

# Swiss Finance Institute Master Classes

The Modern Form of Continuing Education in the Financial Sector:  
efficient – well-founded – academically supported



swiss:finance:institute

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# Be a Pioneer – a New Venture



The Swiss financial sector is undergoing fundamental structural change. As it has done previously in recent Swiss economic history, it must once again renew itself. The main driving forces of this evolution are of technological, regulatory, and societal nature. The resulting pressure to change also represents a great opportunity for all involved and should be approached constructively and without anxiety. This is true also – and even especially – of the training and professional development of skilled workers.

The most valuable capital in the Swiss financial industry is, and shall remain, excellently trained and motivated employees. Much is demanded of these workers, especially in times of change. New complex thought models and integrated solutions from financial research influence the professional world and affect almost all job profiles in the financial industry. An enormous flow of new knowledge needs to be acquired, assessed and absorbed. In this context, the Swiss Finance Institute (SFI) sees itself as a bridge-builder: academic findings are to be systematically incorporated into professional practice, in close cooperation with SFI's six Swiss partner universities, through the SFI faculty. But moreover, SFI strives to be an innovative pioneer for modern education and training, and it acts accordingly as a spearhead for the Swiss banking sector. SFI has also espoused the "courage to change" that politicians and society as a whole demand of all financial market players, which is why the range of continuing education courses has been resolutely adapted to the new realities. As part of this evolution, SFI has adopted a far-reaching paradigm shift with regard to the formal design as well as to the content of its learning offerings.

Swiss banks also recognize that the knowledge capital of their employees represents a decisive criterion for success in the global competition, and they are prepared to adopt a groundbreaking approach in the areas of education and training. They have tasked SFI with developing an innovative and up-to-date training concept that takes into account the high intellectual requirements of the financial industry. With this in mind, SFI is currently establishing the so-called "Master Classes" – short, modern learning and training units that are offered free of charge to the employees of the sponsoring institutions. You can find out more about this new venture on the following pages.

*Dr. Romeo Cerutti, Chairman of the Foundation Board*

*Prof. François Degeorge, Managing Director und SFI Senior Chair*

# The Essentials in a Nutshell



**Short, intensive learning units** – The individual "Master Classes" are structured in the form of half-day courses held in the afternoon. These are short and extremely intensive learning units that require maximum concentration from the participants as well as adequate industry seniority.



**Content quality and exclusivity** based on a solid academic foundation paired with sound knowledge from financial practice – The close links between the Swiss Finance Institute and six renowned business universities in Switzerland, spread across Switzerland's three main language regions, ensure that knowledge is imparted at the highest level. All leaders of the "Master Classes" are accredited SFI professors with a broad academic foundation. These faculty members count among the best in their field.



**A novelty: free course attendance** – All learning modules are offered free of charge to employees of the sponsoring institutions (since SFI's sponsors, namely Swiss banks, provide the necessary funds). However, the number of participants is limited and participation itself is subject to demanding conditions.



# Knowledge Exchange for Modern Times



The world of work is changing rapidly, and so are the demands placed on professionals. This is particularly true in the financial industry. With SFI, a national competence center has established itself in Switzerland and now ranks among the leading global institutions in the field of financial research. At the same time, new findings in financial research are gaining in relevance at ever shorter intervals. They are the basis for competitiveness and thus for the prosperity of the entire financial sector. To ensure that this new knowledge is promptly incorporated into professional practice via continuing education, SFI is currently establishing "Master Classes" on behalf of its sponsors and in partnership with the industry portal finews.ch. The aim is to efficiently and promptly disseminate the latest research findings and thought leadership in finance, based on the current state of modern financial research, in a condensed form, via focused training and learning units.

Depending on the individual expertise of the participants and based on a modular principle, the learning units can be completed selectively and according to each participant's own training needs.

Each focal topic is designed and led by an experienced SFI professor. This ensures that the learning units are always based on the current state of financial research and thus also meet high academic quality standards. Particularly noteworthy is the fact that all lecturers actively contribute their expert knowledge from various disciplines: as a general principle, basic financial concepts are not taught in the "Master Classes," but instead are, to a certain degree, expected of the participants.

*Dr. Silvia Helbling*  
*Head of Knowledge Exchange and Education*

# The Master Classes at a Glance

## **Methodology**

Analytical knowledge and the ability to think and act in a networked manner are decisive professional success factors in today's world. Currently, conventional knowledge transfer meets the needs of employees only to a limited extent. The world of work is changing at an accelerating pace and continuing education courses must be made more efficient and much more flexible so that they can keep pace with professional practice and the demands placed on skilled workers. On the one hand, this requires, content-wise, a focus on analytical competencies that allow professionals to understand a wide variety of industry developments and to network the knowledge gained. On the other hand, the gain in knowledge must be efficient and concentrated – longer absences from work due to professional development training are no longer deemed appropriate and are generally quite unproductive. The "Master Classes" at SFI fully take into account these circumstances, without of course compromising on quality. On the contrary: the modular principle allows the greatest possible flexibility both in the design of current learning content and in the participants' acquisition of this content. As a rule, traditional basic knowledge is not taught in the Master Classes. The focus is on a combination of practical and academic expert knowledge, which in turn requires participants to have a high level of seniority and corresponding management experience.

## **Participants and admission**

The individual "Master Classes" are aimed at a circle of a maximum of 50 experienced specialists and managers from the financial industry, and especially from the banking world. The requirements profile for the participants was defined as follows, in cooperation with our university partners:

- at least 10 years of professional experience in the financial industry, management experience advantageous
- or a university degree and at least 5 years of professional experience
- very good analytical skills
- ability to think in a networked and interdisciplinary manner
- university background or corresponding professional qualifications

## **Certification**

Each participation in a "Master Class" is confirmed by a certificate issued by the Swiss Finance Institute. A series of "Master Classes" is offered on selected topics, the participation of which is confirmed by a diploma from the Swiss Finance Institute.

### **Costs**

The "Master Classes" are offered free of charge for employees of companies affiliated with the Swiss Bankers Association (SBA).

All other participants from non-SBA institutions will be charged a flat-rate fee of CHF 950 per Master Class.

Please note that the number of participants per "Master Class" is limited. We thus reserve the right to register unexcused absences or short-term cancellations, or to exclude the participants concerned from further "Master Classes" for a period of 12 months.

### **Partnership with finews.ch**

The partnership with the leading Swiss industry portal for financial news is based on the idea that knowledge imparted through SFI should be made available in a condensed form to the entire financial community and to prepare selected findings for publication or editorial support.

### **Special series of events for Canton Schwyz**

In addition to the regular "Master Classes", we offer a special "Master Classes" series in close cooperation with the Office of Economics of the Canton of Schwyz, focusing on the local financial industry. In addition to the employees of the SFI foundation institutions, this special series is also open free of charge to all employees of companies from the financial industry domiciled in the Canton Schwyz.

# Topics Overview 2019

Date	Location	Topic	Language	
June 5, 2019	Zurich	Data and Technology in Finance	English	1
June 17, 2019	Geneva	Risk and Return in Corporate Debt	French	2
June 21, 2019	Zurich	Machine Learning and AI: Applications in Banking and Finance	German	3
July 2, 2019	Zurich	Risk and Return in Corporate Debt	English	2
September, 2019	Geneva	Data and Technology in Finance	English	1
September, 2019	Zurich	Creating Value: Financial and Behavioral Insights	German	4
September, 2019	Geneva	Creating Value: Financial and Behavioral Insights	English	4
September, 2019	Pfaeffikon SZ	Data and Technology in Finance (Ct. Schwyz Series)	English	1
October, 2019	Zurich	Factor Based Asset Allocation	English	5
October, 2019	Zurich	Opportunities in Active Asset Management	English	6
November, 2019	Geneva	Machine Learning and AI: Applications in Banking and Finance	English	3
November, 2019	Pfaeffikon SZ	Creating Value: Financial and Behavioral Insights (Ct. Schwyz Series)	German	4
November, 2019	Zurich	Risk and Quality in Residential Mortgage Markets	English	7
November, 2019	Zurich	Best Practices in Valuation	English	8

Das Swiss Finance Institute behält sich vor, Kursdaten und -orte sowie Referenten im Bedarfsfall zu ändern.





# Focal Topics

## Contact



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Topic	Speakers, Location, Date, Time
<p><b>1</b> <b>Data and Technology in Finance</b></p> <p>The combination of new data and technology is an increasingly important source of value in the financial sector, raising key questions about the future of finance in a digital world. The Master Class on <i>Data and Technology in Finance</i> provides an in-depth but intuitive discussion of current trends. The class illustrates key concepts by focusing on the use of text as data in various financial applications to help participants think critically about the opportunities and challenges new data and tools bring in their organization.</p>	<p><b>Prof. Dr. Laurent Frésard</b></p> <p>Zurich (English), June 5, 2019; 13:00 – 17:30</p> <p>Geneva (English), September, 2019</p> <p>Pfaeffikon SZ (Ct. Schwyz Series; English), September, 2019</p>
<p><b>2</b> <b>Risk and Return in Corporate Debt</b></p> <p>Debt is an increasingly important source of financing for non-financial firms, raising key questions about the risks and opportunities in the corporate debt market. The Master Class on "Risk and Return in Corporate Debt" provides an in-depth understanding of corporate debt, credit risk, convertibility features, and their relation to the returns earned by investors in corporate debt markets. It also shows how the risks in corporate debt can be managed. Lastly, it provides a close look at recent trends in the market for corporate debt.</p>	<p><b>Prof. Dr. Erwan Morellec</b></p> <p>Geneva (French), June 17, 2019; 13:30 – 18:00</p> <p>Zurich (English), July 2, 2019; 13:00 – 17:30</p>

	Topic	Speakers, Location, Date, Time
3	<p><b>Machine Learning and AI: Applications in Banking and Finance</b></p> <p>Machine learning and artificial intelligence (ML/AI) are disrupting the financial sector in an unprecedented manner. The Master Class explores how ML/AI will reshape the financial sector. The class starts with a review of the ML/AI workflow. Easy-to-grasp explanations of available ML/AI algorithms and trends will demystify the ML/AI language. A deep dive into use cases and applications in banking and finance and collaborative group work to identify future applications will illustrate how ML/AI can benefit the participant in her/his organization.</p>	<p><b>Prof. Dr. Norman Schürhoff</b></p> <p>Zurich (German), June 21, 2019; 13:00 – 17:30</p> <p>Geneva (English), November, 2019</p>
4	<p><b>Creating Value: Financial and Behavioral Insights</b></p> <p>In this master class, participants obtain insights on how corporate managers can create economic value by suitable investment, operations, and financing decisions. It combines learnings from finance, the psychology of managers and market participants, and corporate governance and in particular incentive design. The class is useful both for those seeking to advance in management of their own firms and for those seeking to assess the value potential of other firms.</p>	<p><b>Prof. Dr. Alexander F. Wagner</b></p> <p>Zurich (German), September, 2019</p> <p>Geneva (English), September, 2019</p> <p>Pfaeffikon SZ (Ct. Schwyz Series, German), November, 2019</p>
5	<p><b>Factor Based Asset Allocation</b></p> <p>Factor models have been at the heart of optimal portfolio construction since the original diagonal market model of Bill Sharpe (1963). Recently, there has been renewed interest in factor-based investing among practitioners. The Master Class on "Factor Based Asset Allocation" provides the background to understand factor models and how they are used to build risk-models and investment portfolios. It reviews some of the most popular factor models and discusses benefits and pitfalls of factor-based investing.</p>	<p><b>Prof. Dr. Pierre Collin-Dufresne</b></p> <p>Zurich (English), October, 2019</p>

Topic	Speakers, Location, Date, Time
<p><b>6</b> <b>Opportunities in Active Asset Management</b></p> <p>Given the explosive growth of passive products, active asset management is under pressure to deliver on its promises. This Master class will describe the recent trends in Active Asset Management. What are the strategies that have generated performance? Additionally, cutting-edge academic research that develops tools to identify the most skilled asset managers will be discussed. The main conclusion from this research is that Active Management delivers outperformance. However, to detect the best managers one needs a sophisticated approach.</p>	<p><b>Prof. Dr. Francesco Franzoni</b></p> <p>Zurich (English), October, 2019</p>
<p><b>7</b> <b>Risk and Quality in Residential Mortgage Markets</b></p> <p>Residential-mortgage markets have become increasingly complex, with a long-term trend toward disaggregation and specialization. This Master Class covers the competitive structure of residential mortgage origination, with specific focus on: 1) overall mortgage origination activity; 2) competitive structure of local mortgage origination; 3) performance of different loan funding channels; and 4) inter-relationships among mortgage originators, funding sources, and entities that securitize loans, seen through a network perspective. The objective is to understand the risks and heterogeneous loan qualities in mortgage markets, when the ultimate owners of loans are far away from originators.</p>	<p><b>Prof. Dr. Johan Walden</b></p> <p>Zurich (English), November, 2019</p>
<p><b>8</b> <b>Best Practices in Valuation</b></p> <p>This Master Class provides an in-depth understanding of valuation methods and techniques relevant for practice. After reviewing the methods most commonly used in industry, it dives into the intricacies of choosing the right inputs for valuations, such as the growth rate for cash flows in DCF methods, choosing between multiples or DCF when calculating terminal values, or adjusting the cost of capital to leverage. The class concludes by discussing the benefits and shortcomings of the most commonly used valuation methods.</p>	<p><b>Prof. Dr. Kjell Nyborg</b></p> <p>Zurich (English), November, 2019</p>

# Academic Findings for Practice



**Prof. Dr. Erwan Morellec**

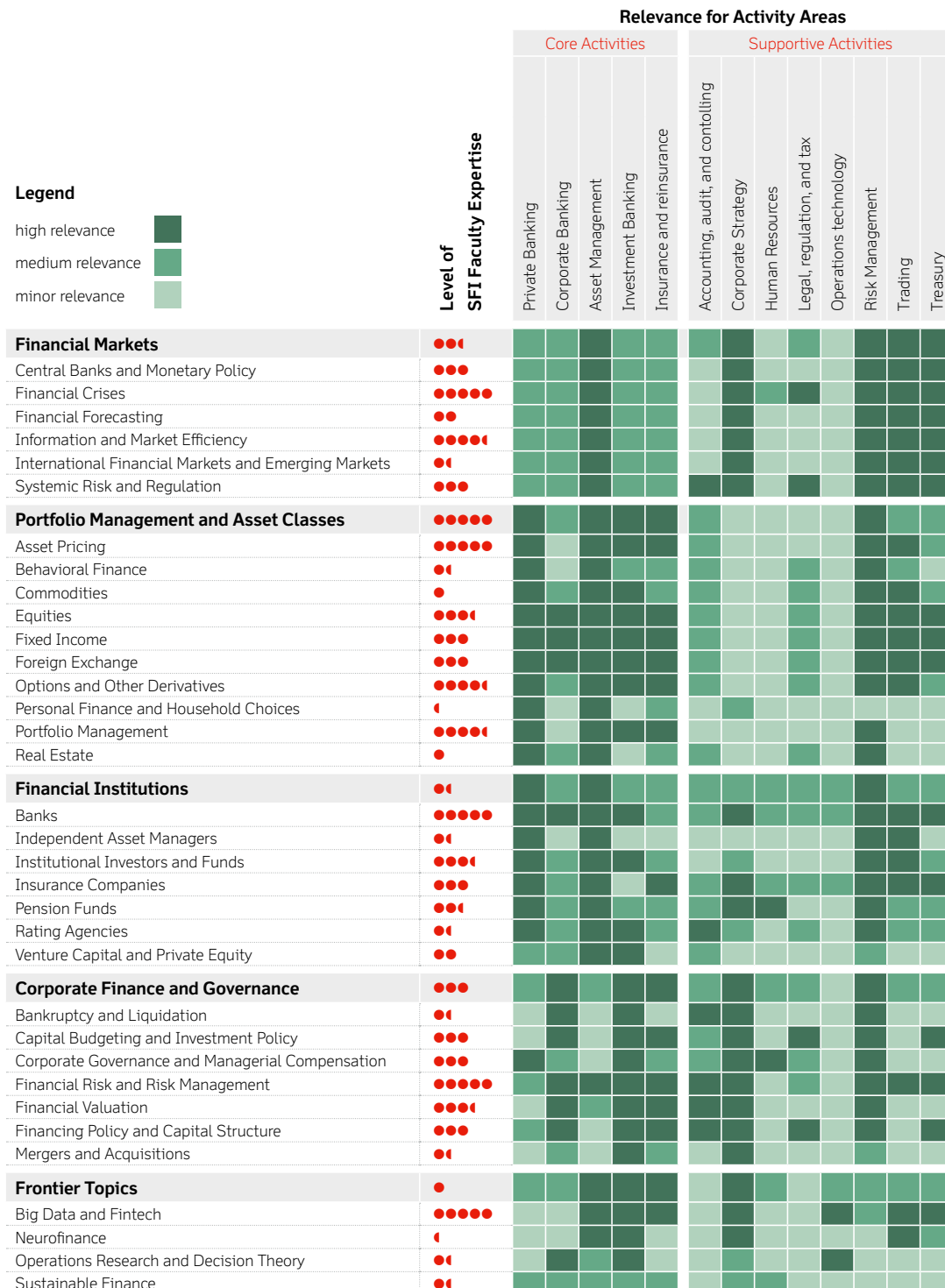
Master Class coordinator SFI Expertise

Professor of Finance at Ecole Polytechnique Fédéral de Lausanne (EPFL) and SFI Senior Chair

The SFI Master Classes are unique in that they combine the state-of-the-art expertise in finance of six renowned Swiss universities with thought leadership from the finance industry. SFI professor Erwan Morellec is responsible for the challenging task of bringing together current, relevant topics for the market with the expertise of the SFI faculty.

The development of the Master Classes in individual thematic directions requires unique knowledge of current research in finance and of industry needs. As a world renowned expert in finance, SFI professor Morellec has designed, with the help of an industry-based sounding board, a program of market-relevant topics for the Master Classes that perfectly leverages the expertise of the SFI faculty. This program will challenge existing frameworks and practices and give participants an in-depth understanding of the major trends in finance today.

# The SFI Expertise Matrix





**Nurture Knowledge – Cultivate Talent – Create Expertise**

We are committed to growing knowledge capital to guarantee the long-term prosperity of Switzerland's financial marketplace.

Contact us to foster your financial competence, access financial expertise, or stay up to date with the latest finance know-how.

[info@sfi.ch](mailto:info@sfi.ch)

[www.sfi.ch/en/about-us](http://www.sfi.ch/en/about-us)



# Swiss Finance Institute

## Our Founding Members

Swiss Finance Institute (SFI) gratefully acknowledges the precious support of its founding members—the Swiss banking industry, the Swiss Confederation, and leading Swiss universities. Without their support Swiss Finance Institute would not be able to fulfill its important mandate.



Julius Bär



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Vereinigung Schweizerischer Assetmanagement- und Vermögensverwaltungsbanken  
Association de Banques Suisses de Gestion  
Associazione di Banche Svizzere di Gestione Patrimoniale ed Investitoriale  
Association of Swiss Asset and Wealth Management Banks

VAV  
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### Unsere Partneruniversitäten:



ETH zürich



## Swiss Finance Institute

Swiss Finance Institute (SFI) is the national center for fundamental research, doctoral training, knowledge exchange, and continuing education in the fields of banking and finance. SFI's mission is to grow knowledge capital for the Swiss financial marketplace. Created in 2006 as a public-private partnership, SFI is a common initiative of the Swiss finance industry, leading Swiss universities, and the Swiss Confederation.

## finews.ch

*finews.ch* is Switzerland's leading news site for all professionals in the financial sector. The editorial team delivers real-time and constantly-updated news in German and English about the financial industry: breaking news, feature stories, industry developments, opinions plus the latest on people, trends. Its own web-TV-channel offers exclusive interviews with personalities from the financial industry. The audience of *finews.ch* are about 250,000 professionals working within banks, insurance companies and at asset and fund management firms. It also consists of headhunters, lawyers, trustees, information technology experts, consultants, politicians, and authorities.