by a collective investment scheme trustee in detail in terms of best practice.

Unit Trusts Topics

- Trustees
- The Trust Deed
- The Trustee’s Function
- Trustee/Custodial Services



Available Modules Continued

Money Laundering

Estimated study time: 8 – 12.5 hours

The primary focus of the Money Laundering module is to summarise the development of anti-money laundering legislation in South Africa and outline the requirements of this legislation in some detail. The module comprises six topics.

The 1st topic introduces the learner to the concept of money laundering and accountable institutions. Some of the history and various international organisations that have been created to combat money laundering are summarised, as are South Africa's Financial Intelligence Centre Act's requirements.

The regulatory environment is described in the 2nd topic, and the learner is introduced to local money laundering legislation and the offences and penalties that this legislation imposes, including an outline of the changes brought in by POCDATARA.

The 3rd topic outlines the "Know Your Client" requirements, while the 4th topic deals with an accountable organisation's internal money laundering policy. The final topics of this module describe the recognition and reporting of suspicious transactions, and the various exemptions in terms of FICA.

Money Laundering Topics

- Intro to Money Laundering
- The Regulatory Environment
- Know Your Client
- Internal Money Laundering Policy
- Suspicious Activity
- Exemptions

Other Services Provided by Plumb Line

- Operational Risk Management Consulting
- Exam Outsourcing Solution

Contact Us

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