



CEFA Training Program

A quality program in less than 1 year with an International accreditation.

Certified European Financial Analyst

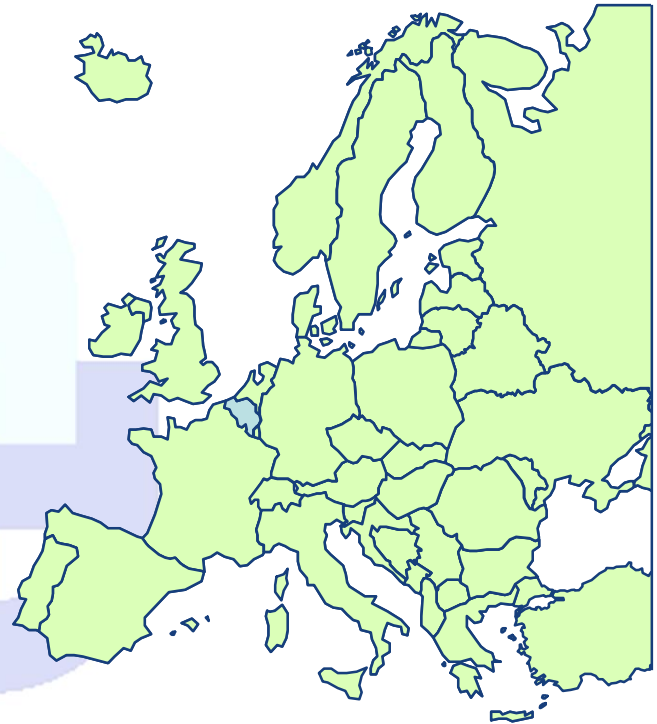
- ABAF-BVFA is the center of excellence for the financial analyst community in Belgium. Financial analyst meaning professionally focused on financial analysis: “the investment professional”.
- It builds a common knowledge base on financial analysis for all people linked to financial markets, corporate finance, bond markets, portfolio management, credit analysis, auditing, corporate finance, m&a, asset management, private banking, private equity, ...
- The aim of this association is to improve quality, adequacy and correctness of financial information provided to investors.
- ABAF-BVFA frameworks and guards the ethical behavior of its members.
- Therefore it continuously trains its people: « the certified european financial analyst designation ».

1. Seminars, ongoing training for analysts & investment professionals : 2 levels, 2 designations
2. Up-to-date courses for the financial community at large
 - a) Top level
 - a) Financial analysis CIIA final (equivalent to CFA3)
 - b) Professional Certificate in Risk Management
 - b) Professional mid level : “CEFA”
3. Both CEFA and CIIA are accredited by the London FSA

- ABAF - BVFA is partner of
 - European Federation of Financial Analysts Societies (EFFAS)
www.effas.net
 - Association of Certified International Investment Analysts (ACIIA)
www.aciia.org

Both groups represent over 65.000 investment professionals together.

- EFFAS & ACIIA function
 - Organisations providing our diploma's with international accreditations
 - London FSA accreditation comparable to CFA accreditation
 - CEFA = CFA level 2, CIIA final = CFA level 3



Training for finance professionals, financial analysts, fund managers, credit managers, private bankers, asset managers:

“Certified European Financial Analyst”

- a) The base professional finance program
- b) Internationally accredited
- c) Complete online platform for slides and exams
- d) Given and controlled by belgian professors
- e) Opening possibilities for participation in top program end exams

There is a market need for fund and portfolio managers. ABAF-BVFA offers this real professional designation!

- 1. Some people want the top level program such as the CFA level 3, or CIIA final level. Those are top programs that need several years to get. But not everybody needs this. However, a good training program in less than a year with an international accreditation is a very good alternative for fund managers and asset managers. CEFA is the answer.**
- 2. What does ABAF-BVFA offer?**
 - 1. A training partly on-line, partly in class-room teaching, max cost of 4,000**
 - 2. 160 hour program (77 hrs in classroom teaching and modular build-up**
 - 3. Higher scaled level than private bankers, but lower than CIIA or CFA level 3**
 - 4. Local control (ABAF-BVFA) and international accreditation (EFFAS, 26 countries, UK included).**
 - 5. MCQ exams with a clear structure, online training possibilities**
 - 6. On-line EFFAS training platform with slides, cases, reading material, exam trainings, video's**
 - 7. Core books and literature included**
- 3. Is there anybody out there?**
 - 1. ABAF-BVFA wants to mobilize the Belgian Financial Community to increase its knowledge on several financial instruments/domains. Other providers offer limited domains but not all.**
 - 2. The training program can be done over 1 year but also spread over several years. Other providers give you less flexibility.**
 - 3. Moving to the new standard in fund management. ABAF-BVFA moves to the fore runner role again.**

Follow the program completely or per block of 3-4 modules. The first block, called the “**Financial Landscape**” teaches you all principles needed to operate as a finance professional in general. The second block, “**Main Product Lines**” provides you with the profound knowledge of portfolio products, the building blocks of Equity, Corporate Finance and Debt products. The third block are the “**Advanced Topics**” such as portfolio management, the use of derivatives and structured products. Subscribing to the complete program provides you the international accreditation within the year for an amount of EUR 3.250. A student may also spread the program over 3 years with a costs of EUR 3.850 per year. Finally, you can also subscribe per module but at a slightly increased price to allow us covering the costs. We reserve our right to spread the program over more than one year if the minimal required number of students has not been attained.

	hrs	classroom	online	fee
Block 1 : The financial Landscape				
1. Macro economics	15	0	15	€ 350
2. Ethics, Market Structure	10	0	10	€ 300
3. Risk Management	15	7	8	€ 425
4. IFRS / Financial Accounting	20	14	6	€ 525
Block 2 : The Main Product Lines				
5. Equity analysis	20	14	6	€ 525
6. Corporate Finance	15	7	8	€ 425
7. Fixed Income	15	7	8	€ 425
Block 3 : The Advanced Product Lines				
8. Portfolio Theory	10	0	10	€ 300
9. Derivatives/structured notes	20	14	6	€ 525
10. Portfolio Management	20	14	6	€ 525
Total :	160	77	83	€ 4.325

Pricing :	complete program	€ 3.350
	per Block	
	block 1	€ 1.400
	block 2	€ 1.250
	block 3	€ 1.200
	all 3 blocks	€ 3.850
	per module	€ 4.325

Exams can be taken per module and are multiple choice, in class computer exams. Students are provided with former exams and solutions through their individual access on the CEFA learning platform.

Though the topics resemble to what you have seen at University Master level. This is advanced. Pre knowledge is a must.

Program Overview “CEFA” per module

- E. Corporate Finance (7 hrs classroom teaching, 8 hrs online)
Lecturer: Prof. Dr. C. VAN HULLE
Dates: Friday, 15/09/17
Fee: 425 EUR as separate module
- F. Fixed Income Valuation (7 hrs classroom teaching, 8 hrs online)
Lecturer: Prof. C. DISPAS
Dates: Friday 20/10/17
Fee: 425 EUR as separate module
- G. Financial Accounting (IFRS) (14 hrs classroom teaching, 6 hrs online)
Lecturer: Prof. S. PATTYN
Dates: Fridays 10/02/17 and 17/2/2017
Fee: 525 EUR as separate module

Program Overview “CEFA” per module

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|----|--------------------------------|---|
| H. | Derivatives & structured notes | (14 hrs classroom teaching, 6 hrs online) |
| | Lecturer: | Prof. L. KEULENEER |
| | Dates: | Fridays 10/03/17 and 17/03/17 |
| | Fee: | 525 EUR as separate module |
| I. | Equity Analysis | (14 hrs classroom teaching, 6 hrs online) |
| | Lecturer: | Prof. H. BUYASSE |
| | Dates: | Fridays 29/09/17 and 13/10/17 |
| | Fee: | 525 EUR as separate module |
| J. | Portfolio Management | (14 hrs classroom teaching, 6 hrs online) |
| | Lecturer: | Prof. B. SLUYS |
| | Dates: | Fridays 10/11/17, 24/11/17 |
| | Fee: | 525 EUR as separate module |

Examination and CEFA Accreditation

10 modules = 10 MCQ exams, 2 x per year. Pass rates = 50% per module and 50% in total, no negative counting. Correction < 2 weeks, pass or fail. On-line exam training on CEFA platform, access with login and password.

Exam on a computer but at Febelfin Academy, premises Rue Arlon 80, 1000 Brussels. Exams per block on 1 day, but spreading is possible over multiple examination dates. Max number of sitting = 5, max duration = 5 years

28/03/17 and 19/05/17 for the first Block (4 modules)

1.	Macro Economics	90 min
2.	Ethics, Market Structure	120 min
3.	Risk Management	90 min
4.	IFRS/Financial Accounting	150 min

17/11/17 and 12/01/2018 for the second Block (3 modules)

5.	Equity Analysis	150 min
6.	Corporate Finance	150 min
7.	Fixed Income	150 min

15/12/17 and 12/01/18 for the third Block (3 Modules)

8.	Portfolio Theory	60 min
9.	Derivatives	150 min
10.	Portfolio Management	90 min

Accreditation and International Value

1. Base program but at a solid level

The CEFA designation is a solid degree in financial analysis, comparable to a CFA level 2 or a ACIIA foundation level. Both levels (CFA and CEFA) are accredited by the UK FSA accreditation board in London, meaning that you only need to sit the remaining local exams (2 out of 16) and not the full back if one would wish to operate in the London City .

The top level, Certified International Investment Analyst (CIIA) final exam, comparable to the CFA level 3, is a certification organized by the ACIIA.org, located in Switzerland and gives CEFA holders access to train and eventually sit this final exam. There is no exchange agreement obtained yet with the US CFA, but discussions are ongoing.

2. Innovative

The CEFA designation is an innovative professional programme in finance for practitioners and is recognised for its excellence by a growing community of degree holders, that today see their degree officially homologated at the same time. The degree is highly recommended for financial analysts, portfolio managers, corporate finance people and consists out of 10 modules each time followed by a MCQ exam. The exam can be taken locally or through a centralized electronic platform provided for by EFFAS. Modules can be followed separately or without taking the exam.



CEFA designation
Professional training for
TODAY & TOMORROW
Detailed appendix

ABAF-BVFA

Module 1 Economics

- Macroeconomics

- National income accounting
- Equilibrium in the real market: aggregate supply and demand
- Equilibrium in the money and capital markets:
- Interest rates

- Macrodynamics

- Inflation
- Growth
- Business cycles

- International economics

- Open macroeconomics
- Foreign exchange rates
- Central banks and monetary policy

Bibliography:

Krugman, P.R. & Obstfeld (2014), M. International Economics: Theory and Policy, Harper Collins College Publ., 10th Ed. New York.

Samuelson & Nordhaus (2009), Economics, 19th ed., Irwin McGraw-Hill, New York.

Solnik, B. (2003), International Investment, 5th edit, Addison-Wesley, Reading MA.

Module 2 Professional Ethics and Market Structure

- Ethical codes - US vs Europe
- Insider Trading - position and evolution
- Practical cases - current position and evolution
- Evolution from ESG tot Integrated Reporting
- Ethics and reporting

- Market Structure : Financial institutions, structural market changes, recent trends and evolutions.
- Financial markets
 - Cash market
 - Money markets
 - Equity markets
 - Bond markets
 - Interest rate risk measurement and management: duration and convexity
 - Counterpart risk
- Market risks and control
 - Interest rate risk measurement and management:
management: duration and convexity
 - Counterpart risk

Module 3 Risk Management

- Sources of risk, Typology of risks
 - Time- variation in risk, GARCH and EWMA methods
 - Downside risk, VAR methods
 - Counterpart risk, Credit evaluation and prediction of bankruptcy

Bibliography:

- **Jorion P. (2011)**, Financial Risk Manager Handbook 6th Ed., Wiley, New York.
- **Joel Bessis (2015)**, Risk Management in Banking, 4th Ed, Wiley & Sons .

Module 4 Financial Statement Analysis & IFRS

- Framework of the FA system
 - Balance sheet
 - Income statement
 - Cash flow statement
 - Statement of shareholders' equity
- Income recognition: The accrual concept: revenue and income, expense and expenditure
- Analysis of financials
 - Long-lived assets, inventories, receivables, owners' statement items equity and earnings per share, income tax features, pensions and other employee benefits, inter-corporate investments
 - Ratio analysis: Asset utilization, Liquidity, Solvency, Profitability

Bibliography:

Rees, B., Financial Analysis, Prentice-Hall, Upper Saddle River NJ.

Revsine, L., Collins, D.W. & Johnson, W.B. , Financial Reporting and Analysis, Prentice-Hall, Upper Saddle River NJ.

White, G.I., Sondhi, A.C. & Fried, D.V., The Analysis and Use of Financial Statements, Wiley, New York.

Module 5 Equity Valuation and Analysis (1/2)

- Equity markets and structures
 - Types of equity securities
 - Indices
- Common stock valuation
 - Dividend discount models vs Free cash flow model
 - EVA, MVA, CFROI
 - Measures of relative value: price-earnings,
 - price-cash flow, price-book value, price-sales,
 - Bates and Holt models, Abnormal earnings approach, Technical analysis
- Understanding the industry
 - Characteristics of the industry: “Life cycle”
 - Specific macro-factors
 - Positioning firms in the industry

Module 5 Equity Valuation and Analysis (2/2)

- Understanding the company
 - Historical performance
 - Segmental information
 - Key micro-factors
 - Forecasting approaches
- Advanced valuation methods
 - Real options

Bibliography:

- **Bodie, Kane & Marcus**, cit.
- **Brealey & Myers**, (2013), Principles of Corporate Finance.
- **Sharpe, Alexander & Bailey**, cit.
- **Palepu, K.G., Healy, P.M. & Bernard V.L.**, Business Analysis and Valuation

Module 6 Corporate Finance

- Fundamentals
 - Goals of corporate finance
 - The financial function and the firm's objectives
 - The role of financial managers
 - Principles of valuation and Discounted Cash Flow (DCF)
 - Capital Budgeting
- Long-term finance decision
 - Investment decision
 - Project evaluation
- Short-term finance decision
 - Cash management
 - Short-term lending and borrowing
- Capital structure
 - Leverage and the value of the firm
 - Dividend policy

Bibliography:

- Brealey, R.A. & MYERS, S.C., Principles of Corporate Finance, McGraw-Hill Irwin, NY
- Berk & De Marzo (2013), Corporate Finance

Module 7 Fixed Income Valuation and Analysis

- Fixed income markets and instruments
 - Corporate and government notes, bills and bonds instruments
- Bond valuation
 - Time value of money, Bond yield measures, Term structure of interest rates
 - Bond price analysis
 - Interest rate risk measurement and management: duration and convexity
- Bonds with warrants
 - Investment characteristics , Warrant valuation
- Convertible bonds
 - Investment characteristics
 - Valuation of conversion benefits
- Portfolio management
 - Active vs passive strategies
 - Portfolio construction based on a factor model
 - The “hedge ratio” concept and modified duration or sensitivity method.

Bibliography:

- **Bodie, Kane & Marcus**, cit.
- **Fabozzi, F.J.**, Bond Markets, Analysis and Strategies, Prentice-Hall, NJ.
- **Sharpe, Alexander & Bailey**, cit.

Module 8 Portfolio Theory

- Statistical concepts
 - Probability distributions: mean, variance, covariance, regression, ...
- Mathematical programming :basic concepts
- Portfolio theory :
 - Optimal risky portfolios: diversification and the “efficient frontier”
 - The “market model” and the beta factor
- Capital Asset Pricing Model
 - The “Capital Market Line”
 - The “Security Market Line”
- Market efficiency
 - D“rational expectations”approach and behavioral finance, ...
 - Forms of testing (weak, semi-strong, strong);anomalies
- Arbitrage Pricing Theory: Basic concepts + International Asset Pricing: Basic concepts

Bibliography:

Bodie, Z., Kane, A. & Marcus, A.J. (2014), Investments, 5th edit., McGraw-Hill Irwin, New York.

Sharpe, W.F., Alexander, G.J. & Bailey, J.V. (1999), Investments, 6th edit., Prentice-Hall, Upper Saddle River NJ.

Module 9 Derivative Valuation

- Markets and instruments
 - types of derivatives, their characteristics and mechanics of trading
- Products analysis
 - Futures: factors determining contract price, theoretical price and the basis concept, arbitrage problems, basic hedging strategies
 - Options: determinants of option price, option pricing
 - Models (binomial, Black& Scholes, sensitivity analysis, basic strategies
 - Swaps: interest rate and currency swaps, basic strategies

Bibliography:

Bodie, Kane & Marcus, cit.

Fabozzi, F.J., cit.

Hull, J.C. (2011), *Fundamentals of Future and Options Markets*, 8th Ed., Prentice-Hall, Upper Saddle River NJ.

Sharpe, Alexander & Bailey, cit.

Module 10 Portfolio Management

- Investment policy : Setting investment objectives for various categories of investors
- Asset allocation : Overview, types of asset allocation
- Practical management
 - Managing an equity portfolio: active vs passive management
 - Portfolio insurance
 - Managing a property portfolio: commodities, real estate, art, ...
 - Alternative assets - private capital
 - International investments
- Performance assessment : Measurement and evaluation
- Special topics
 - Customer profiling and investment policy design
 - Performance evaluation and attribution in single and multi-currency environments
 - Relative performance: benchmarking
 - International investment, Management of financial institutions

Bibliography:

Bodie, Kane & Marcus, cit.

Sharpe, Alexander & Bailey, cit.

Grinold, R.C. & Kahn, R.N., Active Portfolio Management:
Quantitative Theory and Applications, Probus Publ., Chicago ILL.

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