

# AMCT Diploma in Treasury Fast-Track Syllabus

TREASURY, RISK  
AND FINANCE  
PROFESSIONALS

ACT

This document provides an overview of the AMCT Fast-Track syllabus. For detailed contents please see the individual course syllabus.

The fast-track route is open exclusively to ACCA Members and Affiliates, CIMA Members and Students, ICAEW Members and ICAS Members.

## Stage one (fast-track students exempt)

## Stage two (compulsory)

- Certificate in International Treasury Management

## Stage three (select two electives)

- Certificate in Corporate Finance & Funding (including Fast-Track)
- Certificate in Risk Management
- Certificate in International Cash Management
- Certificate in Financial Mathematics & Modelling
- Certificate in Risk Management for Pensions

# AMCT stage two (compulsory)

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## Certificate in International Treasury Management

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### Study Unit 1 – Cash and Liquidity Management

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#### Section 1 – Cash, Liquidity and the Business

- 1.1 Cash and Liquidity Management
- 1.2 Cashflow Forecasting
- 1.3 Working Capital Management

#### Section 2 – Discounted Cash Flow Analysis

- 2.1 Interest Rates
- 2.2 Discounted Cash Flow Analysis and the Time Value of Money
- 2.3 The Yield Curve

#### Section 3 – Borrowing and Investing Markets and Instruments

- 3.1 The Money Markets
- 3.2 Banks and Bank Accounts
- 3.3 Payment Instruments
- 3.4 Bank Loans and Deposits
- 3.5 Non-Bank Instruments

#### Section 4 – Foreign Exchange

- 4.1 The Foreign Exchange Market
- 4.2 Forward FX Markets and Swap FX Markets
- 4.3 Linking Spot, Forward and Future Spot Rates

#### Section 5 – Managing Cash in Practice

- 5.1 Banking Systems
- 5.2 Notional Pooling and Cash Concentration
- 5.3 Efficient Cash Flow Management

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### Study Unit 2 – Capital Markets and Funding

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#### Section 1 – Equity

- 1.1 Equity Capital
- 1.2 Equity Issuance and Private Equity

#### Section 2 – Debt Instruments

- 2.1 Introduction to Debt
- 2.2 Debt Capital Markets
- 2.3 Bank Lending
- 2.4 Managing Bank Relationships

#### Section 3 – Practical Aspects of Debt Management

- 3.1 Loan Documentation
- 3.2 Credit Ratings

#### Section 4 – Intercompany Funding and Alternative Funding Solutions

- 4.1 Intercompany Funding
- 4.2 Alternative Funding Solutions

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## Study Unit 3 – Corporate Financial Management

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### Section 1 – Financial Accounting and Reporting

- 1.1 Introduction to Financial Statements
- 1.2 Financial Ratio Analysis and Financial Profiling
- 1.3 IFRS and the Treasurer
- 1.4 Tax and International Tax Planning

### Section 2 – Investment Decision Making

- 2.1 Investment Appraisal using DCF
- 2.2 Business Valuation

### Section 3 – Capital Structure and Investment Returns

- 3.1 Capital Structure
- 3.2 Dividend Policy
- 3.3 Risk, Return and Cost of Capital

### Section 4 – Shareholder Value and Efficient Markets

- 4.1 Shareholder Value Management
- 4.2 Efficient Capital Markets

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## Study Unit 4 – Risk Management

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### Section 1 – Risk and its Management

- 1.1 Risk Definitions
- 1.2 Risk Management
- 1.3 Types of Risk

### Section 2 – A Risk Management Framework

- 2.1 Risk Identification and Assessment
- 2.2 Risk Evaluation
- 2.3 Responses to Risk and Hedging
- 2.4 Risk Policy and Reporting

### Section 3 – Financial Risk and Instrument Types

- 3.1 Treasury Risks Checklist
- 3.2 Fixing Instruments
- 3.3 Options

### Section 4 – Derivatives for Hedging

- 4.1 Interest Rate Risk Management
- 4.2 Foreign Exchange Risk Management

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## Study Unit 5 – Treasury Operation and Controls

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### Section 1 – Treasury Organisation and Operations

- 1.1 The Treasury Function
- 1.2 Treasury Structure
- 1.3 Outsourcing Treasury
- 1.4 Treasury Organisation

### Section 2 – Treasury Systems

- 2.1 Role of Technology
- 2.2 Treasury Management Systems
- 2.3 Systems Selection Process
- 2.4 Security Disaster Planning

### **Section 3 – Treasury Policy and Objectives**

- 3.1 Treasury Policy
- 3.2 Treasury Procedures
- 3.3 Performance Measurement

### **Section 4 – Corporate Governance and Treasury Controls**

- 4.1 Corporate Governance
- 4.2 Operational Risk and Control
- 4.3 Treasury Reporting
- 4.4 ACT Ethical Code

# AMCT stage three (select two electives)

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## Certificate in Corporate Finance & Funding

\* These areas of content are NOT included in the Certificate in Corporate Finance & Funding Fast-Track syllabus.

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### Study Unit 1 – The Financial World

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#### Section 1 - The Financial World\*

- 1.1 The Objectives of the Firm
- 1.2 Corporate Governance
- 1.3 The Role of Finance within the Firm
- 1.4 The Importance of the Financial Sector

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### Study Unit 2 – Valuation

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#### Section 1 - Valuation of a Project\*

- 1.1 TVM and DCF
- 1.2 NPV and IRR
- 1.3 Relevant Cash Flows
- 1.4 Payback and Accounting Rate of Return
- 1.5 Applications of Project Appraisal Techniques

#### Section 2 - Practical Project Appraisal

- 2.1 What Techniques do Managers use
- 2.2 The Investment Process
- 2.3 PI, Tax and Inflation
- 2.4 Risk and Project Appraisal
- 2.5 Real Options

#### Section 3 - Valuation of a Business\*

- 3.1 Valuation using Net Asset Value
- 3.2 Dividend Valuation Models
- 3.3 Valuation using Earnings
- 3.4 Valuation using Cashflow
- 3.5 Valuation when Control is achieved

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### Study Unit 3 - Risk, Return and Capital Structure

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#### Section 1 - Capital Structure and Dividend Policy\*

- 1.1 Theory of Capital Structure
- 1.2 Beyond the Theory of Capital Structure
- 1.3 Accounting Measures for Gearing
- 1.4 Dividend Policy

#### Section 2 - Cost of Capital

- 2.1 Required Rate of Return and WACC
- 2.2 Cost of Debt
- 2.3 Cost of Equity
- 2.4 How Managers actually Calculate WACC
- 2.5 Practical Issues

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## Study Unit 4 - Managing for Value

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### Section 1 - Value Based Management

- 1.1 Shareholder Value
- 1.2 Earnings-based Management
- 1.3 Creating Value
- 1.4 Measuring the Value Created by the Whole Firm
- 1.5 Creating Value
- 1.6 Efficient Market Hypothesis
- 1.7 The implications of Efficient Market Hypothesis

### Section 2 - Value Strategy and Metrics

- 2.1 Overview of the influence of Value Principals
- 2.2 Strategic Business Unit Management
- 2.3 Corporate Strategy
- 2.4 Targets and Motivation
- 2.5 Measuring Value using Cashflow
- 2.6 Shareholder Value Analysis
- 2.7 Economic Profit (EVA)

### Section 3 - Mergers and Acquisitions

- 3.1 Background to Mergers
- 3.2 Motives for Mergers
- 3.3 Financing Mergers
- 3.4 Transaction Stage
- 3.5 Who Benefits from Mergers
- 3.6 Managerial Failure and Mergers

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## Study Unit 5 - Sources of Finance

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### Section 1 - Equity Capital

- 1.1 Shareholders Funds, Debt and Hybrid Instruments
- 1.2 Share Capital
- 1.3 Equity Markets
- 1.4 Rights Issues
- 1.5 Other Equity Issues
- 1.6 Private Equity

### Section 2 - Corporate Debt

- 2.1 Introduction to Debt
- 2.2 Bank Lending
- 2.3 Debt Capital Markets (bonds)
- 2.4 Private Placements
- 2.5 MTN
- 2.6 Commercial Paper

### Section 3 – Debt Investor Management

- 3.1 Documentation
- 3.2 Bank Relationship Management
- 3.3 Credit Ratings

### Section 4 - Other Funding Solutions

- 4.1 Intercompany Funding
- 4.2 Trade Finance
- 4.3 Project Finance
- 4.4 Asset Backed Finance

- 4.5 Leasing
- 4.6 Islamic Financing

# AMCT stage three (cont.)

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## Certificate in Risk Management

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### Study Unit 1 - Risk and its Management

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#### Section 1 - Risk and Risk Management

- 1.1 The Concept of Risk
- 1.2 Risk Management
- 1.3 Treasury and Risk Management

#### Section 2 - Types and Classifications of Risk

- 2.1 Types of Risks
- 2.2 The Corporate Classification of Risk

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### Study Unit 2 - A Risk Management Framework

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#### Section 1 - Risk Identification and Assessment

- 1.1 Business Analysis
- 1.2 Risk Identification
- 1.3 Risk Assessment

#### Section 2 - Risk Evaluation

- 2.1 Probability, Statistics and Standard Deviation
- 2.2 Portfolio Theory and VaR
- 2.3 Sensitivity and Scenario Analysis

#### Section 3 - Responses to Risk and Hedging

- 3.1 Responses to Risk
- 3.2 Managing Risk Internally
- 3.3 Financial Markets Solutions
- 3.4 Insurance Solutions

#### Section 4 - Risk Policy, Control and Reporting

- 4.1 Risk Management Policy
- 4.2 Risk Management Controls
- 4.3 Risk Management Reporting
- 4.4 Governance and International Financial Reporting Standards

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### Study Unit 3 - Managing Interest Rate and Foreign Exchange Risks

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#### Section 1 - Interest Rate Risk

- 1.1 Sources of Interest Rate Risk
- 1.2 Derivatives to Manage Short Term Interest Rate Risk
- 1.3 Derivatives to Manage Longer Term Interest Rate Risk
- 1.4 Controlling and Reporting Interest Rate Risk

#### Section 2 - Foreign Exchange Risk

- 2.1 Sources of Foreign Exchange Risk
- 2.2 Derivatives to Manage Short Term Foreign Exchange Risk
- 2.3 Derivatives to Manage Longer Term Foreign Exchange Risk

2.4 Controlling and Reporting foreign exchange risk

### **Section 3 - Liquidity Risks**

- 3.1 Sources of Liquidity Risk
- 3.2 Internal Management
- 3.3 External Management
- 3.4 Controlling and Reporting Liquidity Risk

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## **Study Unit 4 - Managing Liquidity and Other Financial Risks**

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### **Section 1 - Liquidity Risks**

- 1.1 Sources of Liquidity Risk
- 1.2 Internal Management
- 1.3 External Management
- 1.4 Controlling and Reporting Liquidity Risk

### **Section 2 - Other Financial Risks**

- 2.1 Credit / counterparty Risk
- 2.2 Commodity Risk
- 2.3 Pension Risk
- 2.4 Tax Risk

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## **Study Unit 5 - Managing Operational Risks**

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### **Section 1 - Operational Risks**

- 1.1 Sources of Operational Risk
- 1.2 Managing Operational Risks
- 1.3 Controlling and Reporting Operational Risks

# AMCT stage three (cont.)

## Certificate in International Cash Management

### Section one: Reviewing the basics

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#### Chapter 1 – Introduction to cash management

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- 1.1 Introduction
- 1.2 The treasurer and cash management
- 1.3 The role of the treasurer
- 1.4 Corporate definition of cash management
- 1.5 Bank definition of cash management
- 1.6 Comparison of the definitions
- 1.7 Benefits of good cash management
- 1.8 Role of cash management in different types of companies

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#### Chapter 2 – Important cash management concepts

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- 2.1 Introduction
- 2.2 The nature of cash flows
- 2.3 The operating cycle and the cash flow cycle
- 2.4 The importance of liquidity
- 2.5 Other important cash management concepts
- 2.6 Float

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#### Chapter 3 – Introduction to the company

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- 3.1 Introduction to the company
- 3.2 Introduction to financial statements
- 3.3 Internal controls and governance
- 3.4 Accounting standards

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#### Chapter 4 – Introduction to working capital management

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- 4.1 Introduction to working capital management
- 4.2 The cash conversion cycle
- 4.3 Receivables management
- 4.4 Payables management

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#### Chapter 5 – Introduction to banking

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- 5.1 Introduction
- 5.2 Role of the central bank
- 5.3 The main duties of a bank
- 5.4 Types of bank
- 5.5 Types of bank account
- 5.6 Types of account holder and documentation
- 5.7 Understanding domestic interest calculations
- 5.8 Bank charges

- 5.9 Reducing bank charges
- 5.10 Bank risk and balance sheet management
- 5.11 The impact of anti-money laundering/ anti-terrorism legislation

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## **Chapter 6 – Basic banking services**

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- 6.1 Introduction
- 6.2 Domestic paper-based payment instruments
- 6.3 Cards
- 6.4 Comparison of payment instruments
- 6.5 Regional preferences
- 6.6 Banking services designed to control float
- 6.7 Impact of payment and collection instruments on cash flow

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## **Chapter 7 – International payment vehicles**

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- 7.1 Introduction
- 7.2 Complexities of international cash management
- 7.3 Non-electronic payments and collections
- 7.4 Foreign currency cheque payments
- 7.5 Electronic payments and collections
- 7.6 International trade terms

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## **Chapter 8 – Settlement and clearing systems**

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- 8.1 Introduction
- 8.2 Settlement and clearing systems
- 8.3 Settlement types
- 8.4 Net settlement systems
- 8.5 Developments in check clearing and processing
- 8.6 Real-time gross settlement systems
- 8.7 Hybrid clearing and settlement systems
- 8.8 Continuous Linked Settlement
- 8.9 Credit card clearing and processing
- 8.10 Currency settlement outside of the currency centre

## **Section two: Cash management fundamentals**

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## **Chapter 9 – International banking infrastructure**

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- 9.1 Introduction
- 9.2 Correspondent banking
- 9.3 SWIFT
- 9.4 International payments using SWIFT
- 9.5 Multi-bank reporting via SWIFT
- 9.6 Corporate access to SWIFTNet
- 9.7 Standardisation of international bank account numbers
- 9.8 Making international payments

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## **Chapter 10 – Spotlight on international systems**

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- 10.1 Introduction
- 10.2 U.S. payment and collection systems

## 10.3 Euro-zone payment systems

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### Chapter 11 – Foreign currency accounts

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- 11.1 Introduction
- 11.2 When to open a foreign currency account
- 11.3 Foreign exchange options
- 11.4 Where to hold currency accounts
- 11.5 Terms and conditions for a currency account 14
- 11.6 Bank charges on currency accounts
- 11.7 Billing/account analysis
- 11.8 Multi-currency accounts
- 11.9 Regulatory issues
- 11.10 Account ownership

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### Chapter 12 – Treasury technology

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- 12.1 Introduction
- 12.2 Systems used in treasury
- 12.3 The role of the TMS
- 12.4 Electronic banking systems
- 12.5 E-Commerce: Portals and exchanges
- 12.6 E-Commerce: Working capital management
- 12.7 System security
- 12.8 Integration and standards

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### Chapter 13 – Liquidity management Part 1: Forecasting

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- 13.1 Introduction
- 13.2 Cash forecasting time horizons
- 13.3 Sensitivity
- 13.4 The process
- 13.5 Short and medium-term forecasting techniques
- 13.6 Long-term forecasts
- 13.7 Systems for cash forecasting

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### Chapter 14 – Liquidity management Part 2: Short-term investment

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- 14.1 Introduction
- 14.2 Investment guidelines
- 14.3 The decision process
- 14.4 The yield curve
- 14.5 Investment strategies
- 14.6 Selecting an investment
- 14.7 Overview of the money markets
- 14.8 Short-term investment instruments
- 14.9 Money market funds
- 14.10 Comparison of investment instruments
- 14.11 How short-term funds are being invested
- 14.12 Investment calculations
- 14.13 Linking investment management with cash forecasting

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### Chapter 15 – Liquidity management Part 3: Short-term borrowing

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- 15.1 Introduction
- 15.2 The financing decision process
- 15.3 Availability of financing instruments
- 15.4 Internal funding
- 15.5 External short-term funding
- 15.6 Issues when selecting financing options 9
- 15.7 Debt instruments
- 15.8 Preferred borrowing methods
- 15.9 Factors that influence the cost of borrowing
- 15.10 Calculating the all-in cost of borrowing
- 15.11 Loan documentation

## **Section three: International cash management tools and techniques**

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### **Chapter 16 – Cross-border liquidity management Part 1: Netting Techniques**

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- 16.1 Introduction
- 16.2 The benefits of multilateral netting
- 16.3 Netting drivers
- 16.4 Quantifying the benefits of netting
- 16.5 Structural issues
- 16.6 Netting policies
- 16.7 The netting cycle
- 16.8 Netting service options
- 16.9 Foreign exchange matching
- 16.10 Leading and lagging
- 16.11 Which option is right?

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### **Chapter 17- Cross-border liquidity management Part 2: Pooling and cash concentration**

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- 17.1 Introduction
- 17.2 Notional pooling
- 17.3 Interest rates on notional cash pools
- 17.4 Notional pooling structures
- 17.5 Notional pooling considerations
- 17.6 How banks charge for pooling services
- 17.7 Implementing a notional pool
- 17.8 Notional pooling case study
- 17.9 Interest enhancement
- 17.10 Cash concentration
- 17.11 Zero balance accounts
- 17.12 Target balance accounts
- 17.13 Threshold accounts
- 17.14 Cash concentration considerations
- 17.15 Using reference accounts
- 17.16 Overnight sweeps
- 17.17 Location of the concentration account
- 17.18 Notional pooling or cash concentration?

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## **Chapter 18 – Cross-border liquidity management Part 3: Tax and regulatory implications**

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- 18.1 Introduction**
- 18.2 Tax treaties**
- 18.3 Double tax relief**
- 18.4 Withholding taxes**
- 18.5 Transfer pricing**
- 18.6 Arm's length principle**
- 18.7 Value-added taxes**
- 18.8 Stamp duties**
- 18.9 Permanent establishment**
- 18.10 Thin capitalisation**
- 18.11 Deemed dividends**
- 18.12 Controlled foreign companies**
- 18.13 Passive versus active income**
- 18.14 Tax on foreign exchange gains and losses**
- 18.15 Summary of tax implications for pooling and concentration**
- 18.16 Implications of treasury centre location**

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## **Chapter 19 – Foreign exchange and risk management**

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- 19.1 Introduction**
- 19.2 Business risk**
- 19.3 Foreign exchange risk**
- 19.4 Risk management**
- 19.5 Foreign exchange risk management tools**
- 19.6 Foreign exchange and international cash management**
- 19.7 Reading foreign exchange rates: spot rates**
- 19.8 Reading foreign exchange rates: forward rates 18**
- 19.9 Reading money market rates**
- 19.10 The swap**

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## **Chapter 20 – Treasury organization**

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- 20.1 Introduction**
- 20.2 Centralised versus decentralised treasury**
- 20.3 Payment factories**
- 20.4 Collection factories**
- 20.5 In-house bank**
- 20.6 Shared service centres**
- 20.7 Application service providers**
- 20.8 Outsourcing to a Business Service Provider**
- 20.9 Future impact of ASPs and BSPs**
- 20.10 Regional treasury centres**
- 20.11 Treasury centres**

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## **Chapter 21 – Bank relationship**

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- 21.1 Introduction**
- 21.2 Types of banking relationship**
- 21.3 Selecting a global/regional cash management bank**
- 21.4 Selecting a local bank**
- 21.5 The bank selection process**

- 21.6 Service level agreements
- 21.7 Issues with bank tendering
- 21.8 The account analysis

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## Chapter 22 – Efficient account structures

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- 22.1 Introduction
- 22.2 Considerations when selecting account structure
- 22.3 FCY account structures
- 22.4 Liquidity management account structures
- 22.5 Other account structures
- 22.6 Variations on structures
- 22.7 Selecting the right bank
- 22.8 Systems

### Section four: Cash management case studies

#### **Case Study 1: Cash management at the local level**

United Kingdom: Country Profile

#### **Case Study 2: Cash management at the local level**

Japan: Country Profile

#### **Case Study 3: Cash management in a globally important country**

China: Country Profile

#### **Case Study 4: Cash management across a region – Scandinavia**

Scandinavia: Regional Profile

#### **Case Study 5: Cash management across a region – Europe**

Regional Profile – The Euro-Zone

#### **Case Study 6: Cash management across a region – Southeast Asia**

Southeast Asia – Regional Profile

#### **Case Study 7: Global cash management**

BP Case Study – The virtual treasury project

#### **Case Study country profiles**

- A. USA
- B. Germany
- C. Russia
- D. Central Europe
- E. Turkey
- F. India

# AMCT stage 3 (cont.)

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## Certificate in Financial Mathematics & Modelling

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### Chapter 1 – Background review

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- 1.1 Interest rate mathematics
- 1.2 Probability and statistics

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### Chapter 2 – Debt instruments: short term

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- 2.1 Issuers and market players
- 2.2 Market conventions
- 2.3 Short-term financial instruments
- 2.4 Calculation of interest and pricing of short-term financial instruments

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### Chapter 3 – Debt instruments: longer term

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- 3.1 What are bonds?
- 3.2 Pricing of coupon bonds
- 3.3 Practical aspects of bond arithmetic
- 3.4 The term structure and its use in bond pricing
- 3.5 Real interest rates and inflation indexing
- 3.6 Interest rate sensitivity and duration

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### Chapter 4 – Foreign exchange

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- 4.1 Spot foreign exchange rates
- 4.2 Foreign exchange forwards
- 4.3 Foreign exchange risk management

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### Chapter 5 – Interest rate derivatives: short term

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- 5.1 Nature of derivatives
- 5.2 Forward rate agreements (FRAs)
- 5.3 Futures
- 5.4 Pricing basis for fixed interest rate contracts

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### Chapter 6 – Interest rate derivatives: longer term

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- 6.1 Interest rate swaps
- 6.2 Deriving implied zero coupon rates and forward rates from swap data
- 6.3 Cross-currency interest rate swaps
- 6.4 Other swap structures
- 6.5 Swap spreads and why they move
- 6.6 Bond futures
- 6.7 Swapnote® futures

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## **Chapter 7 – Options: introduction**

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- 7.1 Options defined
- 7.2 Factors affecting option prices
- 7.3 American and European options
- 7.4 Building blocks
- 7.5 Trading strategies involving options

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## **Chapter 8 – Options: pricing models**

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- 8.1 Introduction
- 8.2 Binomial model
- 8.3 Continuous time
- 8.4 Black Scholes model
- 8.5 The 'Greeks'

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## **Chapter 9 – Fundamentals of portfolio analysis**

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- 9.1 Portfolios
- 9.2 The trade off between risk and expected return
- 9.3 Capital asset pricing model
- 9.4 Cost of capital

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## **Chapter 10 – Treasury portfolio analysis**

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- 10.1 Duration
- 10.2 Convexity
- 10.3 Value at risk (VaR)

# AMCT stage 3 (cont.)

## Certificate in Risk Management for Pensions

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### Chapter 1 – The pensions framework

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- 1.1 The historical context
- 1.2 The macroeconomic context
- 1.3 Education, work and retirement
- 1.4 Income in retirement
- 1.5 Funded and unfunded pension schemes
- 1.6 Occupational pension schemes and their sponsors
- 1.7 The nature of pension liabilities
- 1.8 The pension augmented balance sheet
- 1.9 Pension schemes and the cost of capital
- 1.10 Risk budgeting
- 1.11 Asset-liability management
- 1.12 Pension security and guarantee arrangements
- 1.13 Pension arrangements in different countries
- 1.14 The Pension Committee

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### Chapter 2 – Legislation and regulation

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- 2.1 Trusts, trust law and pension schemes
- 2.2 The Pensions Act 2004 and other legislation
- 2.3 The Myners Report and recommendations
- 2.4 Single and multi-employer pension schemes
- 2.5 Mergers and acquisitions
- 2.6 Effects of recent legislation and guidelines
- 2.7 Regulatory and other bodies
- 2.8 The European dimension

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### Chapter 3 – Scheme roles and responsibilities

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- 3.1 Scheme professional advisers
- 3.2 Pension support organisations
- 3.3 Conflicts of interest
- 3.4 Conflicts of interest overseas

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### Chapter 4 – Reporting, accounting, taxation and contributions

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- 4.1 Scheme reporting
- 4.2 Employer company accounts
- 4.3 Pension scheme taxation
- 4.4 Tax and funding strategy
- 4.5 Statutory contributions

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## **Chapter 5 – Defined benefit scheme valuations and funding**

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- 5.1 Actuarial assumptions and principles
- 5.2 Key liability valuation assumptions
- 5.3 Actuarial valuations
- 5.4 Principles of funding
- 5.5 Funding methods
- 5.6 Company creditworthiness considerations ('the Covenant')
- 5.7 Liability management
- 5.8 Comparative valuation and deficit bases

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## **Chapter 6 – Defined benefit scheme investments**

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- 6.1 Monetary, real and absolute return assets
- 6.2 Portfolio construction
- 6.3 Diversification
- 6.4 Fixed income securities
- 6.5 Index linked securities
- 6.6 Equities
- 6.7 Convertible securities and warrants
- 6.8 Property
- 6.9 Cash and floating rate notes
- 6.10 Hedge funds
- 6.11 Overseas markets and foreign currency investments
- 6.12 Annuities
- 6.13 Mortality bonds and longevity bonds
- 6.14 Derivatives
- 6.15 Investment management
- 6.16 Portable alpha
- 6.17 Liability Driven Investment ('LDI')
- 6.18 Securities lending
- 6.19 Legal issues and pensions investment
- 6.20 Globalisation

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## **Chapter 7 – Technical Aspects of pensions risk management**

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- 7.1 Fixed income securities basics
- 7.2 Portfolio diversification
- 7.3 Fundamental concepts of asset liability management
- 7.4 Cost of capital

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## **Chapter 8 – Integrated pensions risk management**

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- 8.1 Introduction
- 8.2 Financial risks
- 8.3 Insurable risks
- 8.4 Operational risks
- 8.5 Governance