



Syllabus and Course Catalog

2017



Questions?

Student Support & Enrollment: 1-800-243-5097
bondschooll@fixedincomeacademy.com

Welcome to Bond School!

Thank you for trusting Fixed Income Academy to help you begin or advance your financial education and career. Quite simply, our goal is to be the premier source of education and training for institutional fixed income market participants. We look forward to working closely with you to achieve both your goals and ours.

Fixed Income Academy is a platform where experienced and aspiring professionals come together with the understanding that we all assume the roles of learner and teacher at different times. So whether you are a novice or expert, we welcome all who are committed to excellence, life-long learning and fully transparent investment practices. We strive to create a space where conversation and community can thrive as we come together to enhance our skills and deliver excellent results for our stakeholders.

Fixed Income Academy's Bond School, too, is always improving. Each course is reviewed regularly to ensure the content remains current and the material engaging. As new instruments, regulation, or market practices assert themselves, the Fixed Income Academy staff and instructors will revise, add, or delete segments to ensure our participants are well prepared for whatever comes their way.

Consider this syllabus your roadmap for success. Keep it handy for reference and review, but don't hesitate to contact us if you have questions or comments.

On behalf of our instructors, student advisors and developers...Happy Learning!

Susan Munson, CFP®, CFIP | Founder & CEO

Marcia Clark, CFA | Lead Instructor and Course Designer

General Information and Bond School Policies	Pages 1 – 6
Menu of Seventeen (17) Foundational Bond School Courses	Page 7
Course Descriptions and Learning Objectives	Pages 8 – 24
CFIP Designation Requirements (Optional)	Appendix



Fixed Income Academy LP is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Bond School Instructors

Bond School instructors are seasoned practitioners or educators fluent in the topics they present. Each instructor brings a real-world perspective to their presentations, focusing on the skills and knowledge financial officers need to feel confident in their role as fiduciaries of public and private funds. To learn more about our instructors, please visit the Fixed Income Academy website for a complete list and bios: <https://www.fixedincomeacademy.com/about>

Continuing Education / Recertification Credits

In order to receive continuing education credits, you are required to take and pass the final course exams with a 70% score or better by the end of the term in which you are enrolled. Upon successful completion, you will be able to open a previously locked module to access your completion certificate, which will include all pertinent information, including the recommended CPE credits for the course.

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour. Our research indicates courses are eligible for recertification credits for many commonly held designations such as the CTP (Certified Treasury Professional), CCMT (Certified California Municipal Treasurer), CGIP (Certified Government Investment Professional), CFP® (Certified Financial Planner) and for CPAs in most states. However, we cannot guarantee that the coursework will qualify and we encourage you to confirm directly with the responsible organization. Visit <https://fixedincomeacademy.com/certified> for additional information.

How are Bond School Courses Structured?

A course consists of 3 to 5 lessons. Each lesson includes a video lecture (10-15 minutes on average), power point presentation and additional written, audio and/or video resources. Resources are categorized “required”, which are included in the course exam; or “suggested”, which are provided for reference and deeper understanding of the subject matter. Power point presentations and resources are downloadable for convenient student access. Each course in the program takes an average of three hours to complete, or about 45 hours for the entire program. Students who complete the entire program and successfully pass the exams with a score of 70% or better will have earned over 45 continuing professional education (CPE) credit hours along the way.

What is the CFIP Designation?

Completing all 17 courses in consecutive order was intentionally designed to provide the foundational knowledge necessary to prudently guide, evaluate or manage institutional investment portfolios. Students who meet the prerequisites *and* successfully complete all 17 of the foundational courses will be provided the opportunity to take an additional comprehensive exam and apply for the designation of Certified Fixed Income Practitioner (CFIP) to demonstrate their commitment to the mastery of this critical foundational knowledge.

The CFIP Program Completion module is located at the end of Course 17 and is accessible once you have passed all 17 final exams. The module includes the required CFIP Application, Exam, and Survey.

Please refer to “Obtaining Your CFIP Designation” in the Appendix for more information.

If you qualify and complete your CFIP designation, we will mail personalized CFIP Certificates within 15 days after the end of each quarter to all students who qualified for the designation during the preceding quarter.

If you have additional questions, email bondscool@fixedincomeacademy.com.

Delivery Method

We use Instructure’s robust learning management system (LMS), Canvas, to deliver our self-study courses online. Courses are accessible from most Internet browsers on most computers and mobile devices. Students can enroll by calling 800-243-5097 or at www.fixedincomeacademy.com. Once enrollment is complete, students sign in at www.fixedincomeacademy.instructure.com directly or from a button on the homepage at www.fixedincomeacademy.com. Students will have full access to their courses for the one year term in which they enrolled. Your term expiration date will be noted on your enrollment confirmation and listed in your course menu in “settings” under the “course details” tab.

Upon expiration of the term, students who earn the CFIP designation will continue to have “read-only” access to their completed courses, in addition to new quarterly Virtual Workshops and the interactive features of the LMS until February of the following year.

Renewals for the CFIP designation are due by March 1st of each year. Please refer to “Maintaining Your CFIP Designation” in the Appendix for more information.

Quarterly Enrollment System

Students will have up to 12 months to complete the entire program of all 17 foundational courses depending on your date of registration. New sessions start at the beginning of each quarter, at or around the 1st day of January, April, July, and October. The official record of your term expiration date will be listed on the enrollment confirmation received after registration.

Student Support

For student support call 1-800-243-5097, or

Email us at bondschoo@fixedincomeacademy.com

Passwords assistance is available 24/7 from a link on the Bond School login page. If additional assistance is required, please call 800-243-5097.

Student support is available Monday - Friday 8 AM to 5 PM Pacific Time. When emailing bondschoo@fixedincomeacademy.com, a student advisor will respond to your email as soon as possible, within 24 hours.

We do appreciate that you notify us of any problems or technical difficulties since the same issue could also be impacting other students and our goal is to fix problems as soon as possible.

Bond School Policies

Maintenance of Records

Fixed Income Academy maintains student and user records, including data related to course and exam completion, in compliance with the National Association of State Boards of Accountancy (NASBA) guidelines. *If your license was purchased on your behalf as part of a multi-user license agreement, it is likely that your information, including your data related to your progress in the program, will be shared with the organization that sponsored the license.*

Refund Policy

Users are entitled to a full refund within three business days of purchase, minus a \$50 processing fee per student enrolled. After the third business day, all purchases will be final and non-refundable. Refunds will be issued to the original payment method within 30 business days.

Refund requests must be submitted in writing within 3 business days of purchase.

Request can be sent to: bondschoo@fixedincomeacademy.com

Mail: Fixed Income Academy, 3323 E. Ridgeway Road, Orange, CA 92867

User Grievance Policy

A user who has a grievance should first communicate with us by contacting bondschoo@fixedincomeacademy.com. If a viable solution is not reached between the user and student advisor, the user may elevate the issue to David Mercer, Director of Student Support. The user has ten business days to file a complaint in writing to David at dmerc@fixedincomeacademy.com. If a student

is not completely satisfied, they may contact Susan Munson, CEO, by calling 800-243-5097 or by email at smunson@fixedincomeacademy.com.

Course Update Policy

Fixed Income Academy continually monitors the fixed income markets and works with instructors, education partners, sponsors and our qualified team of investment professionals to review and audit all materials produced by Fixed Income Academy. Courses are reviewed biennially, though may be updated more frequently as needed. During the review process, a Fixed Income Academy senior course designer works with course instructors and the research team to perform an in depth review to determine if significant revisions are required.

Student Access

Academic honesty and student integrity are of critical importance. Our goal is that you don't just complete the courses, but that you learn from the subject matter experts and curriculum provided so it truly helps you become a better investor, improves your results and even make your life a little easier.

In order to get the most out of your learning experience, students should complete their own work and take their own quizzes and exams. When enrolling students must agree to terms and conditions and verify that they will be the sole user of the license purchased by them, or on their behalf, and that they will not share their user name and password with others.

Licenses are non-transferable

Licenses are often purchased by an organization for the benefit of an individual within or outside of the purchasing organization. Please note that the individual user becomes the licensee and therefore able to continue to use their license even if they are no longer affiliated with the purchasing organization.

Terms and Conditions

FixedIncomeAcademy.com (Fixed Income Academy LP, also known as Licensor) hereby grants each Licensee limited, non-exclusive, non-sub-licensable and non-transferable licenses to access bond school subject to the payment of the applicable fees and adherence to the complete terms found at www.fixedincomeacademy.com. Every time a student logs in to the system, it is with the understanding that they agree to the complete terms and conditions, privacy policy and have read and understood all disclosures.

Disclaimer

The information provided by Fixed Income Academy (FIA) is intended for Institutional Investors and Market Participants. FIA is neither an investment advisor nor a municipal advisor and the content provided is neither investment advice nor municipal advice. All content should be used for informational

purposes only. The information, including information provided by third party providers, is deemed reliable but it is not guaranteed and is subject to change at any time. Opinions expressed by any individual contributor, whether or not affiliated with FIA, are their own and do not represent the views of FIA or any affiliated organizations.

Additionally, any materials in or related to this course are provided for educational purposes only and not for the purpose of providing any legal, accounting, tax or other professional advice or services. The information provided in this class is of a general nature, and it cannot substitute for the advice of a licensed professional in any respect. The application and effect of laws may vary widely depending on the specific facts and jurisdiction, and no representation or warranty is made with respect to the accuracy of any materials in or related to the course. The content in this program or any individual course is subject to change and while best efforts will be made to notify participants of any changes, there is no guarantee.

Bond School Support Team:

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Complete Course Listing

- ✦ **Course 1: Fed, Banking System and Monetary Policy Overview (See [8](#))**
- ✦ **Course 2: Bond Market Overview: It's Participants and the New Issue Process (See [9](#))**
- ✦ **Course 3: U.S. Municipal Market Overview and its Participants (See [10](#))**
- ✦ **Course 4: Fixed Income Instruments and Structures (See [11](#))**
- ✦ **Course 5: Understanding and Managing Risk (See [12](#))**
- ✦ **Course 6: Fundamentals of Market Mechanics (See [13](#))**
- ✦ **Course 7: Fundamentals of Bond Financing and Leveraging Tools (See [14](#))**
- ✦ **Course 8: Fundamentals of Swaps (See [15](#))**
- ✦ **Course 9: Fundamentals of Yield Curves (See [16](#))**
- ✦ **Course 10: Fundamentals of Options and Volatility (See [17](#))**
- ✦ **Course 11: Fundamentals of Credit Analysis (See [18](#))**
- ✦ **Course 12: Overview of Portfolio Measurement Tools (See [19](#))**
- ✦ **Course 13: Overview of Indices and Benchmarks (See [20](#))**
- ✦ **Course 14: Best Practices for Building Win-Win Relationships (See [21](#))**
- ✦ **Course 15: Importance of Cash Flow Analysis (See [22](#))**
- ✦ **Course 16: Guiding Principles of Effective Investment Policies (See [23](#))**
- ✦ **Course 17: Reporting and Oversight (See [24](#))**

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Fed, Banking System and Monetary Policy Overview

Course Description

Examine the objectives of monetary policy and learn how policy is formulated and executed. Dr. Stone will discuss how the Fed interacts with the money markets, the role of the Fed as fiscal agent for the Treasury Department, the role of the primary dealers in the transmission of policy and the financing of the Federal Government. Students will also review how the Fed has traditionally operated, in addition to examining the many unconventional policies conducted by the Fed in recent years.

Lessons and Learning Objectives

1. Objectives of the Federal Reserve

- 1.1. Recognize what the Federal Reserve does and how it impacts our economy.
- 1.2. Relate the importance of maximum sustainable growth and price stability.
- 1.3. Identify the definitions of GDP and Potential GDP and GDP's importance in relation to the Gap.
- 1.4. Recognize the importance of NAIRU and how it relates to unemployment.

2. Traditional Instruments of Monetary Policy

- 2.1. List the components of Open Market Operations.
- 2.2. Identify the differences between a dynamic and a defensive operation in an open market.
- 2.3. Compare and contrast the banking system and the functions of primary dealers.

3. Role of the Banking System and Primary Dealers

- 3.1. Recognize Federal Funds Market operations.
- 3.2. Identify the relationship between interest rate levels and bank reserves.

4. Unconventional Federal Reserve Instruments

- 4.1. List the methods used by the Federal Reserve to influence the money supply.
- 4.2. Compare the differences between quantitative easing and a Large Scale Asset Program.

5. The Unwinding of Unconventional Policies

- 5.1. Define the importance of implementing the exit strategy when the economy returns to its normal growth.
- 5.2. Identify an "Exit Strategy" and the tools that can be used by the Fed.

Program Level:	Basic
Field of Study:	Economics
CPE Credits:	4.0
Prerequisites:	None
Advanced Prep:	None

Fed, Banking System and Monetary Policy was updated December 2016.



Bond Market Overview: Its Participants and the New Issue Process

Course Description

Learn the reasons bonds are issued, the process issuers use to borrow money from bond buyers and the impact of secondary market activity. Review the roles and compensation models of market participants in order to identify what drives behavior.

Lessons and Learning Objectives

- 1. Bond Primary Markets: Price Setting Mechanisms and Choice of Markets**
 - 1.1. Identify different markets issuers can choose to issue bonds.
 - 1.2. List available price setting mechanisms used by issuers.

- 2. Role of Primary Market Participants**
 - 2.1. Identify the parameters an issuer must decide upon when issuing a bond.
 - 2.2. Define market intermediaries and their functions in the bond issuing process.
 - 2.3. Recall key information an investor seeks when deciding to purchase any fixed income product.

- 3. Bond Secondary Markets**
 - 3.1. Relate the relationship between the secondary bond market and its participants.
 - 3.2. Compare and contrast the characteristics of the secondary bond market versus the primary bond market.

- 4. Walk-through of a Bond Issue (Part 1)**
 - 4.1. Recognize the process used to issue new bonds.
 - 4.2. Apply the importance of each step in the issuance of a bond.

- 5. Walk-through of a Bond Issue (Part 2)**
 - 5.1. List the factors that influence an issuer's decision on sizing and allocating a new issue.
 - 5.2. Interpret the factors that affect the secondary market of a particular bond.

Program Level: Basic
Field of Study: Finance
CPE Credits: 3.5
Prerequisites: None
Advanced Prep: None

Bond Market Overview was updated November 2013.



U.S. Municipal Market Overview and its Participants

Course Description

Observe how the municipal bond market uniquely operates, from issuance to secondary trading, as well as how market participants interact and why compensation models are important considerations when determining appropriate issuance and investment strategies.

Lessons and Learning Objectives

1. Municipal (“Muni”) Basics

- 1.1. Recognize the two main types of municipal securities and the relative size of each in the market.
- 1.2. Define the size and complexity of the municipal markets and recognize the most common types of municipal bond structures.
- 1.3. List the four main categories of investors and their investment goals.

2. Market Overview

- 2.1. Relate the characteristic of the municipal secondary market to the factors that affecting trading activities.
- 2.2. Define the relationship between new issuance and the volume of trades in the municipal market.

3. New Issue

- 3.1. Recognize the 8 participants in the new issue process and understand their roles in the issuance process.
- 3.2. Define the two ways new issues come to market and the factors that influence new issue pricing.

4. Secondary Sales and Trading

- 4.1. Relate the significance of post new issue trading periods.
- 4.2. Differentiate principal trading versus agency trading in the secondary market.

5. Regulatory Considerations

- 5.1. Recall the current recommended disclosure practices for new issuance.
- 5.2. Name the differences between reporting and disclosure practices for corporate versus municipal bonds.

Program Level: Basic
Field of Study: Finance
CPE Credits: 4.0
Prerequisites: None
Advanced Prep: None

Municipal Markets Overview was updated November 2013.



Fixed Income Instruments & Structures

Course Description

Learn about the different types of fixed income securities, from plain vanilla bonds to securitized loans, and how the various instruments are used to borrow and lend in the capital markets.

Lessons and Learning Objectives

1. Types of Issues

- 1.1. Recognize the different types of fixed income securities.
- 1.2. Identify the typical terminology used for issued bonds.

2. Types of Issues – Part 2

- 2.1. Recognize that an issuer may issue different types of bonds.
- 2.2. List the less common types of fixed income securities.

3. Types of Issuers

- 3.1. Identify issues from the public sector.
- 3.2. Identify issues from the private sector.
- 3.3. Detect the differences between the U.S. bond market and foreign bond markets.

4. Terminology

- 4.1. Restate fixed income market terminology.
- 4.2. Recognize the application of terminology in different contexts.

5. Form of Issues

- 5.1. Recognize the different forms of issues.
- 5.2. Name the characteristics of certificates.
- 5.3. Name the characteristics of electronic trading.

Program Level:	Basic
Field of Study:	Finance
CPE Credits:	3.5
Prerequisites:	None
Advanced Prep:	None

Fixed Income Instruments and Structures was updated November 2013.



Understanding and Managing Risk

Course Description

Learn the elements central to the risk/reward relationship. Understanding that risk is something to be mitigated, versus eliminated, students will also learn to properly evaluate, manage, and be compensated for, taking appropriate levels of risk.

Lessons and Learning Objectives

1. Defining Risk

- 1.1. Distinguish the critical components of risk.
- 1.2. Express the statistical view of risk and probability distribution.

2. Understanding Different Types of Risk

- 2.1. Recognize the different types of risk in the Fixed Income Markets.
- 2.2. Assess credit risk and how it relates to managing risk.
- 2.3. Assess market and liquidity risk of fixed income instruments.
- 2.4. Restate how interest rate risk affects the price of a bond.

3. Managing Risk

- 3.1. Express one's own view of risk.
- 3.2. Identify the process of how investment decisions are made.

Program Level:	Basic
Field of Study:	Finance
CPE Credits:	3.5
Prerequisites:	None
Advanced Prep:	None

***Understanding Risk* was updated November 2013.**



Fundamentals of Market Mechanics

Course Description

Learn the basic mathematics for concepts such as present value, future value, discounting, duration, yield-to-maturity to observe how changes in interest rates impact the price of a bond.

Lessons and Learning Objectives

1. Time Value of Money

- 1.1. Define the time value and the future value of money.
- 1.2. List the factors of compounding interest.
- 1.3. List the components of present value.

2. Price, Yield-to-Maturity and Rate of Return

- 2.1. Define Yield to Maturity.
- 2.2. Recognize the relationship between price and yield to maturity.

3. Changes in Interest Rates and Impact on Pricing

- 3.1. Define the effect that a change in the interest rate has on the price of a bond.
- 3.2. Define duration and relate how managing it benefits the investor.

Program Level: Basic
Field of Study: Finance
CPE Credits: 2.0
Prerequisites: None
Advanced Prep: None

***Fundamentals of Market Mechanics* was updated November 2013.**



Fundamentals of Bond Financing and Leveraging Tools

Course Description

Learn about the available bond financing and leveraging tools to gain a better understanding of when or why to use them.

Lessons and Learning Objectives

1. Demystifying the REPO Markets

- 1.1. Identify REPO trades and the primary risk involved in investing in them.
- 1.2. List REPO market participants and identify their purposes.

2. Fundamentals of REPO and Reverse REPO Agreements

- 2.1. Identify the terminology and the different types of REPOs.
- 2.2. Recognize the factors that affect the REPO rate.
- 2.3. List the factors that affect REPO pricing.

3. How Collateral, Liquidity and Pricing Impacts REPO

- 3.1. Distinguish between the types of collateral used in REPO transactions.
- 3.2. Identify the variables involved in REPO transactions.

4. Importance of Operations and Pricing

- 4.1. Recall the importance of operations in the REPO market.
- 4.2. Recognize the various developments regarding regulatory changes that could affect the REPO market.

Program Level: Intermediate
Field of Study: Finance
CPE Credits: 2.5
Prerequisites: Courses 4 and 6 Recommended or Pass on Pre-Test
Advanced Prep: None

Fundamentals of Bond Financing was updated November 2013.



Fundamentals of Swaps

Course Description

Learn the basics of swap contracts, how they differ from fixed income securities and how fixed income investors use them as part of their investment, issuance and hedging strategies.

Lessons and Learning Objectives

1. Definition of Swaps

- 1.1. Distinguish the different types of swap transactions.
- 1.2. Define interest rate swaps.
- 1.3. Identify general swap terminology.

2. Interest Rate Swap Overview

- 2.1. Recognize the factors considered when pricing interest rate swaps.
- 2.2. Identify LIBOR forward contracts.

3. Swap Spread Overview

- 3.1. List the factors used to determine swap spreads.
- 3.2. Identify the factors influencing swap spreads.

4. Types of Interest Rate Swaps & Swap-Related Options

- 4.1. Define the various types of interest rate swaps.
- 4.2. Define the various types of swap related options.

5. Uses of Swaps

- 5.1. Identify issuer strategies involving swaps.
- 5.2. Identify investor strategies involving swaps.

Program Level:	Intermediate
Field of Study:	Finance
CPE Credits:	2.5
Prerequisites:	Courses 4 and 6 Recommended or Pass on Pre-Test
Advanced Prep:	None

***Fundamentals of Swaps* was updated November 2013.**



Fundamentals of Yield Curves & Forward Curves

Course Description

Develop a deeper understanding of spot and forward yield curves and observe why and how to incorporate yield curve analysis into the investment evaluation process.

Lessons and Learning Objectives

1. Yield Curve Overview

- 1.1. Demonstrate a general understanding of yield curves.
- 1.2. Recognize what a yield curve shape could indicate in the market.
- 1.3. Identify the implications of shifts in a yield curve.

2. Forward Curve Overview

- 2.1. Define the basic features of forward rates and forward curves.
- 2.2. Recognize how forward rates are calculated.

3. Ask the Expert: Yield Curve and Forward Curve in your Investment Decision

- 3.1. Relate how yield curves and forward curves influence investment strategy.

Program Level: Intermediate
Field of Study: Finance
CPE Credits: 2.0
Prerequisites: Courses 4 and 6 Recommended or Pass on Pre-Test
Advanced Prep: None

Fundamentals of Yield Curves was updated November 2013.



Fundamentals of Options and Volatility

Course Description

Learn the importance of appropriately pricing and evaluating options and volatility to understand their impact on the pricing of callable bonds.

Lessons and Learning Objectives

1. Options

- 1.1. Identify the fundamentals principle of options.
- 1.2. Recognize the factors considered when determining option value.

2. Volatility

- 2.1. Locate forward rates.
- 2.2. Name the different types of option related volatility.

3. Implied Volatility

- 3.1. Interpret uses for the tools used to measure volatility.
- 3.2. Relate the relevance of volatility when buying option-embedded bonds.

4. Options and Callable Bonds

- 4.1. Identify the relevance of swaptions to callable bonds.
- 4.2. Differentiate between callable securities and bullets.
- 4.3. Identify the relevance of coupons to forward rates.

5. Option Related Measurement Tools

- 5.1. Identify option related measurement tools.
- 5.2. Distinguish the implications of option related measurement tools.

Program Level:	Intermediate
Field of Study:	Finance
CPE Credits:	2.5
Prerequisites:	Courses 4, 6, 8 & 9 Recommended or Pass on Pre-Test
Advanced Prep:	None

Fundamentals of Options and Volatility was updated November 2013.



Fundamentals of Credit Analysis

Course Description

Analyze the core concepts related to the evaluation of credit risk in order to ascertain the probability of repayment of principal and interest. Students will also learn the importance of receiving an appropriate risk premium when investing (loaning) money.

Lessons and Learning Objectives

1. Overview of Credit Ratings

- 1.1. Interpret the uses of credit rating agencies.
- 1.2. Identify how credit ratings affect the cost of borrowing.

2. Risk Factors to Consider

- 2.1. Compare the different types/levels of credit risk.
- 2.2. Identify the primary risk associated with bond investments.

3. Evaluation of Credit Risk

- 3.1. Recognize how an issuer's credit risk is evaluated.
- 3.2. Name the different methods of assessing credit risk.

4. Investment Decisions

- 4.1. Identify the benefits of credit analysis on investment decisions.
- 4.2. Recognize the difference between passive bond strategies and active bond strategies.
- 4.3. Name the components of a trading strategy.

Program Level: Basic
Field of Study: Finance
CPE Credits: 2.5
Prerequisites: None
Advanced Prep: None

***Fundamentals of Credit Analysis* was updated November 2013.**



Overview of Portfolio Measurement Tools

Course Description

Learn the basics and why to use the standard risk measurement and portfolio evaluation tools common in fixed income, balanced and equity portfolios.

Lessons and Learning Objectives

1. Importance of Using Portfolio Measurement Tools

- 1.1. Recognize the differences between quantitative and qualitative factors.
- 1.2. Differentiate between absolute and relative measurement tools.
- 1.3. Identify the advantages and disadvantages of using portfolio measurement tools.
- 1.4. Recognize the five pertinent questions to answer when using measurement tools as part of your investment process.

2. Commonly Used Measurement Tools

- 2.1. Recognize the definitions and usage of the five most commonly used portfolio measurement tools.
- 2.2. Differentiate between tools intended to measure risk and tools intended to measure return.
- 2.3. Identify three common ratios used to measure both risk and return.

3. Analyzing a Sample Performance Report

- 3.1. Identify key characteristics of an effective performance report.
- 3.2. Identify five critical questions managers can answer by correctly interpreting metrics provided in an effective performance report.
- 3.3. Consider the importance of each measurement tool within the context of an organization's stated objectives.
- 3.4. Define the purpose of accessing reliable data.

Program Level:	Basic
Field of Study:	Finance
CPE Credits:	1.5
Prerequisites:	None
Advanced Prep:	None

Overview of Portfolio Measurement Tools was updated October 2014.

13

Overview of Indices and Benchmarks

Course Description

Observe the variety of ways, such as book rate of return versus total rate of return, to track short-term fixed income portfolios in order to align the suitable option with specific types of portfolios.

Lessons and Learning Objectives

1. Importance of Benchmarking

- 1.1. Define the importance of using a suitable benchmark.
- 1.2. List the primary factors used when consider a suitable benchmark.

2. Inner workings of a Bond Index

- 2.1. Differentiate between the three methods of benchmarking.
- 2.2. Contrast the pros and cons of the yield return method.
- 2.3. Identify the factors used in yield to maturity assumptions.

3. Active versus Passive Indices

- 3.1. Understand the utilization of book return.
- 3.2. Contrast the pros and cons of the book return method.

4. Finding a Benchmark suitable for your Portfolio

- 4.1. Identify the basic components of total return.
- 4.2. Differentiate the differences between book return and total return.
- 4.3. Contrast the pros and cons of the total return method.

Program Level:	Intermediate
Field of Study:	Finance
CPE Credits:	2.0
Prerequisites:	Courses 4 and 6 Recommended or Pass on Pre-Test
Advanced Prep:	None

Overview of Indices and Benchmarks was updated November 2013.

14

Best Practices for Building Win-Win Relationships

Course Description

Learn the various roles service providers perform and how to identify which service providers are best suited to provide value to your investment strategy and requirements. This course will also review the evolving concept of fiduciary responsibility and share best practices for building productive, win-win relationships to achieve long term, positive results.

Lessons and Learning Objectives

1. Importance of Building Relationships

- 1.1. Recognize the importance of a “trust and verify” culture.
- 1.2. Recognize the importance of establishing appropriate relationships.

2. Fiduciaries and Types Service Providers

- 2.1. Recognize the impact of the evolving role of fiduciary responsibility.
- 2.2. Differentiate between consultants and various service providers.

3. The Impact of Business Models

- 3.1. Appraise how compensation structures drive behavior.
- 3.2. Recognize how business objectives impact service models.
- 3.3. Identify the appropriate business model to meet your objectives.

4. Best Practices for Constructive Communication

- 4.1. Name the methods available to institute a culture of transparency in communication.
- 4.2. Identify best practices for promoting open communication.
- 4.3. Identify suitable tools to effectively manage the flow of information.

Program Level:	Basic
Field of Study:	Specialized Knowledge and Applications
CPE Credits:	3.5
Prerequisites:	None
Advanced Prep:	None

***Building Win-Win Relationships* was recently updated November 2013.**

15

Importance of Cash Flow Analysis

Course Description

Learn to implement an effective investment strategy by first monitoring and forecasting an organization's cash balances, flows and projections. Hands on real life examples of given in the optional Lesson 5, which will be of interest to professionals involved in the day to day practice of cash flow management.

Lessons and Learning Objectives

1. What's the Big Deal about Cash?

- 1.1. Identify the basics of managing cash flow.
- 1.2. Identify the difference between positive and negative cash flows.
- 1.3. Recognize the implications of poor versus good cash management.

2. Finding Cash When You Need It

- 2.1. Relate how to find cash when you need it.
- 2.2. Identify when and how to use borrowing as a cash management tool.
- 2.3. Appraise how to manage cash flows in an uncertain cash environment.

3. The Consequences of Poor Cash Management

- 3.1. Identify deficit spending.
- 3.2. Recognize the effects of untimely account reconciliation.
- 3.3. Recognize cash monitoring tools and the risks of not monitoring your current financial environment.

4. Recognizing Trouble

- 4.1. Name best practices for recognizing trouble with cash flow.
- 4.2. Relate how cash flow planning and models are crucial to avoiding trouble.

5. Cash management procedure: In Depth Technical Review (Optional)

Program Level:	Basic
Field of Study:	Finance
CPE Credits:	2.5
Prerequisites:	None
Advanced Prep:	None

Importance of Cash Flow Analysis was updated November 2013.

16

Guiding Principles of Effective Investment Policies

Course Description

Learn the core principles and underlying purposes for Investment Policy creation and implementation. Students will also observe best practices for beneficial use.

Lessons and Learning Objectives

1. Defining Your Policy's Purpose

- 1.1. Define the primary purposes of an Investment Policy.
- 1.2. Recognize the importance of gaining consensus when creating an Investment Policy.
- 1.3. Recognize the importance of defining vague concepts in an Investment Policy.

2. Gathering Information and Available Resources

- 2.1. List the legal and accounting considerations that should be addressed when creating an Investment Policy.
- 2.2. Identify internal and external resources needed to create an Investment Policy.
- 2.3. Recall the importance of having all stakeholders considered and involved when writing an Investment Policy.

3. Writing the Policy

- 3.1. Locate pertinent information before beginning the process of writing an Investment Policy.
- 3.2. List the basic requirements of a typical Investment Policy.

4. Investment Policy as a Relationship Management Tool

- 4.1. Compare the connection between an Investment Policy and relationship management.
- 4.2. Relate the characteristics of an Investment Policy to a type of investment department's business plan.

Program Level:	Basic
Field of Study:	Specialized Knowledge & Applications
CPE Credits:	2.0
Prerequisites:	None
Advanced Prep:	None

Guiding Principles of Investment Policies was updated November 2013.



Reporting and Oversight

Course Description

Learn how reports can be used to effectively communicate results, manage expectations and build relationships with all stakeholders within an organization.

Lessons and Learning Objectives

1. Purpose and Requirements

- 1.1. Relate the importance of monitoring within an investment program.
- 1.2. Recognize the factors affecting the process and the report's content.

2. Effective Communication

- 2.1. Relate the importance of an effective reporting process.
- 2.2. Appraise the importance of tailoring your information to the needs of your audience.
- 2.3. List the basic requirements an executive summary.
- 2.4. List the components of a comprehensive report.
- 2.5. Identify best practices regarding the reporting process.

3. Sample Report: Operating Funds

- 3.1. Practice how to interpret a report produced by a state or local government entity for an oversight committee.
- 3.2. List the basic components of a report for an oversight committee.

4. Sample Report: Longer Dated Assets

- 4.1. Practice how to interpret a report including investment results and recommendations for an oversight committee.

Program Level:	Basic
Field of Study:	Specialized Knowledge and Applications
CPE Credits:	2.0
Prerequisites:	None
Advanced Prep:	None

Reporting and Oversight was updated November 2013.

Appendix



Obtaining Your CFIP Designation

After completing Bond School, you may be eligible to apply for the Certified Fixed Income Practitioner designation by meeting the following requirements.

Please see footnotes for definitions of terms and resource links.

Demonstration of General Industry Knowledge (meet one of three of the following)

- Completion of the CFP®ⁱ, CFA®ⁱⁱ, CPA or CFA Institute Investment Foundations™ **or**;
- Completion and maintenance of at least one of the following: FINRAⁱⁱⁱ sponsored Series 7, 9, 10, 24, 65 or 66 **or**;
- Minimum 3 years of work experience in the area of fixed income sales, research, trading, operations or portfolio management **plus** a bachelor's degree from an accredited institution of higher learning.

Commitment to Industry Specific Education and Training (meet two of two)

- Successful completion of the seventeen (17) foundational courses **plus** the comprehensive exam in Fixed Income Academy's Bond School **and**;
- Membership in a recognized industry trade association focused on financial education. (See below for approved trade associations)

Commitment to Life Long Learning and Ethical Standards (meet two of two)

- Commitment to complete of a minimum of 12 hours per year of online or offline training provided by an approved industry trade association **and**;
- Commitment to comply with CFA Institute's Code of Ethics.^{iv}

Students who earn the CFIP designation will continue to have "read-only" access to their completed courses, in addition to new quarterly Virtual Workshops and the interactive features of the LMS until February of the following year.

Approved trade associations. National, state and local chapters qualify:

- American Bankers Association (ABA) | www.aba.com
- Association for Financial Professionals (AFP) | www.afponline.org
- Association of Public Treasurers of the US & Canada | www.apusc.org
- California Association of County Treasurers and Tax Collectors or similar state specific association | www.cactc.org
- California Municipal Treasurers Association (CMTA) | www.cmta.org, Washington Public Treasurers Association (WPTA) | www.wmta-online.com, Michigan Municipal Treasurers Association (MMTA) | www.mmta-mi.org or similar state specific association
- California and Nevada Credit Union League (CCUL) or similar state specific association | www.ccul.org
- Financial Planning Association (FPA) | <https://www.onefpa.org/>
- Government Finance Officers Association | www.gfoa.org
- Government Investment Officers Association | www.gioa.us
- National Association of State Treasurers (NAST) | www.nast.org

ⁱ Certified Financial Planner | www.cfp.net

ⁱⁱ Chartered Financial Analyst | www.cfainstitute.org

ⁱⁱⁱ Financial Industry Regulatory Authority | www.finra.org

^{iv} To access the code visit www.cfainstitute.org/ethics/codes



Maintaining Your CFIP Designation

The following are the requirements to renew the CFIP designation.

Application for Renewal – Due by March 1st following the expiration of your Bond School term

Option #1: CFIP Designation Renewal + Academy Membership

Complete the CFIP renewal application and pay fee of \$195.

Benefits of Continued Membership in Fixed Income Academy

- Continued “read-only” access to your concluded Bond School courses and resources.
- Access to quarterly Virtual Workshops for topical training featuring leading investment industry experts.
- Access to like-minded peers and investment professionals.
- Quarterly economic and market updates
- Quarterly exams to earn optional CPE credits. 1-2 credits will be available per quarter or up to 8 per year.

Option #2: CFIP Designation Renewal

Complete the CFIP renewal application and pay fee of \$50.

Promoting Your Commitment To Excellence

You should be proud of the work you’ve done to demonstrate commitment to best investment practices. We are pleased to help you promote your accomplishment by listing your name on our website at <https://www.fixedincomeacademy.com/memberships/search>. It’s a great way to highlight the “go to” professionals in the world of finance. When you renew your designation, your status will show ACTIVE.

If you do not renew, you may not use the CFIP designation or logo and your name will be removed as an active member.

Method for Tracking of Compliance

Designees will acknowledge that compliance with requirements have been met during the annual renewal process. FIA will randomly audit 10% of the annual applications to verify compliance.

Thank you for your effort and commitment to raising the bar of knowledge and professionalism in the field of fixed income investing. We appreciate the opportunity to work with you to create a designation and industry standard you are proud to promote. Don’t hesitate to email ask@fixedincomeacademy.com, or call CPE Compliance Manager Tracy Sanchez, at 800-243-5097 with questions, comments or concerns.