



# TRAINING

*We have your business in mind*



As a **leading** global financial services training company, our mission is to provide exam-based and customized financial training and documentation solutions along with ongoing personalized support.

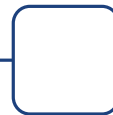
With the aid of our **experienced professionals**, we ensure that Financial Institutions and the Alternative Investment industry, are provided with the highest level of expertise.



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## *SC Training*

SC Training, a division of Statman Consulting Inc., operates globally and offers both exam-based and customized financial training to financial institutions and those who serve them. Training is offered in North America, Europe, Asia, the Middle East and Australasia.

## *Exam-based*

SC Training is the largest provider of live instruction preparatory courses for GARP's Financial Risk Manager's (FRM) exam and offers courses in 30 cities worldwide.

Our lecturers are leading risk academics or current market practitioners and are actively involved in SC Risk, our risk management consultancy.

By focusing exclusively on financial training and relying on proven experts, SC Training is a natural vehicle through which to run preparatory exam-based courses for professional financial designations.

## *Customized*

SC Training offers customized, in-house financial training courses, specializing in alternative investments, risk management, credit analysis, derivatives and modeling, compliance, corporate governance, financial products, treasury, operations, accounting for financial products, portfolio management, introductory courses and soft skills.

Live instruction is combined with a blended learning approach: lectures, workshops, self-study and e-learning.



GARP FRM™: *training*

Success Guarantee!





SC Training is offering a four-day hands-on intensive preparation course for the FRM™ exam in 5 continents. The course provides comprehensive coverage of the official FRM™ syllabus. The design of the course materials is based on our in-depth knowledge of the theoretical material and past FRM™ exams. SC Training believes the most effective way to prepare candidates for the FRM™ exam is through live instruction by risk management experts who are intimately familiar with the FRM™ syllabus and are also proven educators. Most courses are run weekends.

### *Course Materials*

All candidates will be provided with a full set of study notes. The notes are an excellent revision tool and include lecture objectives, executive summaries and an abundant supply of sample questions.

### *Course Director*

Professor Michael Brandt is an internationally acclaimed academic researcher and industry consultant on risk management.

### *Ongoing Support*

Lecturers are available, via e-mail, to answer questions until the day of the exam.

### *Course Booking*

Please fill out an on-line inquiry form or contact the Toronto office.

### *Group Discounts*

We operate a firm-wide discount policy, valid between departments and offices worldwide.

HFA Members: 10% discount!  
[www.thehfa.org](http://www.thehfa.org)



**CUSTOMIZED** *financial training*

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## *Risk Management*

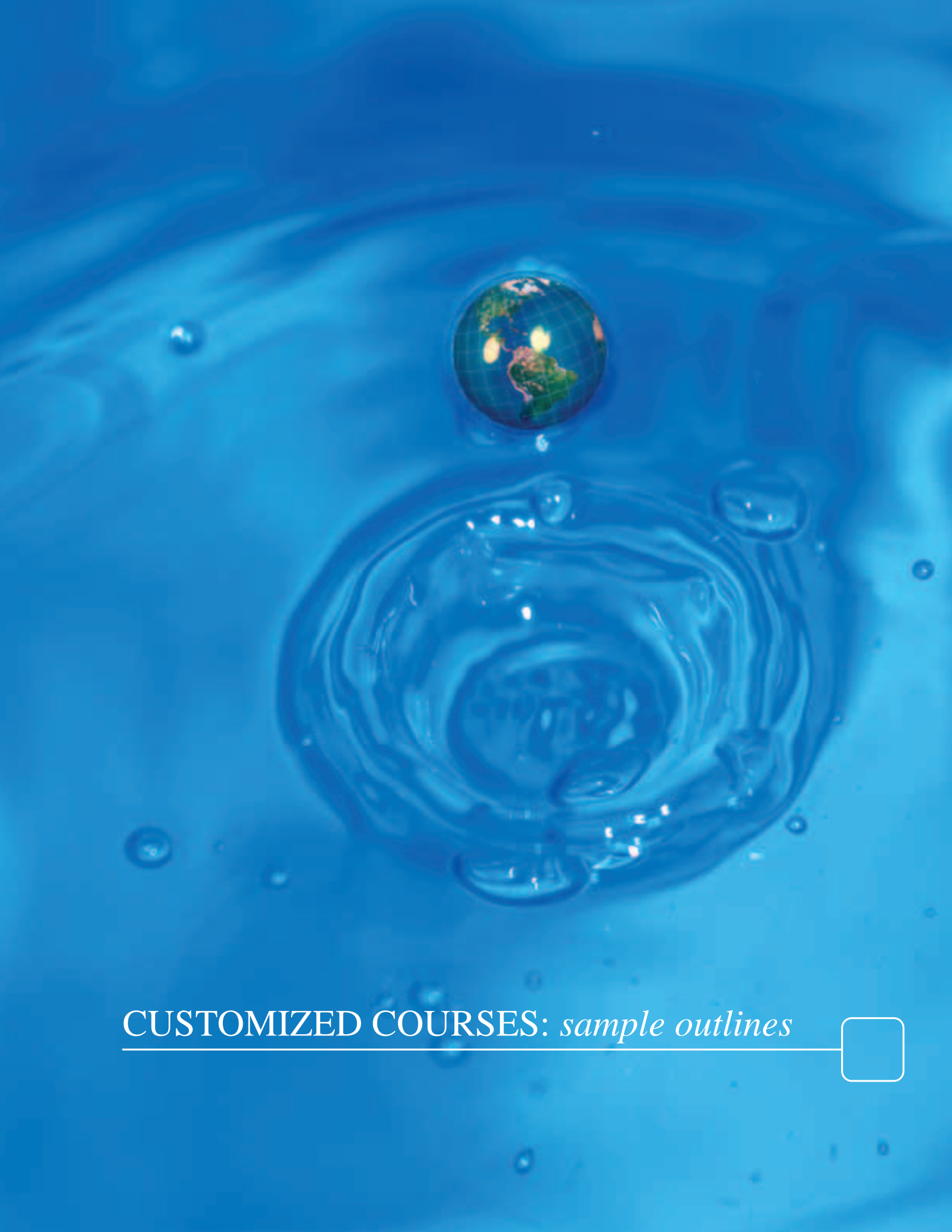
- Enterprise Risk Management
- Operational Risk
- Market Risk
- Credit Risk
- Legal Risk

## *Alternative Investments*

- Hedge Funds
- Private Equity
- Real Estate
- Commodities and Managed Futures

## *Financial Markets*

- Derivatives and Modeling
- Volatility, Pricing, Greeks, Hedge Analysis
- Financial Econometrics
- Credit Analysis
- Treasury
- Corporate Governance (Sarbanes-Oxley)
- Compliance and Internal Controls
- Accounting for Financial Markets  
(FAS 133, IAS 39)
- Operations
- Portfolio Management
- Executive Seminars



CUSTOMIZED COURSES: *sample outlines*





SC Training provides its clients with custom training solutions. Our experts understand your business and after a series of discussions, will tailor a suitable program for your staff. Full confidentiality is assured.

## Risk Management For Convertible Arbitrage and Distressed Debt Funds

### *Day 1*

#### *Introduction and Hedge Fund Product Overview*

- Global Macro
- Event Driven
- Merger Arbitrage
- Fixed Income Arbitrage
- Relative Value Arbitrage
- Convertible Arbitrage
- Distressed Debt Arbitrage

#### *Private Equity Overview*

- Venture Capital
- Leveraged Buyouts
- Mezzanine Financing
- Distressed Debt

#### *Risk Management for Hedge Funds Overview*

- Market Risks
- Foreign Exchange Risks
- Equity Risks
- Liquidity Risks
- Credit Risks
- Regulatory Risks
- Operational Risks

#### *Credit Derivatives Overview*

- Introduction and background to the credit derivatives market
- Asset Swaps (Interest Rate)
- Total Return/Index Swaps
- Credit-Linked Notes
- Credit Default Swaps
- Case study: worked example of a CDS, the initial transaction and the results when a default event occurs
- Risks associated with credit default swaps
- Credit default swaps pricing issues



## *Day 2*

### *Risk Management of Convertible Arbitrage*

- Risks associated with convertible arbitrage
- Hedging risks and selection of the most efficient tools
- Case study: application of credit risk management strategies using credit default swaps
- Worked examples of credit risk management: implementation and results
- Hedging market risks
- Stress testing
- Monitoring risks

### *Risk Management of Distressed Debt Arbitrage*

- Risks associated with distressed debt arbitrage
- Hedging risks and selection of the most efficient tools
- Case study: application of credit risk management strategies
- Worked examples of credit risk management: implementation and results
- Hedging market risks
- Stress testing
- Monitoring risks

### *Risk Management of Merger Arbitrage*

- Determine risks associated with merger arbitrage
- Stress testing
- Monitoring risks



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## Volatility Modeling For Derivatives

### *Day 1*

### *Foundations and Deterministic Volatility*

**Data Analysis: The starting point for a scientific approach to modeling**

- Equity price data
- Returns
- Distributions and moments
- Timescales
- Drift and volatility
- Basic parameter estimation and sampling error
- Portfolio management

**SPREADSHEET WORKSHOP: Asset simulations, backing out parameters, artificial data and real data, uses in pricing and risk management.**

### *Binomial Trees: Towards pricing concepts*

- The role of drift and volatility
- Delta hedging and no arbitrage
- Real and risk neutral
- Variable volatility
- The continuous-time limit

### *Black.Scholes: A sound foundation*

- Simple stochastic calculus: Ito versus Taylor
- Partial differential equations
- Intuition behind numerical methods
- Relationship to expectations and simulations



## *Volatility Estimation: Simple statistical methods*

- Moving windows
- Mean reverting
- Exponentially weighted moving average
- RiskMetrics
- GARCH
- Parameter estimation by maximum likelihood
- Expected future path of volatility
- Expected future variance

**SPREADSHEET WORKSHOP:**  
**Implementation of popular models using real data. Maximum likelihood.**

## *Discrete Hedging: One of the main pitfalls of the model*

- Hedging at finite time intervals
- Hedging error
- Demonstration
- Hedging with a view
- Volatility adjustment
- Non Normal returns

## *Transaction Costs: An introduction to nonlinearity*

- Leland volatility adjustment
- Demonstration
- Hoggard.Whalley.Wilmott
- Nonlinear pricing
- Introducing static hedging

## *Volatility Surfaces and Calibration: Interpreting market prices*

- Time-dependent volatility
- Implied versus local volatility
- Risk-neutral density
- Calculating the local volatility surface
- Dangers associated with the technique
- Scientific evidence
- Examples
- The nature of vega



## *Day 2*

### **Non-Deterministic Volatility**

*Stochastic Volatility: The obvious step towards a better representation of reality*

- Dynamic vega hedging
- Market price of risk
- Named models
- Examples
- Programming

*Uncertain Volatility: A better idea but is it useful?*

- Volatility ranges
- Best and worst cases
- Nonlinearity and static hedging
- Optimization
- Why calibration is unnecessary

*Advanced Volatility Analysis: Which model to use*

- Model estimation from data
- Volatility of volatility
- Drift of volatility and distributions
- Simulations
- Volatility term structure and error bounds
- Alternative uses of stochastic volatility models

**SPREADSHEET WORKSHOP:**  
Implementation of model estimation methods, simulating future scenarios, constructing a volatility term structure and associated error bounds

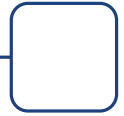
*Stochastic Volatility and Mean-variance Pricing: Portfolio theory and option pricing come together*

- Dynamic delta hedging for minimizing risk
- Residual risk
- Mean and variance
- Global variance minimization and optimal static hedging

SC training team



future?



## *Randy Anderson*

Professor Anderson is the William Newman Chair of Real Estate Finance at the Zicklin School of Business, Baruch College, The City University of New York and is the consulting Chief Economist for one of the largest real estate investment firms in the nation. Prior to Baruch, Randy served as an Investment Vice President at Prudential Real Estate Investors where he was responsible for asset allocations for a REIT mutual fund, economic and real estate market forecasting, and client marketing.

Randy has also held several academic posts, serving most recently at Seton Hall University where he headed the financial markets program. He has published over 40 articles in academic journals and serves as a co-editor of the Journal of Real Estate Portfolio Management and the Journal of Real Estate Literature. Randy is currently the Executive Director of the American Real Estate Society and has served as a panelist at several real estate conferences. In addition he has received numerous awards, including the four best paper awards from the American Society of Real Estate and ULM's Mortar Board Outstanding Professor award.

## *Professor Michael Brandt*

Professor Michael Brandt is an internationally acclaimed academic researcher and industry consultant on risk management. He has taught risk management, derivatives and fixed-income courses to MBA students and executives at top U.S. business schools, including The Wharton School of Business (University of Pennsylvania) and The Fuqua School of Business (Duke University). He is also the recipient of numerous teaching awards.

Professor Brandt is also the Course Director for SC Training's exam-based unit and is responsible for authoring our course material for the FRM preparatory courses. He also liaises with the rest of FRM team and delivers some of these courses in North America.



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## *Marc Cherney*

Marc Cherney has over 20 years of experience in financial accounting, management accounting, insurance accounting, auditing, regulation, financial analysis, consulting and training. He has created and facilitated numerous training seminars covering major aspects of investment accounting for insurance and financial services companies. Training topics have included financial accounting & regulatory reporting, international accounting standards, internal controls, financial management & profitability analysis, cost management, capital budgeting, financial performance measures, balanced scorecard, solvency analysis and strategies for maximizing enterprise value.

Marc is a versatile and flexible performer, equally comfortable facilitating programs for large and small groups, from top management to professional staff. He is effective training financial as well as nonfinancial professionals. Marc's seminar program participants have included professional accountants, CPAs, CFOs, CEOs, nonfinancial executives, actuaries, underwriters, financial product sales agents, systems consultants, attorneys, human resource professionals, external and internal consultants, internal and external auditors, industry regulators and others. Marc holds an MBA Degree with a major in Accounting from Roosevelt University, Chicago, Illinois and is a Certified Public Accountant in the State of Illinois.

## *Peter Christoffersen*

Professor Christoffersen has been a finance professor at McGill's Faculty of Management since 1998. He teaches derivatives and risk management in the undergraduate, MBA, and PhD programs. Prior to joining McGill, he worked as an economist at the International Monetary Fund (IMF) doing research and surveillance work on emerging financial markets. He has just finished writing the book *Elements of Financial Risk Management*, which is published by Academic Press. His current research interests include risk management, option valuation, financial econometrics and forecasting.

Peter has worked as a consultant for the IMF, the European Central Bank, CDP Capital and Natural Resource Canada among others. He has conducted executive training seminars at the World Bank, McGill University, and the Institute for Mathematical Finance in Montreal.



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## *John Gray*

John has over twenty years experience in domestic and international banking. His primary role has been to develop and propose risk management policy and he is an expert on all areas of risk: credit, market, operational, regulatory and business risk. He has been involved with Value at Risk models, liquidity contingency/risk planning, development of trading Limit policies for all investment banking products, Foreign Exchange Trading methods, Multilateral Netting, Business Resumption Planning, Volatility analysis, Spot Risk Hedging, Deemed Credit Exposure for Off Balance Sheet instruments, Capital Adequacy Reporting Systems and ALM/Capital modeling. He is an experienced speaker and industry presenter and has been involved in negotiations with Domestic Banks, the OSFI and other international regulators on capital adequacy issues.

John has also been in charge of treasury controls, profitability analysis and systems. In his earlier career he was involved in operations and was responsible for the day-to-day management of the Foreign Exchange, Money Market, Securities, Loans and DDA units. His team handled all the back and mid office functions, monitoring positions, limit compliance, confirmations, settlements and investigations, securities custody for all Loan Syndications and Interest Rate Swaps.

John has a B.A. in Business Management from Ryerson Univeristy and is a Fellow of the Institute of Bankers and during his service at Bank of Nova Scotia earned two awards for service excellence.

## *Robert Jozkowski*

Robert Jozkowski has over twenty years experience in international finance and banking in American, Asian and European markets. He has held senior positions at Banca di Roma, Bank of Singapore, Societe Generale and Westpac Banking Corp. He has been in charge of corporate business development and portfolio management for various domestic and international territories. He managed the credit functions at two banks, with responsibilities for teams of credit analysts, credit policy and credit portfolio management. He was also responsible for the credit administration function. Within Corporate Finance, Robert led the team responsible for structured financings such as highly leveraged transactions, project finance and M&A.

As an instructor in the professional financial markets, Robert has taught and prepared courses for commercial, investment and private banking; bank relationship management; financial forecasting; venture capital and private equity. He has also designed credit curricula and prepared sample questions for customized exams.

He has taught international economics at the Australian Catholic University in Sydney and several finance courses at Hofstra University in New York and the State University of New York where he is an adjunct faculty member. Robert holds a BSc in Business Administration from Boston University, an M.B.A. from Fordham University, and is a Ph.D. candidate in financial economics at Fordham University.



## *Christopher Karaolis*

Chris Karaolis has spent over 20 years in banking across several time zones, with particular emphasis on the Operational aspects of banking. His vast experience has been gained through working with institutions such as ANZ Banking Group, NCR and ABNAmro. His specialist areas within the financial services sector include Operations Management, Risk Management, Controls, Systems Development and Implementation, as well as Project Management.

Over the last 7 years he has provided consultancy and training services, including Client Relationship Management, for the financial services sector. As a consultant, he has overseen delivery of a web-based ASP solution for a risk management system and has been responsible for implementing treasury systems for several major financial institutions. He is currently the Chief Operating Officer for Thinking Applications and is responsible for developing sales channels for their risk management web-based system, TaVaR.

## *Kian Guan Lim*

Lim Kian Guan is a Professor of Finance at the Singapore Management University and received his finance PhD from Stanford University. He has been a founding board member of the Asia Pacific Finance Association as well as the founding President of the Singapore Financial Engineering Association. He also sits on the editorial boards of international finance journals in Australia, Hong Kong, South Korea and Japan. He has been a visiting scholar to Wharton, Stanford Business School, INSEAD, the Australian Graduate School of Management, visiting professor at Aoyama Gakuin University in Japan, Erskine Fellow at the University of Canterbury in New Zealand, and at several other universities in Australia and Malaysia. He publishes extensively and has won two prestigious international research awards in the US and also in Taiwan.

Professor Lim has consulted extensively to numerous corporations, including the Singapore Exchange, the Institute of Development Economies in Japan, Capital Securities Corporation in Taiwan and is called upon as a finance expert witness on securities pricing. He has also taught in executive development courses in derivatives and risk management in conjunction with Bloomberg and Reuters Corporations in Singapore.



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*Buen Sin Low, PhD, MBA,  
CPA, CFA*

Dr. Low is an Associate Professor of Finance at the Nanyang Business School, Nanyang Technological University. He is the Deputy Director of the Centre for Financial Engineering and the Deputy Director of the MSc (Financial Engineering) Program at the Nanyang Technological University, and is also a Board Member for the Singapore Financial Analyst Association.

Prior to joining the University, he worked as an auditor in an international accounting firm and a treasury dealer in a commercial bank. His areas of interest include derivative securities, treasury operation and risk management. His publications have appeared in the *Journal of Financial and Quantitative Analysis* and *Journal of Futures Markets*, among others. He is active in providing consulting services and executive seminars for many organizations, including Citibank, DBS Bank, KPMG, OCBC Bank, Prebon Yamane, Singapore Exchange, Singapore Technologies Pte Ltd, UBS AG, and the United Nations.

*Dr. Chris Marshall*

Chris Marshall has an MA from the University of Cambridge in Theoretical Physics, an MBA in Finance from the University of Chicago, and a doctorate from Harvard Business School. From 1987 through 1992, he worked as a quantitative risk analyst at O'Connor & Associates in Chicago. After a ten-year hiatus in academia, he rejoined UBS Warburg in 2000, and is currently an Executive Director with the bank responsible for Financial Engineering and Corporate Risk Advisory in Asia Pacific.

Before joining UBS Warburg, he spent 4 years as a professor in the School of Computing and the Business School at the National University of Singapore, where he was founder and a director of the university's research programs in Financial Engineering and in Artificial Intelligence in Finance. He has also worked as a researcher and management consultant for Ernst & Young Global Client Services and at their Boston Center for Business Innovation. As well as numerous articles in finance and technology, he is also the author of a widely used book on Enterprise Risk Management published in August 2000 by John Wiley.



## *Neil Martin*

Neil Martin has spent over 20 years within the banking and brokerage arena. He set up the first options trading desk at any South African bank and spent several years trading fixed income in the cash and derivatives markets. He headed up bond trading at two financial institutions, before moving into Asset Management, where he became a Fixed Income Portfolio Manager and later worked in senior management positions. Since moving to the UK in 1996, he has provided consultancy and training services and has overseen the implementation of various financial software systems, ranging from Foreign Exchange and Money Markets, through to Fixed Income and Derivatives based systems.

## *Shealyn McGuire, Esq*

Shealyn McGuire is a strategic high net worth researcher, author and consultant for the financial services industry. With an emphasis on both registered and unregistered hedge funds, her primary focus has been on the manufacturing and distribution of high net worth financial products through such channels as banks, private client groups and family offices.

Her published works include the 175-page Financial Research Corporation (FRC) study, "Entering the World of Hedge Funds: Opportunities and Obstacles in Targeting the Affluent", (July 2002). She also co-authored the FRC whitepaper, "Principal Protection: Assets Moving Downmarket" (Sep. 2002).

Prior to her work with FRC, Shealyn was a consultant for Cerulli Associates, where she authored the 273-page report, "Trends Among U.S. High Net Worth Providers."

She has been asked to speak on these topics in both the U.S. and Canada for financial institutions looking to enter this market. In December 2002, she was the moderator of a panel on Principal Protection/Registered Hedge Funds at FRC's annual conference. Shealyn was asked to serve as Chairperson for a number of Financial Research Associates (FRA) conferences, including: Innovative Principal Protected Investment Products (January 2003), Registered Hedge Funds and Structured Hedge Fund Products (June 2003), Distribution of Hedge Funds to the Mass Affluent (December 2003) and Building a Profitable Investment Service: Revitalizing Product Sales and Distribution through Bank Open Architecture (February 2004).

Shealyn received her Juris Doctorate from Suffolk University Law School in Boston. She also holds a Bachelor of Arts degree from the University of Notre Dame.

Ms. McGuire has been quoted extensively in the financial media including among others the Wall Street Journal, the Financial Times, the Boston Globe, the Boston Herald, the Providence Journal, Financial Planning, Investment News, CBS Marketwatch, Private Asset Management, Ticker Magazine, and FundFire.



## *Alberto Moel*

Alberto Moel is a Visiting Assistant Professor of Finance at the Hong Kong University of Science and Technology, while on leave from Monitor Corporate Finance, Monitor Group, in Cambridge MA, USA. As a Senior Consultant at Monitor Corporate Finance he advised senior management of global corporations, focusing on the areas of valuation, restructurings, divestitures, strategic investments, M&A transactions, value-based management, real options, and risk management.

Previously, he was Managing Partner and Director of Research at AAA Asset Management, a Brazilian investment firm that specialized in the application of rigorous quantitative analysis to emerging markets trading. Before that, he was a Lecturer in Finance at Harvard Business School, where he taught the required first year Finance and Quantitative Methods courses in the MBA Program. Prior to joining the HBS faculty, he was the Charles M. Williams Fellow in Finance at HBS.

He has worked at JP Morgan in New York and Mexico City, Toshiba Corporation in Japan, and IBM Corporation in New York, Cambridge, and Zurich, Switzerland. A native of Guadalajara, Mexico, he holds SB, SM, and ScD degrees from MIT, and an MBA from HBS, where he graduated with high distinction as a Baker Scholar. He is also involved in financial economics research, and as an independent consultant has advised Canadian, US, and Mexican banks on emerging markets entry strategy and loan portfolio selection, and has been involved in executive education and training in Brazil, Mexico, and the US.

## *Sara Statman*

Sara Statman spent nearly a decade in Investment Banking in London, first as an Economist, then dealt OTC Foreign Exchange products and later became a European Fixed Income Strategist for major US and Japanese banks. As a strategist she focused on generating trading ideas for in-house proprietary traders and institutional investors (hedge funds, asset management, pension funds, insurance and central bankers). Trading strategies included relative value arbitrage, fixed income arbitrage, global macro and market neutral.

She established Statman Consulting in London, March 1999, with a focus on Financial Training for practitioners as well as non-market professionals. By early 2000, she expanded the service offering to include Documentation and Software Training services for financial software houses and financial institutions. To target the North American market, she established an office in Toronto in May 2001. She is currently CEO of Statman Consulting and SC Training and oversees worldwide operations out of the Toronto office.

In 2003 she expanded the operations and established an exam-based training group, to complement the existing customized training business. Maintaining a financial markets focus, she signed a licensing agreement with the Global Association of Risk Professionals to offer preparatory courses for the FRM exam. In 2004 she set up SC Risk, a risk management and financial markets consultancy and she is currently CEO of SC Risk. She is also a Director of the Hedge Fund Association and is the Chair of the HFA Education Committee.



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## *Gerald Wisz*

Dr. Gerald Wisz is a recognized expert: a consultant, trainer, published author and accomplished public speaker. His expertise includes business analysis, system design and development, financial engineering, portfolio optimization, risk mitigation and regulatory compliance.

He spent a large part of his career as a senior quantitative analyst where he designed and implemented real-time products for customers in the futures, options, swaps, mortgage backed securities and fixed income financial markets. He developed fixed income, options, and FX calculators and hedging analysis for international sovereigns, Treasuries, Brady bonds and inflation protected issues. He is a former President of Cosmos Group, a pension dedication model development firm. During his earlier career he worked in Quality Assurance and acted as Operations Manager.

He has also served various universities and colleges in the management, finance, economics, and financial engineering departments including Polytechnic University, Niagara University, and SUNY at Buffalo. He is currently an adjunct professor of financial engineering at Polytechnic University where he has taught for over 10 years.

Dr. Wisz holds a Ph.D. degree in Operations Research from Johns Hopkins University and a B.S. in Business Administration and Accounting from Canisius College. He is a member of the International Association of Financial Engineers (IAFE) and serves on its Investor, Operational Risk and Education Committees. He is also a member of the Global Association of Risk Professionals (GARP).



*We have your business in mind*

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