

## COURSE OUTLINE:

# Moody's Analytics High Yield Masterclass

3 days  
24 CPE Credits

## Overview

More than half of global bonds are high yield, and the market – although cyclical – has been growing proportionately since inception. Moody's Analytics High Yield Masterclass provides practical yet detailed insight into this increasingly important asset class. The seminar will cover global high yield with a focus on Europe, and will address the following questions: Who are the borrowers & investors? Who are the middlemen? How do the markets work? What are the practical, regulatory & legal challenges? How do covenants work? How does an investor choose? And, where is the market headed?

## Learning Objectives

Upon completion of this seminar, delegates will be able to:

- » Understand the "who", "why", and "how much" of how high yield markets work
- » Understand the technical aspects of the high yield market
- » Describe the most important elements of a prospectus
- » Describe the most common high yield structures
- » Understand & describe key issues with high yield covenants & how they work

## Who Should Attend

- » Credit analysts
- » Credit risk managers
- » Fund managers
- » Corporate treasurers
- » Investment bankers
- » Fixed-income professionals
- » Investment grade investors/analysts crossing over to high yield

## Program Level

**Program Level:** Intermediate/advanced

**Prerequisites:** 3-5 years' experience in a banking/corporate finance role.

**Delivery Method:** Group-Live

## Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.nasbaregistry.org](http://www.nasbaregistry.org)

## WHY MOODY'S ANALYTICS?

### Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

### Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

### Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

# Moody's High Yield Masterclass – Agenda

## HIGH YIELD MARKETS

### Session 1: Scale & Composition of Market

- » Global markets
- » US High Yield market
- » European High yield
- » Emerging markets
- » Current trends

### Session 2: Registration & Listing

- » SEC, 144A & REG S
- » The exchanges: NYSE, Luxembourg, Dublin
- » Euroclear, DTC
- » Bond Trustees: what they do & what they don't do
- » Registered vs Bearer bonds

### Session 3: Issuance & Market Participants

- » Issuers: private vs public
- » Investors: chasing yield?
- » Ratings agencies
- » Bankers and advisors
- » Industry Associations (AFME, EHYA etc)
- » Timeline
- » Roadshow
- » Conflicts of Interest
- » Pricing, pulling an issue

## HIGH YIELD STRUCTURING & RATING

### Session 4: Subordination, Security & Guarantees

- » Subordination: Right of payment
- » Subordination: Security
- » Creating a pari passu relationship with guarantees
- » Guarantees & legal jurisdictions

### Session 5: High Yield Bond Types

- » Senior, subordinated, secured
- » First lien, 2nd lien US & Europe, FRNs
- » PIK
- » Private Placements
- » Hybrid Instruments

### Session 6: High Yield Structures

- » Bond structures with Super senior vs traditional loan structures
- » RCF/Bond Pari passu structures
- » Restructuring basics
- » Distressed exchanges

### Session 7: Moody's Investors Service Rating Process for HY Credits

- » Corporate Family Ratings (“CFRs”)
- » Speculative Grade Liquidity Ratings
- » LGDs, PDRs and Notching
- » Covenant Quality Assessment overview

## Moody's High Yield Masterclass – Agenda (Cont...)

### HY COVENANTS & DOCUMENTATION

Most High Yield bonds are documented under New York law. This module will focus on the typical covenants you would expect to find in a NY law prospectus, including a “walk through” showing the most important elements of the prospectus to focus on.

#### Session 8: Restricting Cash Leakage

- » Restricted payments: general & specific baskets
- » Transactions with affiliates
- » Designation of restricted/unrestricted subsidiaries
- » Management discretion in determining non-cash value
- » Excluded contributions

#### Session 9: Limiting Leverage

- » Leverage test and EBITDA add-backs
- » Carve-outs & definitions
- » Debt reclassification
- » Mergers

#### Session 10: Controlling Subordination

- » Permitted liens and collateral liens
- » Ordinary course vs exceptions
- » Relationship with leverage
- » Anti-layering
- » Limitation on dividend stoppers
- » LMA intercreditor agreements
- » Super senior tranches
- » US intercreditor agreements

#### Session 11: Change of Control & other Protective Clauses

- » Change of control & portability clauses
- » Investing in risky assets - change of business
- » Sale of “all or substantially all” assets
- » Mergers and weak protection
- » Payments for consent
- » Call structures
- » Suspension: Removal and reinstatement of HY covenants on upgrade to investment grade

### Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

### Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

### Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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