

Advanced Financial Analysis Series 2018 Training Workshops



HKSFA is proud to present our "Advanced Financial Analysis Series" held in conjunction with Wall Street Training & Advisory. This Series of workshops builds upon and expands our prior successful and popular Financial Analysis Series and will provide practical, Excel-based career-enhancing programmes related to financial modelling, projection modelling, fundamental analysis, mergers & acquisitions and leveraged buyouts. This series of hands-on workshops will consist of the following full-day, extended programmes:

- **Advanced Financial Modelling - Core Model**
- **Advanced Excel for Data Analysis**
- **VC Investing: Private Company Valuation & Participating Preferred Securities Waterfall Modelling**

The goal of these programmes is to improve and elevate the skills sets of the financial analyst and the investment professional. Heavy emphasis is placed on being as effective and efficient as possible with Excel.

About Wall Street Training & Advisory:

Wall Street Training & Advisory, Inc. (WST) is a leading global provider of training and advisory services. WST has a nearly two-decades-long track record of successfully providing services to clients across a variety of financial industry verticals, including investment banking, mergers & acquisitions, equity and fixed-income research, asset and investment management, credit analysis, private equity, and high-yield LBO and special situation/distressed analysis. WST has also worked with Fortune 500 companies, government agencies, extra-governmental regulatory organizations, and professional organizations around the world to provide tailored training for new hires and existing employees. To learn more: www.wallst.training

Please Note:

(Classrooms are not equipped with computers, **participants WILL HAVE to bring their own laptops**. Please bring Excel for PC installed (any version). Macs will not be as effective as shortcut keys are different. Please make sure your laptop has a working USB port to copy files at the beginning of class.)

Date:

7th, 8th, 9th March 2018
(Wednesday, Thursday & Friday)

Venue:

14/F, BOC Group Life Assurance Tower,
136 Des Voeux Road Central,
Hong Kong

Time:

Registration - 8:45am
Presentation - 9:00am - 5:00pm

Language:

English

**Fee: (includes course materials)*

HK SFA Member @\$2,500

CFA Candidate* @\$4,000

Non-member @\$4,000

(Per person per one day workshop)

** current enrolled candidate*

Special Discount:

10% off for those who register for two (or more) workshops.

6.5 CPT / CPD / CE hours each one-day workshop

Highlights of the Workshops:

ADVANCED FINANCIAL MODELLING - CORE MODEL

7th March 2018, Wednesday

9:00am - 5:00pm

Build a fully integrated financial statement projection model with income statement projections, a self-balancing balance sheet, an automated cash flow statement, and the balancing cash flow sweep/debt schedule. While knowledge of advanced accounting concepts is not required for this course, you should possess knowledge of basic accounting ratios and a basic understanding of how the major financial statements are inter-related. Emphasis is placed on the integration of the major financial statements and becoming experts in Excel. Incorporate different methodologies to forecasting the different types of assets on the balance sheet and compare and contrast with projecting liabilities. Learn how to balance a model utilizing the debt sweep and the revolver and not using any "plugs". Appreciate the danger of and properly control for circular references. Avoid messy nested "if" statements!! You will leave the classroom with a fully constructed model that can be customized and applied to other companies. The final model is a fully scalable model that can be added upon.

Learning Objectives:

- Build an integrated set of financials, including IS, BS & CF statements
- Learn how to balance a model utilizing debt sweep and no "plugs"
- Become super-efficient in Excel through intensive use of keyboard shortcuts
- Intensive focus on correct financial modelling approaches & best practices

Learning Goals:

5-Year Financial Statement Projection Model:

- How do you project an IS from revenues and expenses down to Net Income?
- What are the different methodologies to forecasting the different types of assets on the balance sheet and how do they compare and contrast with projecting liabilities?
- How do you project the shareholders' equity account?
- What is the importance of financial ratios in building the balance sheet projections?
- How do you approach building an integrated cash flow statement?
- How do you build each component of the cash flow statement and why is cash projected last?

Integration and Balancing of Financial Model:

- Balance the model using the debt schedule and debt sweep logic - the most important analysis in terms of balancing the model!!
- How does the cash actually flow through the model?
- Incorporate automatic debt payments and use cash generated to either pay down debt or build cash
- How does the revolver facility actually balance the model?
- Avoid messy nested "if" statements!!
- How does the BS and financial statements balance without the use of "plugs"?
- How are the financial statements integrated using the Interest schedule?
- What are circular references, why should they be avoided and how to get around circular references

Prerequisite: Intermediate proficiency using Excel and a solid grasp of basic accounting fundamentals is required. This Financial Modelling class is a fast-paced, hands-on, technical workshop.

***Rating** - Advanced

ADVANCED EXCEL FOR DATA ANALYSIS

8th March 2018, Thursday
9:00am – 5:00pm

This course focuses on how to effectively and efficiently utilize Microsoft Excel for data analysis. A financial analyst will not only use Excel to build financial models, but also to crunch a large data dump, summarize industry statistics or perform due diligence. Learn how to minimize as much manual labor as possible, thereby saving time and performing more detailed analysis quickly.

Apply commonly-used formulas in new and different ways: uncover often over-looked Excel formulas; streamline number crunching and analysis via functions and tools including pivot tables to summarize and dissect large amounts of data; enhance your usage of pivot tables with calculated fields and calculated items; truly advance yourself in Excel by learning how and when to apply powerful array functions to simplify complex calculations and logic functions; utilize and automate vlookup function to its fullest to streamline tedious lookup jobs; transform your Excel analysis into a dynamic model with “switches alternatives” (if, choose, offset); comprehend and appreciate how to transpose a block of data dynamically with auto-updating instead of pasting as values; enhance your spreadsheets with drop-down boxes, learn data validation techniques to dummy proof your model, utilize and enhance automation of alternate row shading into more complex conditional formatting tools for your analysis.

The goals of this course are three-fold: (1) if you can think of it, it can be done; and (2) whatever you are currently doing in Excel can be executed more efficiently; and (3) if you have to do something more than once, automate, automate, automate! Take Excel to the next level – this class guarantees to make you 50% – 90% more efficient and productive in Excel, if not more.

Specific modules include:

- Learn the most useful and overlooked Excel shortcuts to make life easier!
- Master Excel shortcuts via formatting & analytical exercises encompassing efficiencies, shortcuts & sensitivity analysis
- Learn different ways to make your Excel worksheet into a model instead of just a flat analysis
- Data integrity techniques: understand how Excel implodes by not maintaining raw data integrity
- Learn different “switches alternatives” (if, choose, offset and toggles) to build more robust analyses
- Understand why IF statements are the second root of all evil in Excel and why they should be avoided at all costs
- Learn data validation techniques to dummy proof your model and provide additional error checking in your analysis
- Add some spice to your Excel analysis and models using dropdowns and how to automate options and scenarios
- Automate alternate row shading in a table of data using complex conditional formatting
- Fully automate vlookup to streamline tedious analysis while understanding limitations of vlookup
- Understand why OFFSET(MATCH) is vastly superior to vlookup and why to avoid INDEX function
- Pivot Tables and Pivots on Steroids: summarize and dissect large amounts of data as well as calculated fields and really bring out the power of pivot tables
- Truly unlock the full power of Excel by utilizing ARRAYS simplify to complex calculations
- Learn how to use the transpose array function without static copy paste special transpose as values

Prerequisite: Intermediate proficiency using Excel is required. This is a technical workshop focused on manipulating and analyzing data, not financial or valuation modelling.

*Rating – Intermediate

VC INVESTING: PRIVATE COMPANY VALUATION & PARTICIPATING PREFERRED SECURITIES WATERFALL MODELING

9th March 2018, Friday

9:00am – 5:00pm

In the first part of this course, we discuss the complex nuances associated with analyzing and valuing emerging markets and private companies. We dive deep into the details and concepts deeply imbedded with valuation of large publicly traded and listed companies and take it to next level by applying it to companies and regions with very sparse publicly available data. Learn nuances of adjusting for DCF valuation, WACC analysis when no data exists, how to select and adjust peer comparables when no "good comp" exists. While there is certainly no magic bullet to the tough questions and lack of information, there are techniques and best practices to get us as close as possible. Learning objectives include: fundamental & DCF valuation nuances (adjustments to Gordon growth); WACC and cost of component capital nuances (adjustments to cost of debt and equity and beta); review of basic valuation methodologies, focusing on relative valuation multiples and ratios and tacking on private company discounts; emerging markets case study and real-life valuation nuances when data simply doesn't exist.

The second part of this course involves modeling out early stage investment securities' waterfalls. When investing in earlier stage companies, whether start-up, growth or mezzanine stage investing, there is a fine balance between incentivizing the newest round of investors injecting capital and providing enough returns for earlier round investors, while still motivating management to strive for mutual alignment of economic interests. Investors desire downside protection while craving equity upside. Thus, the participating preference securities evolved from a blend of common stock with equity upside & voting rights to debt with accruing interest and priority of liquidation. In this course, learn how to structure, and model out such hybrid securities commonly used in VC and earlier stage investing.

Specifically, in our liquidation waterfall modeling, we will model out:

- Modeling Preferred Equity and Multiple Class Share Positions: structuring returns for each equity participant and class/series of investors
- Equity Assumptions: capitalization tables, pre-money vs. post-money calculations
- Liquidation Preference: minimum return threshold based on pre-determined multiple and accrued dividends over time - provides LIFO effect of last dollar in, first dollar out
- Dividends: Cash pay vs PIK; compounding vs simple; cumulative vs. non-cumulative
- Participation Rights: investors shall participate on equity upside based on fully diluted ownership percentage and allows investors to participate in upside valuation after liquidation preference protection
- Participation Caps: the crux of the analysis focuses on the capped upside of the investor and re-distribution of fully diluted ownership percentage for remaining investors? It gets complicated and that's why it's called a waterfall!
- Conversion: complicate the analysis by adding in a conversion option for all investors to further participate in upside could radically change the valuation parameters based on final valuation/liquidation amount
- Management Options & Warrants: incorporate management options in allocation of final management proceeds based on cashless converts

Please note that this is a financial modeling class, not a legal class.

Prerequisite: Intermediate proficiency using Excel, a solid grasp of basic accounting fundamentals and an understanding of basic valuation techniques are required. This Corporate Valuation class is a hands-on, technical workshop.

***Rating** – Intermediate

About the Instructor:

Mr. Hamilton Lin, CFA



Hamilton Lin, CFA, is Founder & CEO of Wall Street Training & Advisory (www.wallst.training), a corporate training firm that teaches the fundamentals of financial analysis, modeling and valuation. Clients include prestigious firms including some of the largest investment banks, many boutique investment banks, buy-side asset managers, research firms, commercial banks and regulators.

Clients looking beyond standard training programs continue to seek out WST's Training+ service, which provides customized, consulting-style programs that integrate WST's decades of specialized expertise, market insights, and best practices to improve their financial and operational processes. Furthermore, WST's advisory practice focuses on assisting clients to maximize value while accessing the capital markets or exploring strategic alternatives by refining financial projections, valuation, strategic positioning, and management presentations.

Hamilton has a broad background in investment banking and mergers & acquisitions in diverse industries ranging from oil & gas to insurance to asset management and related sectors. He has evaluated hundreds of transactions and closed over four dozen deals, ranging from plain vanilla deals, to squeeze-outs, LBOs and distressed situations ranging in deal value from \$10 million to over \$6 billion.

Prior to founding Wall St. Training, Hamilton worked at: Goldman Sachs Investment Banking DRG, where he standardized his group's best practices; Bank of America's M&A department, where he customized many of the firm's models; various boutique middle-market investment banks, executing private transactions; and Ryan Labs, an asset-liability asset management firm.

Hamilton teaches globally, from all major cities in the USA & Canada including NYC, Boston, Chicago, Houston, San Francisco, Toronto & Montreal, as well as Asia, including Hong Kong, Singapore, Shanghai, Beijing, Tokyo, Kuala Lumpur, Manila and most major financial hubs. Hamilton is a former Adjunct Professor at NYU Stern School of Business, Baruch College and Hunter College. He graduated from NYU Stern in Finance and International Business, is a Chartered Financial Analyst and also teaches the CFA exam.

ABOUT WALL STREET TRAINING & ADVISORY

We analyzed the current learning process in finance and Wall Street, figured out how teaching and training should be done and then implemented our learning processes. Our strengths include:

- Hands-on, interactive, practical, non-theoretical, no "b.s." approach
- Fast-paced learning where the goal is for participants to become experts and extremely efficient to spend more time on analysis of the numbers rather than pure number crunching
- Training modules replicate exactly how it is done on Wall Street
- Ability to translate difficult and advanced concepts into plain English while providing detailed explanations and intricacies that integrate a variety of disparate topics into one focused theme
- Teach nuances and real-life intricacies, not just basic how-to; we teach the rules and exceptions!
- Models that are built more cleanly and efficiently and are meant to be self-contained templates

To learn more, visit www.wallst.training

*Workshop Ratings

1. *General - Material presented will be basic and of interest to a general audience having no background in the area.*
2. *Intermediate - Material presented will have technical elements requiring a working knowledge of the subject to make full use of the presentation.*
3. *Advanced - Highly focused technical presentations of interest to participants with a high level of technical knowledge in the subject area.*
4. *Unrated - HKSFSA has yet to receive sufficient information to grade the content of these workshops.*

Registration:

1. Interested parties are requested to **register online at <http://www.hksfa.org>**.
2. **Registration is only confirmed upon receipt of payment.**
3. For cheque payment, cheques should be crossed and made payable to “**HKSFA**” and posted to **14/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong.**
4. **A place will be reserved for registrant upon successful online registration with email notification of registration details.**
5. After completing the online registration and payment process, registrants will receive email notifications with registration details. A reminder will also be sent before the event begins. If you have not received the email notification and reminder from HKSFA, **it is the delegate’s responsibility to contact HKSFA to confirm their place.**

Policy for Substitutions, Cancellations and No Show:

1. **Registrations should be paid in full before the commencement of the event.** Immediate payment is required upon email confirmation. Should the registration fee remains outstanding, HKSFA reserves the right to disallow entrance to the event.
2. **Full amount will still be charged** for **no show or enrolment made after Wednesday, 21st February 2018**, this would include those whose payment mode is “by cheque” but have not sent in the cheque to complete the payment process.
3. An administration fee HK\$50 will be charged for any cancellation of confirmed enrollment made on or before **Wednesday, 21st February 2018**. All cancellation requests must be made in writing and be confirmed by email from HKSFA.
4. **Refund of the event fee (less an administration fee of HK\$50 per person)** will be given for cancellation received on/before **Wednesday, 21st February 2018**.
 - **For payment made by credit card**, refund will be handled through the bank, please allow 4 to 6 weeks for processing. The amount will be refunded to the paid credit card account.
 - **For registrants whose payment mode is “by cheque”**, even if the cheque has not been sent to HKSFA in full amount, the HK\$50 administration fee is also applicable and must be settled by registrants.
 - **For payment made by cash**, HKSFA will arrange the refund cheque sending to registrants by mail, the amount will be the event fee less the administration fee HK\$50.
5. **No refund** will be given for cancellation received after **Wednesday, 21st February 2018**. For registrant whose payment mode is “by cheque” but have not sent in the cheque to complete the payment process, will still have to settle the event fee in full amount.
6. Substitutions are allowed. Please notify us prior to the event. Non-member rate applies if the substitute is not an HKSFA member. Early-bird rate is non-transferrable.
7. The Society reserves the right to change the venue, date or speaker of the event due to unforeseen circumstances without prior notice.
8. In case of dispute, the decision of HKSFA is final and no further correspondences will be entertained.
9. To be awarded CPT/CPD/CE credit hours, full attendance of all parts of the event is required. No pro-rata credit hours will be awarded.
10. Participants who only register on the event day will have to collect the CPT certificates one week after the event.
11. **For attendance-taking purpose participants’ names and company name (if any) will be given to the speaker at this workshop.**

HKSFA is recognized by The Securities and Futures Commission as an institution for providing Continuous Professional Training. Each one-day workshop is qualified for 6.5 CPT hours.

As the recognized institution approved under SFC’s CPT Program, the 6.5 CPT hours of each one-day workshop are to receive due recognition from the Mandatory Provident Fund Scheme Authority (MPFA) as non-core CPD hours.

Each one-day workshop is also qualified for 6.5 Continuing Professional Development (CPD) Hours for Registered Business Valuers (RBV) of Business Valuation Forum (BVF).

CFA Candidates may find this workshop useful practice for Candidate Body of Knowledge (CBOK) skills in Fixed Income (VII), Derivatives (VIII), Portfolio Management and Wealth Strategies (X), with light coverage of Quantitative Methods (II).