

# Fixed Income Investment

Practical, applicable knowledge & skills for managing bonds & fixed income

**Fixed Income Investment** provides a practical overview of the fixed income markets, with focus on the management of bond portfolios.

## How you will benefit

- Increase your understanding of the different types of risk faced by bond portfolio managers
- Learn about measures of risk such as duration and convexity as well as more advanced measures
- Review fixed-income derivatives, futures, options and swaps and understand their usefulness in bond portfolio management for hedging or speculating

	4 days
	€4100
	Investment Management
	English
	4.8/5
	17 – 20 October 2016

## Faculty

**Pierre Hillion** is the de Picciotto Chair at INSEAD in Alternative Investments and Visiting Professor at UCLA and CalTech in the USA. At INSEAD, he has received the Best Teacher Award for Electives, Singapore campus on several occasions. Pierre received his MBA from Ecole HEC, holds a DEA from the Université Paris-Dauphine and a PhD from the University of California.



This program is eligible for **24 CE credit hours** as granted by CFA Institute.

“ I would recommend this program because it is a very practical, well explained overview of the fixed income markets. The subjects discussed are very useful ”

- Senior Manager  
Interbank Saudi Hollandi Bank  
Saudi Arabia

**EARLY ENROLLMENT DISCOUNT** - Enroll more than 90 days in advance and receive a 10% discount on the program fee

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[www.aif.nl](http://www.aif.nl)

Program Content

Subject	Content
Risk and Return for Bonds without Embedded Options	<ul style="list-style-type: none"> <li>• Yield measures</li> <li>• Risk measures: Part I - Duration: Definition, usefulness, properties and limitations</li> <li>• Risk Measures: Part II - Convexity: Definition, usefulness, properties and limitations</li> <li>• Usefulness of duration in bond portfolio management: Immunization</li> <li>• Usefulness of convexity in bond portfolio management: Butterfly swaps</li> </ul>
Risk and Return for Bonds with Embedded Options	<ul style="list-style-type: none"> <li>• Adjusted yield measures</li> <li>• Adjusted risk measures: Adjusted duration; adjusted convexity</li> <li>• Bond portfolio management for bonds with embedded options</li> </ul>
New Measures of Risk	<ul style="list-style-type: none"> <li>• Factor based measures of risk: The shift; the tilt; the flex</li> <li>• Key rate durations</li> </ul>
<b>USE OF DERIVATIVE INSTRUMENTS IN BOND PORTFOLIO MANAGEMENT</b>	
<u>PART I - Interest Rate Swaps</u>	<ul style="list-style-type: none"> <li>• Interest rate swaps as portfolio of bonds</li> <li>• Risk of interest rate swaps: Interest rate risk and credit risk</li> <li>• Swap rationale</li> <li>• Advanced swaps: Forward swaps and swaptions</li> <li>• Usefulness of swaps in bond portfolio management</li> </ul>
<u>PART II - Futures</u>	
Pricing Long Term Bond Futures	<ul style="list-style-type: none"> <li>• Pricing of futures: General principles</li> <li>• Pricing of bond futures: Conversion factors; cheapest bond to deliver; delivery options</li> </ul>
Use of Bond Futures in Bond Portfolio Management	<ul style="list-style-type: none"> <li>• Difficulties of hedging with bond futures</li> <li>• Hedging with bond futures: Duration hedging; Factor hedging; Price regression; hedging; Regression / duration hedging; Generalized duration hedging</li> </ul>
Strategies with Bond Futures	
<u>PART III - Options</u>	<ul style="list-style-type: none"> <li>• Pricing interest rate options: Typology of interest rate options; Simple payoff diagrams; Pricing interest rate options: The Black, Derman and Toy Model</li> </ul>
Use of Interest Rate Options in Bond Portfolio Management	<ul style="list-style-type: none"> <li>• Pricing examples: Bonds with embedded options; sinking funds</li> <li>• Reshaping bond portfolio returns with options</li> <li>• Hedging asymmetric risk with options</li> <li>• Duration hedging with convexity adjustment using futures and options</li> </ul>

“It extends your knowledge in a way that can directly be applied to your daily activities”

– Pricing Specialist  
ING Investment Management  
Netherlands

## Enrolling & Practical Information

### Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their companies. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

### How to enroll

Enrollment applications are available via [www.aif.nl](http://www.aif.nl). There is no closing date for enrollment although it is advisable to enroll early as places are limited. General Terms & Conditions of enrollment are available via [www.aif.nl](http://www.aif.nl)

### Program calendar

Program dates and information about all AIF programs are available at [www.aif.nl](http://www.aif.nl) or by contacting AIF directly.

### Accommodation

AIF has special reduced rates available for participants at nearby hotels.

### Program location

All AIF programs take place at AIF's premises in the center of Amsterdam. AIF's premises are easily accessible by public transport and car and are a 30-minute drive from Schiphol international airport and a 5-minute walk from Amsterdam's central train station.

### Program fees

Program fees include all the comprehensive program materials, books, and software that are required per program, as well as daily luncheons. Accommodation is not included.

As an educational and not-for-profit foundation, AIF is exempt from charging VAT. For clients located within the Netherlands, the AIF program fee is exempt from VAT. For other EU and all non-EU clients, VAT may be due by client to the tax authority.

### Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete an AIF Open Enrollment or In-Company program.

## About Amsterdam Institute of Finance

AIF is a global financial education and innovation institute headquartered in Amsterdam. Through our programs (open enrollment and in-company) we connect ambitious professionals with the best minds in finance. Taking part in one of our programs or events is a direct investment in your personal future. Joining the AIF alumni network means connecting with the world's leading financial experts, in addition to professionals from more than 1200 organizations. Together with them we endeavor to impact your career and shape the future of finance.

This is what makes AIF and the AIF experience unique:

- We believe in responsible and sustainable finance
- AIF is a not-for-profit foundation which allows us to independently select our faculty from the world's leading business schools (such as INSEAD, NYU Stern, Berkeley, etc.) and other institutions
- Our clients, rather than profits, come first for us
- AIF delivers top quality. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in one of our programs means you become part of the AIF network which connects you to professionals in more than 110 countries
- Our programs are applicable to daily practice and prepare you for the future of finance.

## CONTACT US

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