Schweser™ INSTITUTE Certificate Program

2016-2017

Certificate of Advanced Financial Modeling (CAFM)®

We make your talent more talented

IFA Institute for Financial Analysts

CAFM® Certified Advanced Financial Modeler

What is the CAFM® Credential?

A newly created program by Schweser Institute, the Certificate of Advanced Financial Modeler-Valuation Emphasis (CAFM®) program was introduced to provide the candidates with the advanced technicalities of a widely used software tool which will be used to deduce the right financial decisions a company should undertake. The certificate gives the power for candidates to use programming languages and create financial programs few in the financial industry know how to use (Visual Basic Applications, VBA®).

The certificate is "hands on" applications and examination which means that the candidate will be equipped and trained how to use all the learned techniques in his/her professional life.

The program is structured in a way that will allow the candidate to earn advanced skills in financial modeling and valuation

The CAFM® certificate provides evidence of competency in several key areas of Valuation, Financial Modeling, and Financial Programming.

Who Should Register?

The CAFM® program is designed to appeal to a wide range of candidates interested in developing and acquiring advanced financial and modeling software skills. It is suitable for professionals who need to strengthen and advance their modeling skills (i.e.: Consultants, Financial Controllers, Financial and Business Analysts, Portfolio Managers, CEOs, CFOs etc…), fresh college graduates and students who are seeking a prosperous career in finance. The certificate does not require any quantitative background other than what is covered in the core courses in a bachelor of business administration.

CAFM® Program
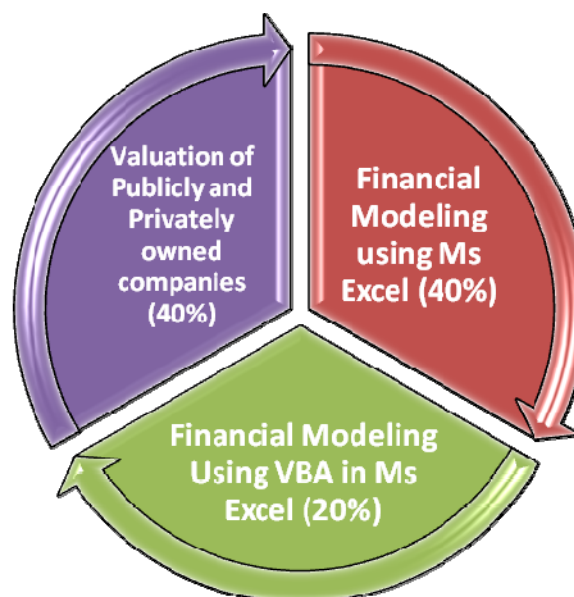
The program is structured to assure that a candidate will move systematically from zero knowledge in financial modeling and valuation to an extremely advanced one. It will show you the path how to build an advanced financial model for large corporations and for small privately owned ones. After that, it will show you how to enhance your financial model using VBA®. The diagram below shows how the program will proceed to assure that the candidate will not only acquire the advanced skills in financial modeling-valuation emphasis, but also professionally know how to implement it in his/her career life.

CAFM ® Schedule
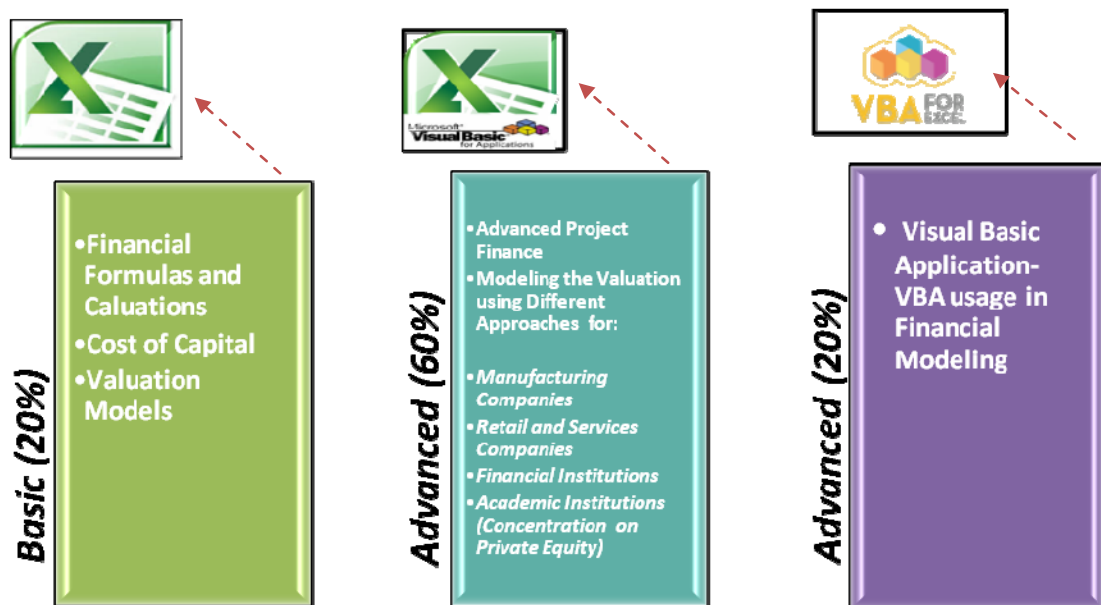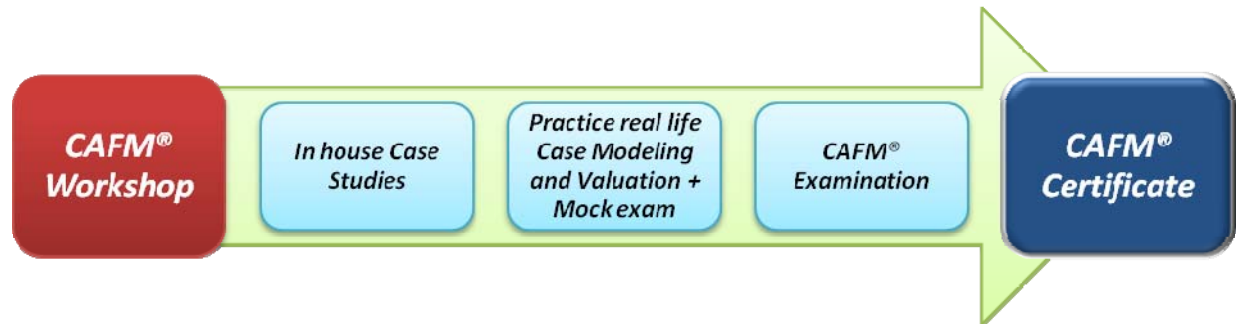

Candidate Eligibility Requirements

Candidates wishing to enroll in the CAFM® should at least be in the junior level of a bachelor's degree program.

Exam Format

- 4 hour examination that consists of 2 parts
- The first part of the exam is a 30 minutes' written exam (multiple choice)
- The Second part is 210 minutes and is computer based

The CAFM® exam will be administered by Schweser Institute through IFA after each CAFM workshop for the registered. Registering for the CAFM® workshop means that you will automatically be registered to sit for the exam at the end of the workshop. The passing score is set by the CAFM® Board of Governors after each exam. Candidates will not be awarded a certificate from Schweser Institute unless they pass the exam.

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CAFM® Study Program

CAFM® Workshop → In house Case Studies → Practice real life Case Modeling and Valuation + Mock exam → CAFM® Examination → **CAFM® Certificate**

CAFM Program Benefits

Process Simplicity	• The CAFM® program provides its participants with a one phase study process that will end with a professional international certificate.
User-friendly Content	• The CAFM® workshopare designed to be accessible to a wide range of audience regardless of specializations or business sectors.
Few Demanding Prerequisites	• The CAFM® program is less demanding in terms of prerequisites, making the CAFM® more suited for a wide range of professional levels.
Direct Implementation of the Acquired Skills	• The CAFM® program is structured in a way that every acquired concept can be fully used and implemented in the candidates professional life. CAFM® will add to the candidates knowledge base advanced software skills that he/she will find extremely beneficial to arrive to the right investment decisions and seek corrective actions. The candidates will model the valuation of several real lcorporations during the workshop
Uniqueness of the Acquired Technical Skills	• The CAFM® program assure that the candidate will gain software skills that is unique in the industry. The candidate will be able to create, read, and use financial programs using VB programming language. He/she will be able to capture the powerfulness of their financial model via deciding out their confusing profitable investment decisions .

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Course Outline

Basic Course all the way to Advanced 1 Week is an 8 Hours Length Slot divided into 2 Days (3 Hours + 5 Hours)	
➢ **Principles of Financial Calculations** • Strengths and weaknesses of a spreadsheet • Six important rules you should always remember in financial modeling • Excel sheet shortcuts-A candidate should be able to become a professional financial modeler who uses only the keyboard to navigate the spreadsheet. • Lookup and Reference Functions • Modeling: ▪ Present Value (PV) ▪ Future Values (FV) ▪ Net Present Value (NPV) ▪ Internal Rate of Return (IRR) ▪ Multiple Internal Rate of Return (MIRR) ▪ Payback period ▪ Discounted Payback ▪ Loan Schedule and the PMT function ▪ Continuous Compounding ▪ Discounting using dated cash flows (XIRR and XNPV) ▪ Enterprise Value (EV) ➢ **Principles of the Cost of Capital** • Modeling: ▪ Gordon Dividend Model-Supernormal growth (two stages and three stages supernormal growth) and constant growth ▪ Estimating Betas ▪ CAPM (Cost of Equity) ▪ Arbitrage Pricing Theory (APT) ▪ Expected returns using different approaches ▪ Cost of Debt ▪ WACC analysis-Optimal Capital Structure	**Week 1**

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➢ **Introduction to the valuation models:** ▪ Dividend Discount Model (DDM Model) ▪ Free Cash Flow to the Equity (FCFE) ▪ Free Cash Flow to the Firm (FCFF) ▪ Return on Capital (ROC) ▪ Return on Investments (ROI) ▪ Reinvestment Rate ▪ The specific usage of each model, purposes and their limitations Case: Titan Cements Valuation	
➢ **Advanced Project Finance Modeling (Manufacturing Companies):** • Free Cash Flow. • FCF to value a firm and its equity (Valuation Procedure). • Modeling: FCFF, FCFE, DDM. • Projecting: Revenues Model, SG&A Model, Capex & Depreciation Model, COGS Model, Debt Model, Working Capital Model, and Equity Model (A Case on "Cemento", 2014-Cemento company is a manufacturing company located in the Gulf that produces mainly cement bags . • Sensitivity analysis using Data tables. • Debt or Cash as a PLUG-Looping. • Pro Forma Financial Statements with constraints on: financial leverages ratios, debt repayments schedules, and dividend policy. • Modeling free Cash Flows when there are negative profits.	**Week 2**
➢ **Valuation Using Different Approaches (Retail and Services Companies):** • Leasing Modeling and Valuation. • Financial Analysis of Leasing. • Calculating the highest acceptable lease rental. • Modeling the valuation of Operating Leases • Modeling the valuation of Intangibles • Estimating the Risk-free rate, risk premium, country risk premium • Modeling the synthetic rating of companies • Modeling Country's and Company's default spreads • Modeling the Implied equity risk premium-Goal Seek • An advanced method to model systematic risk	**Week 3**

• Modeling Beta adjusted for cash • Modeling Debt Beta • Financial analysis of leverages leases (MPM: Multiple Phases Method) (Case: "United Parcel Services-UPS", 2014) - UPS is a leading global provider of specialized transportation and logistics *services*. • Constructing flexible debt repayment functionality and ratio analysis. • Terminal Value and discount rate with stress testing.	

➢ **Valuation of Financial Institutions**
 	
    • Overview of types of financial institutions
 	
    • Cost of equity for banks
 	
    • Free Cash flow to Equity of a financial institution
 	
    • Asset/ Liability based Modeling and Valuation for financial Institutions (Estonia Bank, 2014):
 	
      1. Cash Equivalents
      2. Treasury Bills
      3. Treasury Notes and bonds
      4. Zero Coupon Bonds
      5. Repos
      6. Loans
      7. Consumer Installment Loans
      8. Commercial Loans-Bullet
      9. Commercial Loans-Working Capital loans
      10. Commercial Loans-Term Interest Only
      11. Commercial Loans-Terms Loans
      12. Lease Finance
      13. Real Estate Loans:
          • Fixed Rate Mortgages
          • Adjustable Rate Mortgages (ARMs)
          • Balloon Mortgages.
      14. Non-accrual loans
 	
      15.Other accounts (DTAs, Derivatives, Overdrafts…etc)
	Week 4

16. Demand Deposits, Saving Accounts, and Time deposits 17. Commercial Papers (Short-term borrowing Repos…etc) • Free Cash flow to Equity of a financial institution, Celestine Bank, France, 2014) • Operating Assets and Operating liabilities of financial institutions • Terminal Value of a financial institution and the discount rate • Dividend Discount Model (DDM), Drawbacks (Kenai Bank, U.S, 2014) • Excess Returns Model • Relative valuation (Using Comps) for financial institutions • Regression Implied Equity Valuation • Basel III notes and Risk weighting Assets What if-scenarios-sensitivity analysis	
➢ **Valuation of Academic Institutions (Concentration on Private Equity)** • Key differences between valuing a privately owned company and a traded one. • Breaking down a business into its economic drivers. • Using economic drivers to build variable based P&L. • Building integrated profit and loss, Cash Flows, and Balance sheet. • Modeling Maintenance costs and non-maintenance costs. • Understanding terminal values of a privately owned company and modeling discount rates (Case: "Napa Educational Company", 2013)- Napa educational company is a company that is committed to offer Top Tier educational quality and is located in the Gulf. A bank has a major stake in the company and wishes to sell its equity to a potential buyer. • Valuing using Comps	**Week 5**
➢ **VBA (Visual Basic Application) Usage in Financial Modeling** • VBA overview and Macros • Purpose of Learning VBA • Attributes of a Good VBA Model • Project Explorer and VBE (Visual Basic Editor) • Shortcut Keys in VBA • Building a Financial Program *(Loan Amortization)* • Building a Macro with Constraints	**Week 6**

• Debugging the Macro
• Running the Model with Different User Inputs
• Program Code Detailed Analysis
• Order of Statements
• Variables Naming and Calling Variables in the Code
• Recording simple macros
• Building an advanced Financial Program *(Savings Retirement Plan)*
Comparing an Excel Model with and without VBA.

About Schweser Institute

Schweser Institute. a subsidiary of Kaplan Schweser, Kaplan Schweser is a leading US educational company that has global presence and provides study material for internationally recognized certificates in Finance such as the CFA® and the FRM®.

As a leading global provider of financial education solutions, Schweser Institute helps finance professionals obtain certifications that enable them to advance in their careers:

• Industry-leading content by expert instructors.

• Online delivery offers convenience and flexibility.

• Video courses can be reviewed conveniently—anytime, anywhere.

• Excellent student support by academic advisors.

• Quick return on investment.

To know more about the Schweser Institute logon to www.schweserinstitute.com

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About IFA

IFA, The institute for financial analysts is a firm specialized in preparatory courses and seminars for professional designations such as the Chartered Financial Analyst (CFA®), International Certified Valuation Specialist (ICVS®), Islamic Finance Qualification (IFQ), the Financial Risk Manager (FRM®) and Junior Investment Analyst (JIA) programs.

The multitude of review courses are offered by IFA in Kuwait, Saudi Arabia, United Arab Emirates, Qatar, Bahrain, Jordan and Cairo and have been expanding at an impressive rate.

The success of our candidates is unsurpassed in Lebanon and this is what got us the reputation of being the undisputed leader in CFA review courses in Lebanon, with more than double the pass rate of the competition. Our seminars cover a wide range of subjects including Financial Modeling, Private Banking, Corporate Restructuring, Credit Risk Measurement and Management, Market Risk Measurement and Management and Operational Risk Measurement and Management, Specialized Valuation courses (Real Estate Ventures or Oil and Petrochemical), etc.

IFA advisors are equipped with a rare combination of skills and capabilities allowing them to deliver sound, case by case solutions to management challenges. The diverse set of skills includes rigorous economic and financial analysis as well as broad functional expertise. The advisors have also acquired a rich experience and deep understanding of the nature of the companies in the region, their legal, financial and organizational structures as well as the corporate and environmental culture reigning in these companies.

IFA is the regional distributor of Schweser study material in the Middle East.

For more details about the CAFM Exam or the IFA preparation courses, please contact us at

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