

BF2212 Investment Products

Course Description and Scope

The main aim of this course is to understand and analyze how various financial products are used to meet specific investment objectives. These objectives can be divided broadly into: (1) seeking beta and alpha; (2) yield enhancement; and (3) capital guarantee. We will explore in detail how these objectives can be achieved through various financial products in equities, fixed income, structured products and alternative investments.

Course Learning Objectives

At the end of the course, students will be able to know:

1. WHAT are nature and characteristics of the different investment products?
2. WHERE to get data and information from various platforms?
3. HOW to use the different platforms to price and analyse various products?

Course Assessments

Component	Marks	Individual/Group
Individual Assignments	65	Individual
Group Projects	20	Group
Group Participation/ Presentation	15	Individual/Group
Total	100	

Proposed Schedule

S/N	Topic	Learning Objectives
1	Investment Objectives and Investment Cycle	<ul style="list-style-type: none">– Investment Objectives:– Beta and Alpha– Yield Enhancement– Capital Guarantee– Investment vs Economic Cycle
2	Interest Rate	<ul style="list-style-type: none">– Money Market<ul style="list-style-type: none">– MM instruments– Value dates– Forward-forwards, FRAs– Interest Rate Futures<ul style="list-style-type: none">– Exchange structure and Margins

		<ul style="list-style-type: none"> – Futures vs FRAs – Pricing and Hedging FRAs with Futures – Trading Interest Rates Futures – Repos <ul style="list-style-type: none"> – Classic Repo – Margin calls, GCs and Specials – Buy/Sell Back, Close-Out and Repricing – Applications
3	Fixed Income	<ul style="list-style-type: none"> – Zero Coupon Rates and Yield Curves <ul style="list-style-type: none"> – Zero Coupon Yields, Par Yields and Bootstrapping – Forward-forward Yields – Bond Market <ul style="list-style-type: none"> – Features and Types – Bond Pricing – Duration and Convexity – Risk Analysis – Applications
4	Equities	<ul style="list-style-type: none"> – Valuation <ul style="list-style-type: none"> – Valuation Concepts – Industry and Company Analysis – Valuation Models – Applications
5	Funds	<ul style="list-style-type: none"> – Key Features of Mutual Funds – Types of Funds – Performance Measures of a Funds – Risk Measures and Performance of a Fund – Exchange Traded Funds (ETFs) <ul style="list-style-type: none"> – Features and Types – Applications
6	Alternatives	<ul style="list-style-type: none"> – Real Estate and REITs – Hedge Funds – Private Equity – Commodities – Applications

7	Structured Products	<ul style="list-style-type: none"> – Basics in Futures and Options – Objectives of Structured Products – Risks of SPs – Common Types of SPs <ul style="list-style-type: none"> – Payoff diagram – Term sheet
8	Investment Advisory	– Application of IPs in Investment Advisory