

# Portfolio Management and Corporate Finance Principles

## INTRODUCTION

- The aim of Portfolio Management and Corporate Finance Principles training course is to provide management executives with the requisite tools to avoid making value-destroying decisions, the consequences of which can be catastrophic for the company, its employees and the economy.
- Over the five days, we will cover the key financial decisions facing senior management, namely: how a company or project is financed, how companies and projects are evaluated and how residual cash flow is dissipated to shareholders and senior management. In order to motivate these decisions, the first two days will provide a thorough grounding in financial instruments.

Participants on the Portfolio Management and Corporate Finance Principles training course will develop the following competencies:

- Sophisticated investment appraisal techniques
- Understanding of the key drivers in capital structure and dividend decision making
- Recognition of the different sources of financing available to a company
- Appreciation of pricing risk and how it can be mitigated

## PROGRAMME OBJECTIVES

The Portfolio Management and Corporate Finance Principles training course aims to enable participants to achieve the following objectives:

- Acquire detailed knowledge of available financial instruments
- Comprehend the distinctions between active and passive portfolio management
- Understand the issues in raising long term and short term finance
- Apply sophisticated investment appraisal techniques
- Reconcile the remuneration needs of all stakeholders

## WHO SHOULD ATTEND?

- Senior executives who want to fully and knowledgeably participate in financial decisions. The hands on, and real world approach will resonate with senior management and will provide immediate opportunities for application in the work place
- Junior executives needing to expand their skill to help them progress up the career ladder

## TRAINING METHODOLOGY

- The Portfolio Management and Corporate Finance Principles training course will make extensive use of real world examples and case studies. The focus will be on understanding, rather than computations. To facilitate understanding the case studies will use Excel®. Delegates will be encouraged to share their own work experiences and how the training material can help them improve decision making.

## PROGRAMME SUMMARY

- Each day of the Portfolio Management and Corporate Finance Principles training course will be incremental, culminating in practical knowledge on raising capital, utilising capital in physical investment decisions and dissipating residual earnings to stakeholders.

## PROGRAM OUTLINE

### Debt Securities and Equity Securities

- Understand different types of debt and equity securities
- Compare risk and return of equity and debt instruments
- Bond pricing and equity valuation
- Passive portfolio management
- Active portfolio management

### Derivatives and Alternative Investments

- Characteristics and features of derivatives contracts
- Hedging risk using futures and option contracts
- Achieving leverage using derivative contracts
- Pricing of derivative contracts
- Advantages and limitations of alternative investments

### Short and Long Term Financing

- Financing companies for growth
- The capital structure decision, theories and evidence
- The IPO process
- The pros and cons of achieving a stock market listing
- The advantages and disadvantages of debt

### Investment Appraisal and Company Valuation

- The weighted average cost of capital
- NPV, IRR, payback and modified payback
- Evidence from CFO's on preferred techniques
- Real options

## Dissipation of Residual Earnings

- The remuneration decision
- The role of share options
- The dividend decision
- Dividend policy in action
- Mergers and acquisitions