



RETIREMENT FUND TRUSTEE EDUCATION

INVESTMENT FUNDAMENTALS

COURSE BROCHURE

## 1. THE PURPOSE OF THE WORKSHOP

This one day course is designed to provide retirement fund trustees and principal officers with both an overview of, and an insight into investments within the context of retirement funds.

This workshop complements the ASISA Academy's existing suite of retirement fund trustee education workshops, being:

1. Investment Fundamentals (1 day)
2. Responsible Investing (1 day)
3. Trustee Governance and Ethics (1 day)
4. Employee Benefits (1 day)
5. Death Benefits (½ day)
6. Formulation and analysis of your Fund's Investment Policy Statement- (½ day)
7. Analysis of your Fund's Annual Financial Statements (½ day)

These workshops are "Interactive Initiatives" and qualify as "Consumer Education" for purposes of the Financial Sector Charter Council Guidance Note GN 800(a).

Workshop presenters are independent specialists who will present and discuss investments within the South African retirement fund context.

## 2. ACADEMY VISION & CONTEXT

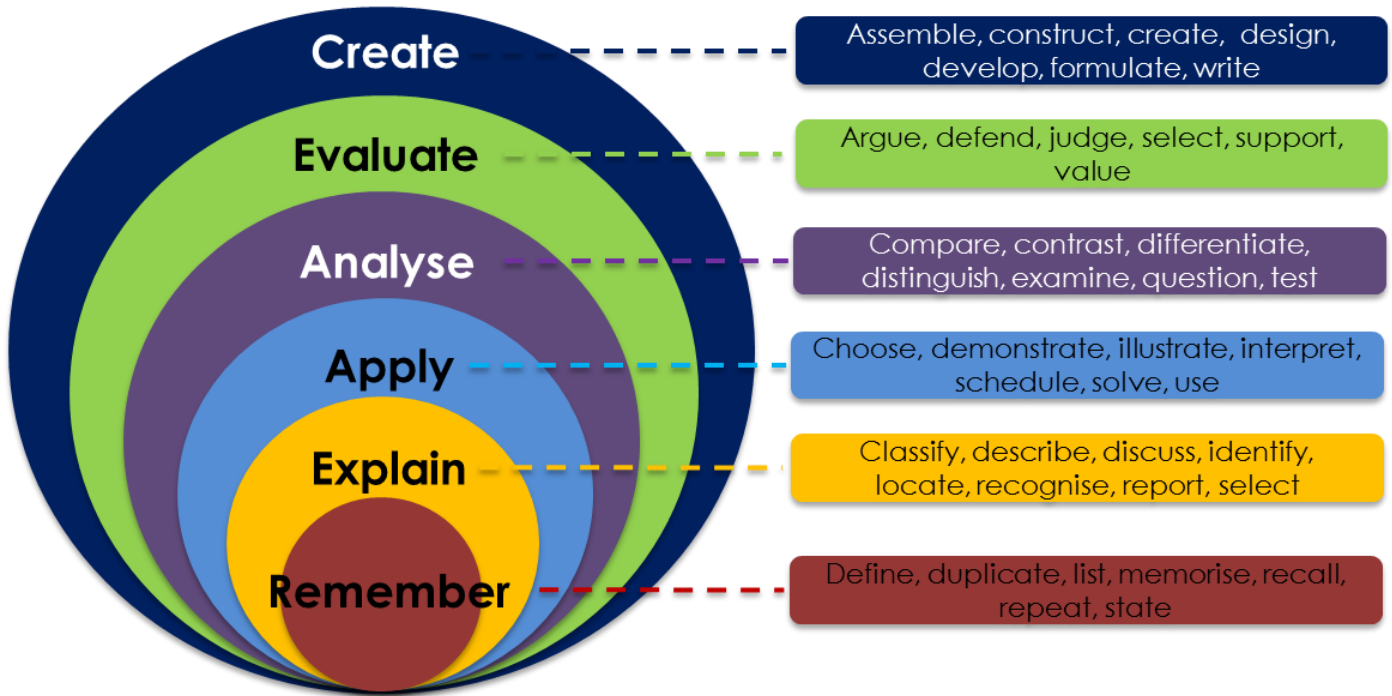
The ASISA Academy creates and delivers high quality solutions to meet the skills development needs of South African Savings, Life Assurance and Investment Management organisations. Our learning solutions are informed by and responsive to industry realities, delivered in an academically sound and practitioner-led manner. The Academy has a level 2 B-BBEE rating.

The Academy resulted from the need for a fresh approach to developing savings and investment management skills and achieving broader, more rapid transformation of the industry. The intention is take delegates' learning beyond that of their tertiary studies using an approach that responds to industry realities and is delivered by industry experts in an academically sound manner.

More than 5,000 people in the Southern African financial services sector have learned with the ASISA Academy since 2008 with over 450 industry presenters involved.

### 3. APPROACH TO LEARNING

We work hard at the ASISA Academy to ensure every learning experience is as interactive as possible. To achieve this we draw on the expertise of some of the most experienced and specialised professionals in the industry and we limit the size of our groups. The following diagram captures the Academy approach to learning. We aim to achieve the bulk of our learning in the biggest circles.



Class sizes are limited to enable a supportive learning environment in which no committed participant gets left behind.



## 4. WORKSHOP LEARNING OUTCOMES

The following table summarises each Learning Area and associated Learning Outcomes covered during the course.

<b>The South African economy</b>	<ul style="list-style-type: none"><li>• Describe the high level economic functioning of South Africa with specific focus on the following concepts: Inflation, interest rates and currencies, commodities (gold &amp; oil), how supply and demand impact markets, GDP.</li><li>• Draw up a glossary of commonly used acronyms and terms.</li></ul>
<b>Asset classes</b>	<ul style="list-style-type: none"><li>• Identify the most common asset classes and expand on each using the categories below.<ul style="list-style-type: none"><li>○ Equities:<ul style="list-style-type: none"><li>▪ Definition and unique characteristics;</li><li>▪ The South African market/s for this asset, the key indices and latest developments;</li><li>▪ Approaches to valuing this asset.</li></ul></li><li>○ Bonds:<ul style="list-style-type: none"><li>▪ Definition, terminology and unique characteristics. Distinguish between different types: government, corporate, inflation linked;</li><li>▪ The South African market/s for this asset and the key indices;</li><li>▪ Approaches to valuing this asset: Time value of money and opportunity cost. Impact on the value of bonds when interest rates change.</li></ul></li><li>○ Property:<ul style="list-style-type: none"><li>▪ Definition and unique characteristics;</li><li>▪ The South African market/s for this asset and the key indices;</li><li>▪ Approaches to valuing this asset.</li></ul></li><li>○ Money Market:<ul style="list-style-type: none"><li>▪ Definition and unique characteristics;</li><li>▪ The South African market/s for this asset and the key indices;</li><li>▪ Approaches to valuing this asset.</li></ul></li><li>○ Derivatives:<ul style="list-style-type: none"><li>▪ Definition and unique characteristics;</li><li>▪ The South African market/s for this asset and the key indices;</li><li>▪ Approaches to valuing this asset.</li></ul></li><li>○ Alternative investments – Private Equity and Hedge Funds:<ul style="list-style-type: none"><li>▪ Definition and unique characteristics;</li><li>▪ The South African market/s for this asset and the key indices;</li><li>▪ Approaches to valuing this asset.</li></ul></li></ul></li></ul>
<b>Financial markets</b>	<ul style="list-style-type: none"><li>• Describe the purpose of a formalised market and define the concept of an efficient market.</li><li>• List the sources of information for each market.</li></ul>
<b>Risk and Return</b>	<ul style="list-style-type: none"><li>• Contrast the returns over time on each market;</li><li>• Calculate typical return measures;</li><li>• Explain why risk should always be considered in conjunction with return.</li></ul>
<b>Portfolio construction and Regulation 28 of the Pension Funds Act</b>	<ul style="list-style-type: none"><li>• Asset allocation and diversification;</li><li>• Constraints on investment decisions e.g. Regulation 28, ethical and prudential;</li><li>• Market “shorting” and scrip lending.</li></ul>

## 5. CONTACT INFORMATION

For more information please contact **David Morris**, the Academy's Retirement Fund Trustee Education Programme Champion, by:

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