



SETTING THE STANDARDS FOR RISK MANAGEMENT EDUCATION

PRM Risk Management Course

LONDON – ACF ACADEMY

We offer the PRM™ risk management training courses as part of a global consortium of PRMIA academic partners that have recognized the leadership of the PRM™ Certification program. The PRM™ standard is the benchmark against which the best risk professionals measure their skills. The PRM™ is the leading certification for risk managers, having received public endorsements from top universities and businesses.

Training Course Dates

PRM Exam I; Finance Theory, Financial Instruments and Market

April 13-15, 2010

June 7-9, 2010

September 1-3, 2010

November 1-3, 2010

PRM Exam II; Mathematical Foundations of Risk Measurement

April 20, 2010

June 14, 2010

September 9, 2010

November 8, 2010

PRM Exam III; Risk Management Practice

April 21-22, 2010

June 21-22, 2010

September 13-14, 2010

November 15-16, 2010

PRM Exam IV; Case Studies, PRMIA Standards of Best Practice, Conduct and Ethics, Bylaws

April 6, 2010

June 28, 2010

September 27, 2010

November 29, 2010

The ACF Academy announces its iPod Touch offer! Every delegate booking a two-day or three-day seminar between now and 31st March 2010 will receive a free iPod Touch!

Curriculum Program

PART 1 : A REVIEW OF THE MATHEMATICAL FOUNDATIONS OF RISK MANAGEMENT

- **Calculus:** Ordinary and Partial Derivatives, Taylor Series Expansions, Optimization, Ordinary and Partial Differential Equations
- **Linear Algebra:** Matrix Algebra and Determinants, Eigenvalues and Eigenvectors, Cholesky Factorization
- **Probability and Statistics:** Random Variables, Probability Distributions, Moments, Covariance and Correlation Matrices, Monte Carlo Simulation, Linear Regression, Basic Statistical Tests, Time Series, Stochastic Calculus, Ito Formula
- **Numerical Methods**

PART 2: FINANCE THEORY, MARKET AND INSTRUMENTS

- **Market and Instruments:** The Money Market, Fixed-Income Capital Market, Stock Markets, FX Market, Derivative Markets, Futures and Forward Contracts, Commodities, Swaps, Financial Basic Concepts: Risk and Return of Stocks and Portfolios, Risk Aversion, Arbitrage, Efficient Market Hypothesis Mathematical Model of Financial Markets
- **Portfolio Management:** Portfolio Optimization, Markowitz Mean-Variance Method, Efficient Frontier, Equilibrium in Capital Markets: CAPM, ATP Model, Market Beta's
- **Pricing:** The Principle of Pricing, Risk Neutral Probability, Binomial CRR Model, Pricing European Options, Call-Put Parity, Black-Scholes Model, Risk Neutral Probability in Continuous Trading, Pricing European and American Options, Greeks, Pricing Futures and Options on Currency, Pricing Exotic Options
- **Fixed Income Instruments:** Compounding Methods, Bonds, Interest Rate Models, Term Structure, Pricing Bonds

PART 3: RISK MANAGEMENT IN PRACTICE: MARKET RISK

- **Market Risk:** Identification, Assessment, Control, Market Risks in Funds, Banks and Non-Financial Firms, Market Sensitivities, Greeks
- **Value-at-Risk(VaR):** Value-at-Risk, Calculation of VaR in Linear Portfolios, Analytical, Historical and Monte Carlo Methods, Covariance Matrix Construction
- **Advances in Risk Measures:** Stress Testing, Volatility Cluster and VaR, Non-normality VaR, Decomposition of VaR, Principal Component Analysis, Scenario Analysis, Alternative Risk Measures, Extreme Value Theory

PART 4: CREDIT RISK, OPERATIONAL RISK & CASE STUDIES

- **Basic Credit Risk:** Foundations of Credit Risk Management, Credit Exposure, Default and Credit Migration, Credit Ratings, Credit Scores and Internal Rating Models, Implied Default Probabilities, Credit Spreads
- **Advanced Credit Risk Models:** Structural Merton Model, Intensity Models, Portfolio Models for Credit Loss, Credit Risk Capital Calculation
- **Operational Risk:** Operational Risk Management Framework, Operational Risk Process Model, Operational VaR
- **Case Studies:** Barrings, Metallgesellschaft, LTCM, Northwest Toys, Goodrich-Rabobank

Bibliography:

The Professional Risk Managers' Handbook

A Comprehensive Guide to Current Theory and Best Practices.

Edited by Carol Alexander and Elizabeth Sheedy



PRM RISK MANAGEMENT COURSE

LECTURERS:

Dr Lawrence Galitz is a Director and founder of ACF Consultants Limited, and has extensive knowledge and experience in the fields of banking and finance. Clients include many of the world's leading investment and commercial banks, central banks, and regulatory agencies. He designs and conducts seminars throughout the world on wide ranging topics including: capital markets, treasury products, foreign exchange, derivatives, risk management, hedging, asset and liability management, financial modelling, energy derivatives.

Dr. Pavel Pinkava has extensive knowledge and experience in many fields of banking and finance. He has worked in sales, trading marketing and educational roles since 1990. Although Pavel is mathematically highly literate he believes that the markets cannot be understood in these terms alone and emphasizes the human and structural factors at play. He therefore delights in bringing the best out of his students whatever their initial technical level and background.

Tony Teh has gained wide market experience as a fixed income and derivatives trader as well as having a sound academic background and well developed communications skills. He has earned both a degree in Actuarial Science and an MBA at the City University Business School. He is mathematical and analytical as well as being able to see the wider picture and to set learning in a business context.

CONTACT INFORMATION:

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COURSE MATERIAL: All courses include PRMIA course materials, 1 exam voucher, e-learning modules, Instructor led training and Boot camp.

