



## High Yield Debt: Valuation & Risk Assessment - Evening

In this 4-session hands-on course, participants will look at various types of High Yield Bonds, with an eye to determining their theoretical value. We will also look at the various factors concerning their risk and viability as an asset class.

Starting with basic bond market theory and a survey of various sub-sectors of the High Yield segment of the bond market, attendees will look at several specific issues for the purpose of determining credit risk and theoretical valuation.

### Targeted Audience

Anyone interested in the analytical evaluation of this market, including those with differing backgrounds such as equity professionals, technology personnel, or those interested in the suitability of High Yield Bonds for personal investment.

### Special Offer

Clients who register for this course will receive a complimentary 3 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscription, call 800-628-8088 or email [uscirculation@ft.com](mailto:uscirculation@ft.com). U.S. enrollees only. (All non-U.S. enrollees will receive a subscription to FT.com only.) Lunch included for all students taking day classes.

### Advance Preparation

No advance preparation required.

### Prerequisites

Attendees should have a basic knowledge of financial industry concepts and a willingness to participate in "hands-on" calculations in order to maximize the value of this course. This course will require a financial or scientific calculator.

### Learning Objectives

Students will be able to:

- . Demonstrate a practical understanding of how to price High Yield Bonds
- . Determine which factors affect interest rate risk of High Yield Bonds
- . Examine several "real" issues to assess theory & fact

**Level: Basic**

**CPE Credits: 10.0**

**Instructional Method: Group-Live**

## **Detailed Outline**

### **Session 1: Defining the High Yield Market**

- . Review of the historical development of the High Yield Market
- . Examination of how various factors (industry segment, cyclical vs. non-cyclical, etc.) impact the risks shared by all High Yield Bonds
- . Perform credit analysis of selected non-investment grade bonds

### **Session 2: Security Valuation & Risk Analysis**

- . Review of bond pricing principles, yield calculations, interest rate risk
- . Calculation of bond yields for selected High Yield Issues
- . Demonstration of spread-pricing for selected High Yield Issues
- . Review of historic Default / Recovery statistics

### **Session 3: Market Valuation**

- . Review of macroeconomic principles and their impact on company defaults
- . Examination of the historical market performance of the High Yield sector
- . Analyze several market valuation models with an eye to determining how well they serve as predictors for High Yield performance

### **Session 4: Portfolio Management**

- . Determine parameters that define the legitimacy of designating High Yields as a separate Asset Class
- . Review portfolio management principles, with particular emphasis on Risk / Return

tradeoffs and the role of correlation.

. Examination of High Yield Bonds as a viable component in a well-balanced portfolio

## **Scheduling Note**

There will be no class on Tuesday, November 23, 2010.

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.