

# The Art and Science of Stock Investing

This 2 days course aims to equip finance professionals with the practical knowledge of financial analysis in stocks.

This course has been accredited under the Skills Framework for Financial Services and is eligible for funding under the IBF Standards Training Scheme (IBF-STTS), subject to all eligibility criteria being met. Candidates are advised to assess the suitability of the course and its relevance to participants' business activities or job roles. **IBF-STTS provides up to 90% course fee subsidy for direct training costs subject to a cap of S\$7,000 per candidate per course subject to all eligibility criteria being met.**

*The IBF-STTS Enhanced Funding Scheme is eligible for Singapore Citizens or Singapore Permanent Residents that are physically based in Singapore.*

To find out more about the IBF-STTS Enhanced Funding Scheme, please visit <https://www.ibf.org.sg/programmes/Pages/IBF-STTS.aspx>.

## Key Learning Outcomes:

- Acquire a clear understanding of stock investment strategies and approaches
- Have a deeper understanding of financial statements and acquire the ability to interpret them
- Acquire the ability to value stocks with different methods

## The Programme is Suitable for:

- Private bankers
- Financial advisors
- Trading representatives
- Retail investors

## Training Duration

- 12.5 hours of training:
  - 12 hours of virtual classroom training
  - 0.5 hours of assessment

## After-Course Support:

- 6-months post course support:
  - Access to exclusive member-only Facebook group
  - Live mentoring sessions for:
    - Continuous market updates
    - Trade ideas

*To gain maximum benefits from the course, you are strongly recommended to have a trading account before attending the class.*

## Outline

### 1. Introduction to Factors and Strategies

#### 1.1 Value and Size Factors

- 1.1.1 Value stocks back test
- 1.1.2 Small cap stocks back test
- 1.1.3 Value and small cap stocks back test

#### 1.2 Profitability Factor

- 1.2.1 Gross Profitability back test
- 1.2.2 Gross Profitability and dividend yield back test

#### 1.3 Multi-Factor Approach

- 1.3.1 Factors mapping into strategies
- 1.3.2 Factor rotation

### 2. The CNAV Concept

#### 2.1 Value vs growth stocks

- 2.1.1 Characteristics of value and growth stocks
- 2.1.2 Determining undervaluation
- 2.1.3 Piotroski F-score
- 2.1.4 CNAV's 2 key metrics

#### 2.2 Characteristics of CNAV Strategy

### 3. Understanding Financial Statements

#### 3.1 Overview of financial statements

- 3.1.1 Income statement
- 3.1.2 Balance sheet
- 3.1.3 Cash Flow statement

### 4. Calculating CNAV1 and POF Score

#### 4.1 Differentiating NAV and CNAV

#### 4.2 Calculating CNAV1

- 4.2.1 Formula for CNAV1
- 4.2.2 Buy and sell criteria
- 4.2.3 Practice

#### 4.3 Calculating POF Score

- 4.3.1 POF Score components
- 4.3.2 PE ratio
- 4.3.3 Operating Cash Flow
- 4.3.4 Debt/Equity

4.3.5 POF Score point system

4.3.6 Practice

### 5. Calculating CNAV2

#### 5.1 Calculating CNAV2

- 5.1.1 Formula for CNAV2
- 5.1.2 Buy and sell criteria
- 5.1.3 Income generating assets
- 5.1.4 Receivables
- 5.1.5 Investments
- 5.1.6 Inventories
- 5.1.7 Intangibles
- 5.1.8 Excluded assets
- 5.1.9 Practice

#### 5.2 Non-controlling interest adjustment

### 6. Qualitative analysis for CNAV stocks

#### 6.1 Step 1 – check for changes

#### 6.2 Step 2 – dominant assets

- 6.2.1 Types of CNAV stocks

#### 6.3 Step 3 – Establish Trustworthiness

- 6.3.1 Insider ownership

#### 6.4 Step 4 – Looking out for catalysts

#### 6.5 Case Study

### 7. Selling CNAV stocks

#### 7.1 When to sell

- 7.1.1 Monitoring
- 7.1.2 Taking profits
- 7.1.3 Warning signs and cutting losses

#### 7.2 Summary of the CNAV strategy

## 8. The GPAD Concept

### 8.1 Gross Profitability

- 8.1.1 Gross Profits
- 8.1.2 Interpreting Gross Profits

### 8.2 Dividend yields

- 8.2.1 Dividend yield vs yield-on-cost
- 8.2.2 Growth vs stable GPADs
- 8.2.3 Dividend policy
- 8.2.4 Dividend as a crude valuation metric
- 8.2.5 GPA + D ranking

## 9. Calculating GPAD

### 9.1 Calculating GPA

- 9.1.1 Formula
- 9.1.2 Practice
- 9.1.3 Sustainable Gross Profitability

### 9.2 Calculating Payout Ratio

- 9.2.1 Formula
- 9.2.2 Practice
- 9.2.3 Accrual accounting system
- 9.2.4 Accrual anomaly

### 9.3 Calculating Free Cash Flow Payout Ratio

- 9.3.1 Formula
- 9.3.2 Understanding capital expenditures
- 9.3.3 Practice

### 9.4 Calculating Intrinsic Value

- 9.4.1 Formula and components

### 9.4.2 Practice

## 10. Qualitative analysis for GPAD stocks

- 10.1 Step 1 - Check for changes
- 10.2 Step 2 – Analyze the business
  - 10.2.1 Frameworks
  - 10.2.2 Porter’s Five Forces
  - 10.2.3 Morningstar MOAT
  - 10.2.4 BCG Growth-share matrix
  - 10.2.5 Peter Lynch’s classification
  - 10.2.6 Growth analysis
  - 10.2.7 Competitive analysis
- 10.3 Step 3 – Management analysis
  - 10.3.1 Corporate structure
  - 10.3.2 Capital allocation

## 11. Selling GPAD Stocks

- 11.1 Monitoring
- 11.2 When to sell
- 11.3 Summary of the GPAD Strategy
- 11.4 CNAV vs GPAD

**Closed Book Assessment: MCQ (70% passing score)**

## Course Fees & Funding

For training programmes commencing between 1 July 2022 and 31 December 2022 (both date inclusive):

- 70% of direct training cost
- Singapore Citizens aged 40 years old and above will be eligible for 90% co-funding of direct training costs
- Registrants have to be physically based in Singapore

With effect from 3 October 2022, GST funding support will no longer be applicable for all courses.

### For Singapore Citizen

Course Fees (S\$)	40 years old & above	Below 40 years old
	Fees after 90% IBF-STC	Fees after 70% IBF-STC
	Self-sponsored and Company-sponsored individuals	Self-sponsored and Company-sponsored individuals
<b>S\$1,800.00 (inclusive of GST)</b>	<b>S\$285.98 *</b>	<b>S\$622.43 *</b>

## For Permanent Resident

Course Fees (S\$)	Fees after 70% IBF-STS
	Self-sponsored and Company-sponsored individuals
S\$1,800.00 (inclusive of GST)	S\$622.43 *

Eligible company-sponsored and self-sponsored individuals will be required to pay course fees net of enhanced course fee subsidies, subject to the prevailing grant cap.

***\*The IBF-STS Enhanced Funding Scheme is eligible for Singapore Citizens or Singapore Permanent Residents that are physically based in Singapore; and are only applicable when you have successfully completed the course and passed the assessment. You will not be eligible for the course fee subsidy if you drop out halfway through the course or did not pass your assessment. SGX Academy is entitled to claw back the course fee subsidy from you.***

### Trainer's Profile

Alvin Chow is the CEO of Dr Wealth, a financial education company that aims to level up the financial literacy of individuals via courses, articles and videos. He graduated with an Engineering degree from Nanyang Technological University (NTU) and was a Singapore Armed Forces (SAF) Academic Training Award holder. After serving the SAF for 6 years, he co-founded Dr Wealth to pursue his interest in investing.

He has been investing and writing publicly about the financial markets since 2007 and has trained over 5,000 individuals over the span of 7 years. He has also been invited to speak at events organised by SGX, SharesInvestor and more, and appeared in major media outlets such as ChannelNewsAsia and MoneyFM 89.3. Besides conducting training at Dr Wealth, he is also an SGX Academy trainer and does pro bono talks to employees in corporations and schools in his own capacity.

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## About IBF Certification:

This course addresses the following Technical Skills and Competencies (TSCs) and proficiency level:

- **Financial Analysis (Proficiency Level 4)**

Participants are encouraged to access the [IBF MySkills Portfolio](#) to track their training progress and skills acquisition against the Skills Framework for Financial Services. You can apply for IBF Certification after fulfilling the required number of Technical Skills and Competencies (TSCs) for the selected job role.

Find out more about IBF certification and the application process on

<https://www.ibf.org.sg/certification/Pages/Why-be-Certified.aspx>



## Terms and Conditions

All seminar/course registrations must be received by SGX Academy Secretariat by the published closing date. Singapore Exchange reserves the right to make changes to the time, date, syllabus, speakers, and venue or cancel the course if warranted by circumstances beyond its control.

Cancellation of a registration must be made in writing at least 10 business days before the event and a refund (net of administrative fee) will be made. No refunds will be given for cancellations received less than 10 business days.



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For more information, please refer to <https://www2.sgx.com/terms-use#SGX%20Privacy%20Policy>.