

Special Discounts For Institutional Investors

10th Annual Meeting

# Global Derivatives & Risk Management 2004

Nobel Laureate

Special Guest Address



Robert Engle, NYU STERN SCHOOL OF BUSINESS & NOBEL LAUREATE

## Cutting-Edge Innovations In Derivatives Pricing, Hedging, Trading & Portfolio Management For Investment & Commercial Banks, Fund Managers, Hedge Funds & Institutional Investors

Plus!

Over 100+ Speakers Including:

- Goldman Sachs
- Renaissance Technologies
- Royal Bank of Scotland
- Merrill Lynch
- Deutsche Bank
- BNP Paribas
- JPMorgan Chase
- DrKW
- Pioneer Alternative Investments
- Abbey
- NYU Stern School of Business
- UBS
- Societe Generale
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- University of Toronto
- HSBC
- Clinton Group
- Optioncity.net
- Laurel Ridge Asset Management
- Citigroup
- Mako Investment Managers
- JD Capital Management
- Uniqa Alternative Investments
- Olsen
- CONSOB
- WestLB
- Bloomberg
- Moody's KMV
- Willowbridge Associates
- Freddie Mac
- Credit Suisse First Boston
- Alexandra Investment Management
- Azimuth Trust
- Numerix
- Goldman Sachs Asset Management
- Deutsche Asset Management
- Winton Capital
- MIT Sloan
- Empirica Capital
- MathConsult
- FX-Concepts
- ABN Amro
- Nomura
- Morley Fund Management
- Summit Systems
- Bank of America
- London Business School
- ING Bank Nv
- Allianz Hedge Fund Partners
- OMERS
- CDC Ixis Capital Markets
- Yale University
- Credit Agricole Indosuez
- Koch Supply & Trading
- Columbia University
- RBC Capital Markets
- Nordea Markets
- Morgan Stanley
- PI Asset Management
- Bear Stearns
- Barclays Capital

Plus!

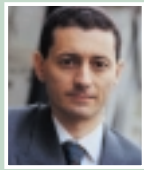
Don't Miss Presentations From These Renowned Global Financial Minds



Peter Carr, Head of Quantitative Research BLOOMBERG



John Hull, Professor of Derivatives & Risk Management UNIVERSITY OF TORONTO



Riccardo Rebonato, Head of Group Market Risk ROYAL BANK OF SCOTLAND



Emanuel Derman, Professor of Finance COLUMBIA UNIVERSITY



Nassim Taleb, Founder EMPIRICA CAPITAL



Robert Shiller, Professor of Economics YALE UNIVERSITY



Bill Fung, Visiting Professor LONDON BUSINESS SCHOOL

Plus!

Expert Insights From These Leading Derivatives Practitioners



Rajeev Misra, Global Head of Credit Trading DEUTSCHE BANK



Andrew Harmstone, Head of European Derivatives & Quantitative Research LEHMAN BROTHERS



Rick Shypit, Executive Director MORGAN STANLEY



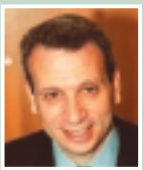
Martin St-Pierre, Global Head of Structured Credit Derivatives Trading BEAR STEARNS



Jim Gatheral, Head of Quantitative Analysis MERRILL LYNCH



Marek Musiela, Global Head of Fixed Income Research & Strategies Team BNP PARIBAS



Steve Ross, Professor of Finance & Economics MIT SLOAN

Plus!

Don't Miss Cutting-Edge Insights From Over 100 Leading Global Academics And Derivatives Practitioners Including:

- Andrew Matytsin, Principal, RENAISSANCE TECHNOLOGIES
- Steve Ross, Professor of Finance & Economics, MIT SLOAN
- John Zhao, Senior Trader, CLINTON GROUP
- Olivier Ledit, Hd of Statistical Arbitrage, Global Equity Proprietary Trading Group, CREDIT SUISSE FIRST BOSTON
- Mark Broadie, Prof. of Business, COLUMBIA GRADUATE SCHOOL OF BUSINESS
- Espen Haug, Proprietary Derivatives Trader, JPMORGAN CHASE
- Joaquim de-Lima, Global Hd of Equity Derivatives Research, HSBC
- Marcus Overhaus, MD, Global Hd of Quantitative Research, DEUTSCHE BANK
- Lorenzo Bergomi, Hd of Derivatives Research, SOCIETE GENERALE
- Reza Hadizad, Fund Manager, Global Equity Arbitrage Fund, PIONEER ALTERNATIVE INVESTMENTS
- Larry Abele, MD, Quantitative Strategies & Portfolio Engineering, DEUTSCHE ASSET MANAGEMENT
- Greg Merchant, MD, Hd of European Derivatives Analytics, DEUTSCHE BANK
- Javier Martin-Artajo, Global Hd of Credit Derivatives Trading & Hd of Quantitative Research, DRESDNER KLEINWORT WASSERSTEIN
- Dilip Madan, Finance Prof., UNIVERSITY OF MARYLAND
- David Modest, MD, Chief Risk Officer, AZIMUTH TRUST
- Philipp Schönbucher, Assistant Prof., ETH ZURICH
- Frances Cowell, Hd of Derivatives Risk Management, MORLEY FUND MANAGEMENT
- Rick Shypit, Executive Director, MORGAN STANLEY
- Eric Reiner, MD, Group Market Risk, UBS
- David Modest, MD & Chief Risk Officer, AZIMUTH TRUST
- Stéphane Kourganoff, Global Hd. Fixed Income Derivatives Trading, CDC IXIS CAPITAL MARKETS
- Jesper Andreasen, Hd of Product Development, NORDEA MARKETS
- Ed Dunne, MD, WILLOWBRIDGE ASSOCIATES

Plus!

A NEW Dual-Streamed Trading Strategies Summit Examining: 'Quantitative, Relative Value, & Proprietary Trading Strategies For Hedge Funds, Investment Banks And Asset Managers'

Plus!

Don't Miss Four Intensive Masterclass Sessions With Leading Industry Gurus

New Volatility and Correlation Models for Financial Risk Assessment and Derivatives Pricing Led by Robert Engle, NYU Stern School Of Business

Recent Developments In The Valuation Of Credit Derivatives Led by Professor John Hull, University of Toronto

Advanced Explorations Into Interest Rate Derivatives Led By: Leif Andersen, Bank of America Jesper Andreasen, Nordea Markets Mark Broadie, Columbia Graduate School of Business

Pricing, Hedging & Trading The Latest Volatility Products Led By: Steven Heston University of Maryland

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NH Eurobuilding Hotel, Madrid  
Main Conference:  
26th & 27th May 2004  
Trading Summit: 25th May 2004  
Workshop Sessions:  
25th & 28th May 2004

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<b>GLOBAL DERIVATIVES TRADING SUMMIT</b> The Latest Innovations In Quantitative, Relative Value, & Proprietary Trading Strategies For Hedge Funds, Investment Banks, And Asset Managers	
Registration & Coffee	
Chairman's Opening Welcome	
<b>Brand New Hedge Fund Trading Research</b> On The Nonlinear, Option-Liked Performance Of Hedge Fund Strategies: An Empirical Characterization <b>Bill Fung, Co-CEO, PI ASSET MANAGEMENT &amp; Visiting Professor, LONDON BUSINESS SCHOOL</b>	
Proprietary Trading And Market Liquidity <b>Andrew Matytsin, Principal, RENAISSANCE TECHNOLOGIES</b>	
Morning Coffee	
<b>ADVANCED CREDIT TRADING</b>	<b>HEDGE FUND TRADING STRATEGIES</b>
Hedging Correlation Swaps <b>Rajeev Misra, DEUTSCHE BANK</b>	Exploring The Sources Of Alpha And Risk In Alternatives Investing <b>David Modest, AZIMUTH TRUST</b>
In Search Of Correlation: Evaluating The Latest Research On Modelling, Distribution And Correlation In CDO Equity <b>Peter Rappoport, JP MORGAN</b>	Trimming Fat Tails: Using Risk Arbitrage And Equity Derivatives To Enhance Portfolio Returns <b>Reza Hadizad, PIONEER ALTERNATIVE INVESTMENTS</b>
Lunch	
<b>VOLATILITY TRADING</b>	Examining The Sharpe Ratio And Sortino Ratio As Successful Measures Of Investment Quality And Identifying The Optimum Method Of Measuring Investment Performance <b>David Harding, WINTON CAPITAL MANAGEMENT</b>
Successfully Trading, Pricing & Hedging Volatility And Variance Swaps <b>Nathaniel Newlin, LAUREL RIDGE ASSET MANAGEMENT</b>	
Assessing Volatility Arbitrage As A Key Successful Strategy <b>Robert Hanna, MAKO INVESTMENT MANAGERS</b>	Evaluating The Heterogenous Derivatives Contract Versus The Modern Political Environment <b>Edward Dunne, WILLOWBIRDGE ASSOCIATES</b>
Honey, I Shrank The Sample Covariance Matrix! : Innovations In Measuring Correlations To Increase The Sharpe Ratio Of Trading Strategies With Large Numbers Of Stocks <b>Olivier Ledoit, CREDIT SUISSE FIRST BOSTON</b>	Identifying Optimal Strategies For Hedging Credit In A Volatility Driven Convertible Arbitrage Space <b>Andrew Pernambuco, ALEXANDRA INVESTMENT MANAGEMENT</b>
Afternoon Tea	
Innovations In Optimizing Quantitative Trading: Are Intraday Options The Next Big Innovation In Derivatives Trading? <b>Richard Olsen, OLSEN LTD</b>	How To Construct Fund-Of-Funds Portfolios And Structured Products Using A Robust Quantitative Framework <b>Bernard Lee, IMPERIAL COLLEGE LONDON</b>
SPECIAL EXTENDED SESSION	New Research: Filtered Return Processes, Asset Allocation and Derivative Investment <b>Dilip Madan, UNIVERSITY OF MARYLAND</b>
	How To Screen Single Hedge Funds Based On Statistical Techniques That Go Beyond Linear Regression And Correlation <b>Youngju Lee, AILLIANZ HEDGE FUND PARTNERS</b>
	Understanding Managed Futures And The Value Of Divergent Trading <b>Mark Rzczyński, JW HENRY</b>
End Of Summit	

Registration & Coffee			
Chairman's Opening Welcome:			
The New Financial Order: Risk In The 21st Century <b>Robert Shiller, Professor of Economics, YALE UNIVERSITY</b>			<b>SPECIAL KEYNOTE ADDRESS</b>
<b>GLOBAL DERIVATIVES 2004 HALL OF FAME ROUNDTABLE</b> <b>Robert Engle, Professor of Finance, NYU STERN SCHOOL OF BUSINESS</b> <b>John Hull, Professor of Derivatives &amp; Risk Management, UNIVERSITY OF TORONTO</b> <b>Nassim Taleb, Founder, EMPIRICA CAPITAL</b> <b>Robert Shiller, Professor of Economics, YALE UNIVERSITY</b> <b>Steve Ross, Professor of Finance &amp; Economics, MIT SLOAN SCHOOL OF MANAGEMENT</b>			
<b>TALKING TRADING PANEL</b> <b>Rajeev Misra, Global Head of Credit Trading, DEUTSCHE BANK</b> <b>Lawrence Barwick, Head of Global Proprietary Trading, BANK OF AMERICA</b> <b>Bill Fung, Co-CEO, PI ASSET MANAGEMENT &amp; Visiting Professor, LONDON BUSINESS SCHOOL</b>			
Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
<b>Stream A GLOBAL DERIVATIVES 2004 TRADER FORUM</b>	<b>Stream B THE LATEST INNOVATIONS IN CREDIT RISK MODELLING</b>	<b>Stream C HEDGE FUND TRADING STRATEGIES</b>	<b>Stream D ADVANCED EQUITY DERIVATIVES PRICING &amp; HEDGING</b>
<b>TRADER ROUNDTABLE</b> Examining Key Strategies For Trading Exotic Derivatives Under Tight Risk Constraints <b>Javier Martin-Artajo, DRKW</b> <b>Nasir Afaf, ING</b> <b>Stephane Kourganoff, CDC IXIS</b> <b>Dariusz Mirfendereski, BARCLAYS CAPITAL</b>	SPECIAL EXTENDED SESSION Valuing CDO Tranches Without Monte Carlo Simulation <b>John Hull, UNIVERSITY OF TORONTO</b>	Compensation And Risk Control: The Impact Of Compensation Incentives On Risk Taking Behaviour <b>Steve Ross, MIT SLOAN SCHOOL OF MANAGEMENT</b>	Modelling Stock Price Dynamics In The Presence Of Default: Calibration & Convertible Bond Pricing Linking Equity & Credit Markets <b>Rick Shypit, MORGAN STANLEY</b>
<b>INNOVATIONS IN INTEREST RATE TRADING</b>		Talking Volatility Trading In Today's Dynamic Marketplace: Examining New Products And New Horizons <b>Pav Sethi, JD CAPITAL MANAGEMENT</b>	Valuing & Hedging Volatility Derivatives <b>Jim Gatheral, MERRILL LYNCH</b>
Overcoming The Practical Modelling Challenges To Accurately Pricing & Trading Inflation-Linked Swaps <b>Alex Puaca, AFA DART</b>	Hedging When Perfect Replication Is Not Possible: Evaluating The Hedging Performance Of Complex Credit Derivatives Models In Practice <b>Riccardo Rebonato, ROYAL BANK OF SCOTLAND</b>	Assessing The Latest Innovations In Pricing Mortgage Backed Securities & The Key Hedging Implications <b>Nazir Dossani, FREDDIE MAC</b>	The Characteristic Curve Approach to Arbitrage-Free Time Interpolation of Volatility <b>Eric Reiner, UBS</b>
Lunch & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
Assessing The Latest Practical Methods For Reducing Trading Costs And Implementing Best Execution Strategies For Enhanced Client Benefit <b>Harish Neelakandan, FX CONCEPTS</b>	Examining Fast Monte Carlo Methods For Accurate Estimation Of Tail Probabilities And Risk Measures For Portfolio Credit Risk <b>Paul Glasserman, COLUMBIA GRADUATE SCHOOL OF BUSINESS</b>	Negative Probabilities And Other Non-Conventional Ideas Applied In Finance <b>Espen Haug, JP MORGAN CHASE</b>	Hedging With Options In The Presence Of Jumps And Stochastic Volatility <b>Peter Carr, BLOOMBERG LP</b>
<b>TRADING VOLATILITY</b> New Advances In Volatility Trading: Designing & Implementing A Fast Three Factor Model For Enhanced Modelling Of Correlation Products <b>Silverio Foresi, GOLDMAN SACHS ASSET MANAGEMENT</b>	Evaluating Advanced Pricing & Hedging Of Single and Portfolios Of CDO Tranches <b>David Li, CITIGROUP</b> <b>David Shelton, CITIGROUP</b>	<b>Panel Discussion</b> Exploring Successful Quantitative Strategies For Arbitraging Volatility Against Volatility & Determining Whether There Is A Perfect Hedge <b>Espen Haug, JP MORGAN CHASE</b> <b>John Zhao, CLINTON GROUP</b> <b>Joe Zou, GOLDMAN SACHS</b>	Implementing A Jump-Diffusion Model For Exotic Equity Products <b>Jesper Andreasen, NORDEA MARKETS</b>
Examining The Practical Challenges Of Volatility Trading In Commodities: Assessing Peculiarities Of Option Pricing And Hedging In Petroleum Markets <b>Ilia Bouchouev, KOCH SUPPLY &amp; TRADING</b>	Variance Reduction For Prices And Greeks Of Basket Default Swaps And Synthetic CDOs In The Li Model <b>Mark Joshi, ROYAL BANK OF SCOTLAND</b>	<b>PRODUCT INNOVATIONS &amp; MODELLING</b> New Work On Modelling FX/IR Hybrids <b>Phil Hunt, WESTLB</b>	Calibration And Comparison Of Stochastic Volatility And Other Advanced Volatility Models <b>Curt Randall, SCICOMP</b> <b>Jim Gatheral, MERRILL LYNCH</b> <b>Vladimir Lucic, TD SECURITIES</b>
Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
Market-Making Versus Relative Value Trading: How Much Do We Let A Model Tell Us? <b>Mike De Vegvar, UBS</b>	Examining Archimedean Copulas And Antichain In Credit Portfolios <b>Javier Martin-Artajo, DRKW</b>	<b>PRODUCT PANEL:</b> Risk Managing Innovative Financial Products Chair: <b>Dongning Qu, ABBEY</b> <b>Frances Cowell, MORLEY FUND MANAGEMENT</b> <b>Andrew Brogden, ABBEY</b> <b>Joe Zou, GOLDMAN SACHS</b>	Examining Two Sided Barrier/Exit Problems With Jumps <b>Alan Lewis, OPTIONCITY.NET</b>
<b>VOLATILITY MODELLING</b>	<b>OPTIMUM PORTFOLIO MANAGEMENT USING DERIVATIVES</b>	Innovations In High-End Numerical Techniques For The Pricing Of Derivative And Structured Financial Instruments <b>Andreas Binder, MATHCONSULT</b>	Exploring The Latest Practical Techniques For Pricing The Forward Skew In Chiquet Options & Determining The Optimal Hedging Strategy
Understanding Volatility As An Asset Class <b>Andrew Harmstone, LEHMAN BROTHERS</b>	A Quantitative Approach To Detect Market Abuses: The Surveillance Automatic Integrated System (Sais) <b>Marcello Minenna, CONSOB</b>	<b>INVESTOR PERSPECTIVE</b> Examining The Optimal Use Of Market Models In Practical Hedging <b>Stephen Dodds, BARCLAYS CAPITAL</b>	Talking Exotics: Examining New Innovations In Pricing (& Mis-pricing), Hedging, & Trading The Latest Generation Of Exotic Equity Derivative Products <b>Andrew Harmstone, LEHMAN BROTHERS</b> <b>David Samuel, RBOS</b> <b>Lorenzo Bergomi, SG</b>
The Econometrics Of Non-Gaussian Stochastic Volatility Models <b>Alireza Javaheri, RBC CAPITAL MARKETS</b>	Evaluating The Use Of Derivatives In Trading & Investment Portfolios: Can Investors Implement Responsible Derivative Programs That Suit And Protect Their Investments <b>Larry Abele, DEUTSCHE ASSET MANAGEMENT</b> <b>Robert Forthringham, OMERS</b> <b>Frances Cowell, MORLEY FUND MANAGEMENT</b>		
<b>Champagne Round Tables</b> These are a chance to discuss the latest issues with leading experts over a glass of champagne. Space is limited, so please sign up at the Registration desk from Morning Coffee			
Gala Cocktail Party			



**"This Is The Must Attend Event - Global Derivatives Showcases The Latest Cutting-edge Research & Thinking From The Leaders In Global Finance"**

John Hull,  
Professor of Derivatives & Risk Management  
UNIVERSITY OF TORONTO

**THURSDAY 27TH MAY 2004  
MAIN CONFERENCE DAY THREE**

08.30	Coffee & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
09.00	Chairman's Opening Welcome			
09.10	Quantitative Finance: How We Got Here, Where We're Going <b>Emanuel Derman, Professor, COLUMBIA UNIVERSITY</b>			
09.45	On The Cognitive Aspects Of The Preference For Negative Skewness <b>Nassim Taleb, Founder, EMPIRICA CAPITAL</b>			
10.20	<b>Global Derivatives Financial Minds Panel</b> Exploring Trends & Developments In Volatility & Correlation <b>Emanuel Derman, Professor, COLUMBIA UNIVERSITY</b> <b>Jim Gatheral, Head Of Quantitative Analysis, MERRILL LYNCH</b> <b>Riccardo Rebonato, Head Of Group Market Risk ROYAL BANK OF SCOTLAND</b> <b>Peter Carr, Head Of Quantitative Research, BLOOMBERG LP &amp; Director Of Math Finance, COURANT INSTITUTE NYU</b> <b>Greg Merchant, Managing Director, Head Of European Derivatives Analytics, DEUTSCHE BANK</b>			
11.00	Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
	Stream A <b>INNOVATIONS IN VOLATILITY TRADING</b>	Stream B <b>ENHANCED PRICING &amp; HEDGING &amp; TRADING CREDIT DERIVATIVES &amp; CDOs</b>	Stream C <b>HYBRID MODELLING &amp; PRICING INNOVATIONS</b>	Stream D <b>THE LATEST INNOVATIONS IN INTEREST RATE MODELLING</b>
11.30	Option Valuation With Conditional Skewness <b>Steven Heston, UNIVERSITY OF MARYLAND</b>	Overcoming The Challenges Of Calibrating & Fitting The Smile For More Accurate Pricing Of Exotic Hybrid Equity-Credit Products <b>Marcus Overhaus, DEUTSCHE BANK</b>	Reusing Interest Rate Models For Better & Faster Hybrid Pricing <b>Tom Hyer, UBS</b>	Mathematical, Empirical And Practical Issues With Volatility Modelling <b>Marek Musiela, BNP PARIBAS</b>
12.35	<b>NOBEL LAUREATE</b> Measuring The Value Of Dynamic Correlations For Asset Allocation <b>Robert Engle, NYU STERN SCHOOL OF BUSINESS</b>	Modelling Default Contagion And Hedging Basket And Portfolio Credit Derivatives <b>Philipp Schönbucher, ETH ZURICH</b>	Linked Bond Successfully Synthesising A Euro Inflation Using A Combination Of Credit & Inflation-Linked Derivatives <b>Rashid Zuberi, DEUTSCHE BANK</b>	<b>NEW RESEARCH</b> New Empirical And Computational Results In The Relative Importance Of Jumps In Returns, In Stochastic Volatility And In Volatility <b>Mark Broadie, COLUMBIA GRADUATE SCHOOL OF BUSINESS</b>
13.10	Lunch & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
14.30	Assessing How The Current Generation Of Exotic Models Combine With Trading Reality <b>Nick Nassuphis, CREDIT SUISSE FIRST BOSTON</b>	Evaluating The Benefits & Limitations Of Using Monte Carlo Simulation To Measure & Manage Risk Exposure In CDOs Of CDOs & Determining The Future Modelling Challenges <b>David Beaglehole, DEUTSCHE BANK</b>	Theory And Calibration Of Lognormal Swap Market Models And Smile-Consistent Generalisations <b>Stefano Galluccio, BNP PARIBAS</b>	Evaluating An Interest Rate Modelling Framework In Discrete Rolling Spot Measure <b>Alexandre Antonov, NUMERIX</b>
15.05	Pricing Options On Realized Volatility And Variance – Evaluating A New Pricing / Hedging Methodology <b>Zhenyu Duanmu, MERRILL LYNCH</b>	Examining Key Strategies For The Optimum Valuation Of Synthetic CDOs And Successfully Hedging The Positions <b>Martin St-Pierre, BEAR STEARNS</b>	Explorations Into The Co-Movement Of Rates & Equities <b>Piotr Karasinski, CITIGROUP</b>	Examining An Effective Volatility Technique For Stochastic Volatility BGM <b>Philippe Balland, MERRILL LYNCH</b>
15.40	Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange			
16.00	<b>INNOVATIONS IN VOLATILITY PRICING &amp; MODELLING</b> New Work On Pricing Options On Realised Variants <b>Dilip Madan, UNIVERSITY OF MARYLAND</b>	Examining Key Developments In Accurately Estimating Correlations & Volatilities Of Credit Spreads For The Valuation Of CDO Tranches <b>Loic Fery, CREDIT AGRICOLE INDOSUEZ</b>	<b>ADVANCED EQUITY DERIVATIVES PRICING, HEDGING &amp; TRADING</b> Assessing The Suitability Of The Current Generation Of Models For Pricing Equity Default Swaps <b>Joaquim de-Lima, HSBC</b>	The 'Numéraire Alignment' Optimisation Of BGM Model <b>Emmanuel Fruchard, SUMMIT SYSTEMS</b>
16.35	Understanding And Implementing Volatility And Correlation Arbitrages <b>Bruno Dupire, BLOOMBERG LP</b>	Variance Minimization Versus Spread pv01 <b>Ali Hirsu, MORGAN STANLEY</b>	Developing A Consistent Approach For Handling The Forward Smile <b>Chrif Yousiffi, DRKW</b>	<b>BRAND NEW RESEARCH</b> Innovations In Using The Framework Of Stochastic Volatility, Local Volatility And Correlation Structures As Powerful Tools In The Analysis Of Compound Options And Financial Product Innovations <b>Ken Yan, NOMURA</b>
17.05	Assessing Volatility Model Robustness <b>Paul Wilmott, WILMOTT ASSOCIATES &amp; Erwin Simons, ING BANK</b>	Accurately Estimating Credit Spreads From Option Prices	The Latest Innovations In Pricing & Hedging Cliquets, Forward Starts & Other Exotic Equity Derivatives	International Models For Interest Rates And Foreign Exchange: A General Framework For The Unification Of Interest Rate Dynamics And Stochastic Volatility Modelling <b>Lane Hughston, KINGS COLLEGE LONDON</b>
17.40	Evaluating The Different Modelling Approaches For Pricing The Skew Of Corridor Products And The Latest Techniques For Successfully Managing Forward Volatility	Simulation Of CDOs And CDO2s <b>Volkman Kurtas, UNIQA ALTERNATIVE INVESTMENTS &amp; William Morokoff, MOODYS KMV</b>	Assessing The Latest Models For Accurately Calculating And Valuing Dividend Risk In Structured Equity Products	Examining The Markov Functional Model Under Smile <b>Dongning Ou, ABBEY</b>
18.15	Conference Ends			

**"A uniquely comprehensive event - the best of its kind in Europe"**  
**Peter Carr, Bloomberg**

**TUESDAY 25TH MAY 2004  
PRE-CONFERENCE WORKSHOP**

09.00	<b>RECENT DEVELOPMENTS IN THE VALUATION OF CREDIT DERIVATIVES</b>  Led By <b>John Hull</b> University of Toronto see p4
17.00	

**FRIDAY 28TH MAY 2004  
POST-CONFERENCE WORKSHOP**

09.00	<b>NEW VOLATILITY AND CORRELATION MODELS FOR FINANCIAL RISK ASSESSMENT AND DERIVATIVES PRICING</b>  Led By <b>Robert Engle</b> NYU Stern School of Business see p4
17.00	

09.00	<b>INTEREST RATE DERIVATIVES: ADVANCED EXPLORATIONS INTO MODELS THAT WORK AT WORK</b>  Led By <b>Leif Andersen, Bank of America</b> <b>Jesper Andreasen, Nordea Markets</b> <b>Mark Broadie, Columbia Graduate School of Business</b> see p5
17.00	

09.00	<b>Advanced Theoretical Methods &amp; Practical Innovations For PRICING, HEDGING &amp; TRADING THE LATEST VOLATILITY PRODUCTS</b>  Led By <b>Steven Heston</b> University of Maryland see p5
17.00	

**Global Derivatives & Risk Management 2004 Advisory Board**

*The advisory board provided insightful feedback, comments and advice in the 2004 programme development*

- **Peter Carr, Head Of Quantitative Research, BLOOMBERG**
- **John Hull, Professor Of Derivatives & Risk Management, UNIVERSITY OF TORONTO**
- **Riccardo Rebonato, Head Of Group Market Risk, ROYAL BANK OF SCOTLAND**
- **Emanuel Derman, Professor Of Finance, COLUMBIA UNIVERSITY**
- **Nassim Taleb, Founder, EMPIRICA CAPITAL**
- **Jim Gatheral, Head Of Quantitative Analysis, MERRILL LYNCH**
- **Marek Musiela, Global Head Of Fixed Income Research & Strategies Team, BNP PARIBAS**
- **Steve Ross, Professor Of Finance, MIT SLOAN SCHOOL OF MANAGEMENT**
- **Steven Heston, Assistant Professor, UNIVERSITY OF MARYLAND**
- **Bruno Dupire, Quantitative Research, BLOOMBERG**
- **Alex Lipton, Director, Quantitative Research, CITADEL INVESTMENT GROUP, LLC**
- **Mark Broadie, Professor Of Business, COLUMBIA GRADUATE SCHOOL OF BUSINESS**
- **Marco Avellaneda, Professor Of Mathematics, COURANT INSTITUTE & Head Volatility Arbitrage Strategies, CAPITAL FUND MANAGEMENT**

Tuesday  
25 May 2004

Brand New  
Research

# Recent Developments In The Valuation Of Credit Derivatives



Led by:

**Professor John Hull, University of Toronto**

## Seminar Outline

This seminar focuses on the recent innovations in the pricing of credit derivatives. It covers credit default swaps, copula models, methods for valuing Nth-to-default swaps, synthetic CDOs, and CDS options. John Hull is well known for his applied research and his clear presentational style. His popular book "Options, Futures, and Other Derivatives," is now in its fifth edition.

## Understanding Credit Default Swaps

- Understanding how Credit default swaps work
- Exploring Variations of the standard deal
- Evaluating Valuation and recovery rate assumptions
- Examining the key alternative approaches to estimating default probabilities
- Risk-neutral vs real world probabilities

## Reviewing The Modelling Of Default Correlation

- Alternative ways of measuring default correlation
- Examining the relationship between correlation measures
- Survival time distributions
- Exploring the use of copulas
- Assessing Factor models and how to use them
- The generalized multifactor copula model

## New Research On kth to Default CDSs and CDOs

- How to value 1st, 2nd, ..., Nth to default deals
- Implementing the factor-based copula model without Monte Carlo simulation

- Determining the probability distribution of the kth to default.
- How to successfully value CDO tranches
- Assessing Cash CDOs vs synthetic CDOs

## New Research In Options

- Exploring Options on an individual CDS
- Understanding alternative structures
- Conditioning on survival in the analysis
- Analysing Extensions to options on baskets

## Further Thoughts...

- Estimating risk-neutral credit rating transitions to value rating-dependent derivatives
- Do CDS spreads lead ratings?
- Using option volatilities to imply default probabilities

## About Your Masterclass Leader

**John Hull** is the Maple Financial Group Professor of Derivatives and Risk Management in the Joseph L. Rotman School of Management at the University of Toronto. He is an internationally recognized authority on derivatives. Recently his research has focused on interest rate options, credit risk, and market risk. He was, with Alan White, one of the winners of the Nikko-LOR research competition for his work on the Hull-White interest rate model. He has acted as consultant to many North American, Japanese, and European financial institutions. He has written two books: Options, Futures, and Other Derivatives, which is in its fourth edition and Introduction to Futures and Options Markets, which is in its third edition. Both books have been translated into several languages and are widely used in trading rooms throughout the world. Professor Hull is the founder and current director of the Bonham Center for Finance at the Rotman School. He has won many teaching awards and was voted Financial Engineer of the Year by the International Association of Financial Engineers in 1999.

Friday  
28 May 2004

# New Volatility And Correlation Models For Financial Risk Assessment And Derivatives Pricing



Led by:

**Professor Robert Engle, NYU Stern School of Business**

## Seminar Outline

This workshop introduces and develops the latest volatility and correlation models. The workshop will open with the Nobel lecture on the ARCH model and then proceeds to introduce the Dynamic Conditional Correlation or DCC model. In addition, applications to risk management, asset allocation and default correlations will be presented. These applications will feature the advantages of daily updating for long horizon risks.

## Evaluating Risk and Volatility: Econometric Models and Financial Practice

- A Review of Stockholm, December 2003
- Introduction to ARCH Models
- Applications to Risk Management and Options Pricing

## A NEW Model of Correlations: DCC

- Exploring The Family of DCC Models
- Some Empirical Estimates of Global Equity and Bond Correlations

- Introducing & Reviewing A New Model

## Examining Tail Dependence Properties of DCC

- Understanding The Credit Risk Problem
- Importance of Tail Dependence for Risk Measurement
- Providing Empirical Support

## Assessing Monte Carlo Performance and Econometric Estimation

- Evaluating Software & Understanding Its Role
- Assessing The True Performance Results

## Asset Allocation

- Using Asset Allocation as a Test
- Implementing Tests And Evaluating Performance

## About Your Workshop Leader

Professor Robert F. Engle was awarded the 2003 Nobel Prize in Economic Science. Since 2000 he has held the Michael Armellino Professorship in the Management of Financial Services at the New York University Stern School of Business. Engle is an expert in time series analysis with a long-time interest in the analysis of financial markets. His research has produced such innovative statistical methods as ARCH, for which he was awarded the Nobel Prize, and cointegration, a collaboration with Professor Granger that was also cited in the prize. Further important econometric innovations include Band Spectrum Regression, common features, Autoregressive Conditional Duration (ACD), Conditional Autoregressive Value at Risk (CAViAR), and most recently Dynamic Conditional Correlation (DCC). Engle received the prize for his research on the concept of autoregressive conditional heteroskedasticity (ARCH). He developed this method for statistical modeling of time-varying volatility and demonstrated that these techniques accurately capture the properties of many time series. His ARCH models have become indispensable tools not only for researchers, but also for analysts of financial markets, who use them in asset pricing and in evaluating portfolio risk. Engle has published more than 100 academic papers and three books. His interest in financial econometrics covers equities, interest rates, exchange rates and options. Currently he is developing methods to analyze large systems of assets, real time volatility, market microstructure, and extreme market movements.

Friday  
28th May 2004

# Interest Rate Derivatives: Advanced Explorations Into Models That Work At Work

Led by:

**Leif Andersen, Global Co-Head GCIB Quantitative Research, Bank of America**  
**Jesper Andreasen, Head of Product Development, Nordea Markets**  
**Mark Broadie, Professor of Business, Columbia Graduate School of Business**

## Implementation And Calibration Of Short-Rate Models

- Examining basic notation
- Evaluating Classes of short-rate models; existence of reconstitution formulas
- Throw away those trees: finite difference implementations
- Forward, backward, and forward-from-backward induction
- Calibration to forward curve and volatility structure
- Extensions to multiple factors; ADI scheme

## Examining Libor Market Models

- Assessing the basic Libor market model; swap and spot measures
- Cap and swaption pricing formulas
- Understanding Skew extensions
- Introduction to stochastic volatility extensions
- Successful strategies for correlation and volatility calibration

## Assessing Monte Carlo Simulation Of Interest Rate Models

- Understanding the basics

- Discretization of LM model
- Discretization schemes for non-linear SDEs
- Simulation of stochastic volatility models
- Exploring variance reduction techniques

## Pricing Bermudan Swaptions And Other Callables In LM Models

- Evaluating different techniques for doing American options in by Monte Carlo
- Practical upper and lower bound techniques
- Confidence intervals
- Good exercise strategies for Bermudan swaptions; carry considerations
- Exploring some numerical examples

## Implementing Stochastic Volatility Models for European Interest Rate Options

- Using stochastic volatility to explain the smile in interest rate options markets
- Explorations into empirical evidence
- Deciding which stochastic volatility model to choose
- Practical numerical implementation

- The pricing and hedging of CMS options and swaps
- Spread and quanto options

## Markov Yield Curve Models For Exotic Interest Rate Products

- Why Markov yield curve models when you have the multi factor LMM?
- Fact and fiction on factor dependence of exotic interest rate products
- Which Markov yield curve models?
- The Cheyette model and its numerical implementation
- Calibration and consistency with the LMM: Auto correlation and mean reversion
- Pricing Bermudan options and other exotic interest rate products
- Evaluating Stochastic volatility yield curve models

## Exploring Some Tips And Tricks Of The Trade

- Estimating pathwise risk measures and other tricks for accurate risk
- Recursions for Bermudan swaptions and other exotics
- Hedging: Static, dynamic, and mean reversion
- LM models: using Markovian projections as control variates

## About Your Workshop Leaders

### Leif Andersen

Leif holds MSc's in Electrical and Mechanical Engineering for Technical University of Denmark; an MBA from University of California at Berkeley; and a PhD in Finance from Aarhus Business School. He is currently global co-head of the quantitative research group at Banc of America Securities. Before this, Leif spent 9 years at General Re Financial Products, developing and implementing pricing models for derivatives in a variety of financial markets.

### Jesper Andreasen

Jesper Andreasen heads the Product Development Team at Nordea Markets in Copenhagen. The team is responsible for development and implementation of all derivatives models with in Nordea, covering the areas of interest rates, credit, equities, foreign exchange, and hybrid derivatives. Prior to this, Jesper has held positions in the quantitative research departments of General Re Financial Products and Bank of America in London. Jesper's research interest include yield curve models, volatility smiles,

numerical methods, and credit derivatives. In 2001 Jesper received Risk Magazine's Quant of the Year award. Jesper holds a PhD in Mathematical Finance from Aarhus University, Denmark.

### Mark Broadie

Mark Broadie is a professor at the Graduate School of Business at Columbia University. He received a B.S. from Cornell University and Ph.D. from Stanford University. His research focuses on problems in the pricing of derivative securities, risk management, and

portfolio optimization. Much of his research focuses on the design and analysis of efficient Monte Carlo methods for pricing and risk management. Professor Broadie is editor-in-chief of the Journal of Computational Finance and serves as associate editor for Mathematical Finance, Operations Research, and Computational Management Science. He has given seminars and courses worldwide and has done extensive consulting for financial firms. Previously he was a vice president at Lehman Brothers in their fixed-income research group.

Friday  
28th May 2004

# Advanced Theoretical Methods And The Practical Innovations For Pricing, Hedging & Trading The Latest Generation Of Volatility Products

Led By: **Steven Heston, Assistant Professor, University of Maryland**



Don't miss out on this unique opportunity to benefit from the expert insights of one of the most renowned experts in the field of volatility modelling and estimation.

The programme has been specifically designed to fully equip you with the very latest theoretical thinking and state-of-the-art practical techniques for option valuation and hedging.

This full-day course covers all aspects of the critical pricing models, from the conceptual framework to practical implementation, and from fundamental methods to the most recent advances.

**NB – Practical spreadsheet exercises will form a key part of the course and delegates will require a laptop with Excel (including Solvers) installed.**

## Examining The Key Criteria Of Stochastic Volatility Models

- Displaced Diffusion
- Constant Elasticity of Variance
  - Heston 1993
  - Hull and White
- Jump Models
- Exploring The Application To Affine Models Of Interest Rates
- Implementing A Solution By Characteristic Functions (Fourier Inversion)
- Overcoming The Obstacles To Simple Numerical Integration
  - Some Neat Tricks
- Option Valuation With Bubbles

## Practical Spreadsheet Analysis Session

Using characteristic functions (Fourier inversion) to calculate option values for a jump model and for a simple 1-factor Vasicek fixed-income model.

## Innovations In Volatility Estimation & Filtering

This session will address a particularly pressing issue for quants – namely how to estimate continuous-model parameters from discrete data.

- Exploring The Key Features Of GARCH Models
- Practical Option Valuation With A GARCH Model
- The Latest Model Estimation Techniques
- How To Calibrate Parameters To Fit Prices
- Using Discrete Data To Get Continuous-Time Parameters
- Practical Option Hedging Techniques
- Simple Valuation Of Variance Swaps With GARCH

## Practical Spreadsheet Analysis Session

Estimation of standard GARCH and an asymmetric GARCH on a spreadsheet. Converting the discrete GARCH parameters to continuous parameters.

## Successfully Hedging Volatility Risk

- The Risk Premium of Volatility
- Understanding Why Implied Volatility Can Be a Bad Measure of Relative Value
- Understanding The Application To Variance Swaps

## Practical Spreadsheet Analysis Session

Valuation of a variance swap. Using GARCH models to predict future variance and then add up predicted variance over the life of the swap.

## About Your Seminar Leader

A globally renowned figure in financial mathematics, Steven Heston joined University of Maryland in 2002 as an Assistant Professor. Prior to this he was a vice-president in the Quantitative Equities Group at Goldman Sachs. He has also held teaching positions at several American Universities. He is best known for his work in the area of volatility modelling. He was recently in the Risk Magazine 50 "Hall of Fame" members for contribution to risk management.

TRADING SUMMIT – DAY 1

08.30 Registration & Coffee

09.00 On The Nonlinear, Option-Liked Performance Of Hedge Fund Strategies: An Empirical Characterization

- Hedge fund performance is driven by three key variables- the strategies used, the markets to which they are applied and the choice of leverage.
- Extending the existing results
- Proposing a unifying scheme
- Integration of these option-replication models to hedge fund risk factors.

**Bill Fung, Co-CEO, PI ASSET MANAGEMENT & Visiting Professor, LONDON BUSINESS SCHOOL**  
 Bill Fung (Visiting Research Professor) has a PhD in Mathematics from the University of London, and a PhD in Finance from the University of Manchester. Prior to joining the investment banking profession in 1985 with Lehman Brothers, he taught finance for several years in both the United Kingdom and the United States. Bill moved to the investing side of the industry in 1991 and co-founded a hedge fund. During early 1994, he left the hedge fund partnership and founded a consulting firm specializing in the risk management of hedge fund portfolios advising high net worth families, international private banks, foundations, and major insurance companies. In 1997, Bill co-founded PI Asset Management, LLC with Ivy Asset Management, LLC. He also serves on the board of financial services companies and is currently Chairman of the Board of Directors of the Maple Financial Group, Canada.

09.40 Proprietary Trading And Market Liquidity

- The role of hedge fund strategies in liquidity formation
- Valuing liquidity relative to traditional asset types
- Advantages and shortcomings of various market structures from the perspective of a proprietary trader
- Examining how liquidity affects the trading and risk management of derivatives positions

**Andrew Matytsin, Principal, RENAISSANCE TECHNOLOGIES**  
 During his work in finance, Andrew Matytsin has been involved in building models for equity derivatives, credit risk, market making and quantitative proprietary trading. He is currently a principal at Renaissance, one of the largest model-driven hedge fund managers, where he focuses on developing computerized equity trading strategies.

10.20 Morning Coffee

ADVANCED CREDIT TRADING STREAM

10.45 Hedging Correlation Swaps

**Rajeev Misra, Head of Integrated Credit Trading, DEUTSCHE BANK**  
 Rajeev is the Head of Integrated Credit Trading (ICT), in Global Markets. ICT includes the Global Credit Derivatives and the Global Corporate Bond Trading businesses. Prior to Deutsche Bank, Rajeev worked at Merrill Lynch for seven years as a Managing Director responsible for derivatives marketing in Europe and in interest rate swaps trading. Rajeev holds a BS in Mechanical Engineering and a MS in Computer Science from the University of Pennsylvania, Philadelphia. He also holds an MBA from the Sloan School of Management, MIT.

11.25 In Search Of Correlation: Evaluating The Latest Research On Modelling, Distribution And Correlation In CDO Equity

**Peter Rappoport, Head of Quantitative Strategy Group, JP MORGAN**



"A First Rate Event With First Rate Minds - The Best Gathering In Quantitative Finance"

Nassim Taleb, Empirica Capital

Brand New Hedge Fund Research

12.05 LUNCH

VOLATILITY TRADING

13.30 Successfully Trading, Pricing & Hedging Volatility And Variance Swaps

- Stock Variance Swaps : Hedge liquidity vs. Swap Pricing ; Contract considerations ; Margin calculations
- Index Variance: Spreading volatility; Dispersion applications
- Volatility Indices : Vol Futures vs. Variance Swaps ; Differences in exposure ; Surface Arbitrage

**Nathaniel Newlin, Partner, LAUREL RIDGE ASSET MANAGEMENT**

Nathaniel Newlin is currently a partner of Laurel Ridge Asset Management. Prior to joining Laurel Ridge, Mr. Newlin was a Managing Director for Bank of America. His responsibilities included proprietary dispersion strategies and Index volatility trading in the Equity Financial Products Group. Previously, at JP Morgan, Mr. Newlin managed all US Index Trading for Equity Derivatives, was a senior trader in the Commodities Derivatives Group, and worked in the FX Options Group. He has a degree in Economics with honours from Harvard. Laurel Ridge is a multi-strategy market neutral fund that specialises in volatility trading, convertible bond trading, and event-driven trading.

14.10 Assessing Volatility Arbitrage As A Key Successful Strategy

- Dispersion
- Inter-market spreads
- Call/put relationships
- Inter-month relationships
- Historical/implicit volatility analysis using Garch techniques

**Robert Hanna, Senior Investment Manager, MAKO INVESTMENT MANAGERS**

Robert Hanna has over 20 years experience in the area of fund management. Prior to his appointment as the senior investment manager at Mako Investment Manager, he spent two years with Merrill Lynch, Pierce, Fenner and Smith [in New York] where he was responsible for sales of both domestic and international equity finance. Prior to that he spent seven years with Merrill Lynch International [in London]. From 1993 - 2000 Mr Hanna was head of marketing for the international equity finance group. He also provided in depth "start up" services to various new hedge funds. Mr. Hanna was previously a senior trader with the ECU Group plc where he managed a volatility-trading fund.

14.50 Honey, I Shrank The Sample Covariance Matrix: Innovations In Measuring Correlations To Increase The Sharpe Ratio Of Trading Strategies With Large Numbers Of Stocks

- The covariance matrix is essential for maximizing the Sharpe ratio of your portfolio
- If there are many assets, the sample covariance matrix is full of error
- You can reduce this error by shrinking all covariances towards the average covariance
- The key question is how intensely to shrink - we reveal the optimal formula
- Bottom line: a free method to boost your Sharpe ratio

**Olivier Ledito, Head of Statistical Arbitrage Equity Proprietary Trading Group, CREDIT SUISSE FIRST BOSTON**

After receiving his PhD from the Massachusetts Institute of Technology, Olivier Ledito took the position of Finance Professor at the University of California Los Angeles. His research spans the fields of Finance, Statistics, and Economics, and has been published by the top academic journal in each of these three fields. He is currently Head of Statistical Arbitrage in the Equity Proprietary Trading Group of Credit Suisse First Boston, based in London.

15.30 AFTERNOON TEA

15.50 Innovations In Optimising Quantitative Trading: Are Intraday Options The Next Big Innovation In Derivatives Trading?

- Analysis of share of intraday trading in spot and derivatives markets
- Boxoption a new type of digital option
- How to trade boxoptions
- Systems architecture of boxoption trading platform
- How is volatility computed for intra-day options
- Pros and cons of intraday options

**Richard Olsen, CEO, Olsen Associates**

Dr. Richard Olsen is the Chief Executive Officer of Olsen Ltd and OANDA Corp. In 1985, Dr. Olsen founded Olsen Ltd. In 2001, Dr. Olsen and his team published a book with the title 'Introduction to High Frequency Finance' at Academic Press providing an overview of their pioneering work. Olsen Ltd is an advisor to currency hedge fund following a quantitative statistical trading style. OANDA Corp operates a currency trading platform offering continuous interest rate payments with a execution capability for transactions as small as 1 USD at a spread of 2 basis points.

16.00 New Research: Filtered Return Processes, Asset Allocation and Derivative Investment Multiple Priors and Asset Pricing

- A primer on Hidden Markov Model Filtering
- Variance Gamma Chain Filtering
- Results on long horizon returns
- Results on Asset Allocation and Derivative Investment

**Dilip Madan, Professor of Finance, UNIVERSITY OF MARYLAND**

Dilip Madan is Professor of Finance at the Robert H. Smith School of Business. He specialises in Mathematical Finance. He also serves as a consultant to Morgan Stanley, Bloomberg and the FDIC. He is a founding member and President of the Bachelier Finance Society and Co-Editor of Mathematical Finance. Recent contributions have appeared in Mathematical Finance, Finance and Stochastics, Quantitative Finance, among other Journals.

SPECIAL EXTENDED SESSION

HEDGE FUND TRADING STRATEGIES STREAM

10.45 Exploring The Sources Of Alpha And Risk In Alternatives Investing

- Strategy allocation
- Manager Selection
- Portfolio Construction
- Risk Management

**David Modest, Managing Director & Chief Risk Officer, AZIMUTH TRUST COMPANY**

Mr. Modest's extensive knowledge and experience in the hedge fund world includes the creation and management of trading groups at Morgan Stanley and Long-Term Capital Management (LTCM). As a Managing Director at Morgan Stanley, Mr. Modest created and oversaw the capital structure arbitrage group as well as a long/short equity proprietary trading group. As a Partner at LTCM, Mr. Modest was responsible for building the firm's relative value equity business including convertible, single-stock options, warrant arbitrage, and quantitative long/short equity strategies. He was also actively involved in the firm's financial technology management and in mentoring strategists focused on both fixed income and equity. He has contributed publications to numerous academic finance journals and made significant contributions in empirical finance and derivative pricing. Mr. Modest has also taught at the Stanford Business School and is currently a Visiting Lecturer at the Sloan School of Management at M.I.T. Mr. Modest holds S.B. and Ph.D. degrees in economics from the Massachusetts Institute of Technology.

11.25 Trimming Fat Tails: Using Risk Arbitrage And Equity Derivatives To Enhance Portfolio Returns

- Utilising complex payoff structures as a means to improve asymmetric returns.
- Systematic use of derivatives to enhance portfolio returns in risk arbitrage.

**Reza Hadizad, Principal Fund Manager, PIONEER ALTERNATIVE INVESTMENTS**

Dr Reza Hadizad has 14 years experience in financial markets. He is the principal fund manager in the field of risk arbitrage. Prior to joining Pioneer Alternative Investments in 2000, Reza was a Senior Proprietary Trader at Paribas, responsible for setting up and running the special situations equity trading desk. In 1995 he joined HSBC Investment Bank where he was the senior executive in Arbitrage Trading. Prior to HSBC he was Head of Analytics at Natwest Markets and Quant /Project Manager at SBC O'Connor.

12.05 LUNCH

13.30 Examining The Sharpe Ratio And Sortino Ratio As Successful Measures Of Investment Quality And Identifying The Optimum Method Of Measuring Investment Performance

- Return, timescale, compound rate.
- Risk, volatility, other ways of looking at risk.
- Sharpe ratio, advantages, disadvantages.
- Sortino ration, advantages, disadvantages.
- Omega, advantages, disadvantages.
- Qualitative factors & Common sense!

**David Harding, Managing Director, Winton Capital Management**

David Harding is the founder and majority shareholder of Winton Capital Management. David graduated from Cambridge in 1982 with a 1st class Honours degree in Natural Sciences specialising in theoretical physics before developing his career in the City as a market analyst. In 1987 he co-founded Adam, Harding and Lueck (AHL), which developed over a period of years into one of the world's leading futures trading firms. In 1994 David sold his holding in AHL to E.D & F Man but remained at Man until 1996 leading a business unit, Man Quantitative Research which was devoted to the development of statistical trading systems. In 1997 David founded Winton Capital Management.

14.10 Evaluating The Heterogenous Derivatives Contract Versus The Modern Political Environment

- The coming scrutiny of derivatives not exchange traded unless certifiable
- The black box is out

**Edward Dunne, Managing Director, WILLOWBRIDGE ASSOCIATES**

#### 14.50 Identifying Optimal Strategies For Hedging Credit In A Volatility Driven Convertible Arbitrage Space

- The convertible arbitrage space
- The role of volatility
- The role of credit
- Methods of hedging credit in a volatility driven space
- What's missing in this picture?

**Andrew Pernambuco, Principal, ALEXANDRA INVESTMENT MANAGEMENT**

Andrew Pernambuco joined Alexandra Investment Management in May 2001 as a Principal, and leads the firm's structured product and business development initiatives. He was formerly Head of US Equity Derivatives Sales and Marketing at KBC Financial Products, a wholly owned subsidiary of KBC Bank (formerly Kredietbank) the second largest Belgian financial institution. There he was responsible for providing equity finance and structured product solutions to hedge funds, money managers, insurance companies and corporations in the United States. Andrew has 15 years of experience in the area of Equity Derivatives, Arbitrage and Financial Advisory. Prior to joining KBC, he was for 8 years, the Head of North and South American Equity Derivatives Sales and Marketing at Société Générale in New York.

#### 15.30 AFTERNOON TEA

#### 15.50 How To Construct Fund-Of-Funds Portfolios And Structured Products Using A Robust Quantitative Framework

- Alternative Sharpe Ratio - Adjusting for Stochastic Term and Tail Risk
- Aggregation from Positional Information
- Pricing and Risk Management of Structured Products

**Bernard Lee, Researcher, CENTRE FOR QUANTITATIVE RESEARCH, IMPERIAL COLLEGE LONDON**

Bernard Lee is Researcher at the Centre for Quantitative Finance at Imperial College, University of London, and Co-Founder of Hedge Fund Solution.Com. Until recently, he was Principal and Head of Quantitative Research at Allianz Hedge Fund Partners. He remains as a full-time consultant to Allianz Hedge Fund Partners. For years, Bernard has been active in the field of quantitative finance. Bernard is known by the industry to be one of the chief architects of the Panorama Asset Management module.

#### 16.00 How to Screen Single Hedge Funds Based on Statistical Techniques That Go Beyond Linear Regression and Correlation

- Statistical Properties of "Good" Hedge Funds
- Quantitative Classification Criteria
- Dependency on Market versus Simple Correlation to Market
- Draw-Down Risk Modelling

**Youngju Lee, Vice President Quantitative Research, ALLIANZ HEDGE FUND PARTNERS**

Youngju Lee is Vice President of Quantitative Research at Allianz Hedge Fund Partners, a San Francisco-based hedge fund of fund investment management firm. Prior to joining Allianz, she worked at Henry Capital Management, an options trading hedge fund where she was responsible for quantitative research. In addition, she has extensive experience in teaching finance and statistics. Youngju received a Masters and Doctorate degree in Statistics from the University of Pittsburgh as well as a Masters degree in Financial Engineering from the University of California, Berkeley. She is an actuary by training and holds the Financial Risk Manager designation. Her current research includes measures of hedge fund performance, style allocation, and default risk.

#### 16.40 Understanding Managed Futures And The Value Of Divergent Trading

- Why do large price dislocations occur in an uncertain world?
- Why trend-following works as "fast and frugal" decision-making?
- Why is managed futures more than just being long volatility?
- Why do managed futures programs give you a non-correlated return?

**Mark Rzepczynski, President & Chief Investment Officer, J W HENRY**

Dr. Mark S. Rzepczynski is the President and Chief Investment Officer of JWH and a member of the JWH Investment Policy Committee. Dr. Rzepczynski is also a principal of Westport Capital Management Corporation, Global Capital Management Limited and JWH Investment Management, Inc., all affiliates of JWH. Currently he serves as a member of the board of the Futures Industry Association. Before joining JWH in May 1998, he was Vice President and Director of taxable credit and quantitative research in the fixed income division of Fidelity Management and Research from May 1995 to April 1998, where he oversaw credit and quantitative research recommendations for all Fidelity taxable fixed income funds. From April 1993 to April 1995, he was a Portfolio Manager and Director of Research for CSI Asset Management, Inc., a fixed-income money management subsidiary of Prudential Insurance. Dr. Rzepczynski has a BA (Cum Laude) Honors in Economics from Loyola University of Chicago, and an AM and PhD in Economics from Brown University.

#### 17.20 END OF SUMMIT



**"I Always Look Forward To Attending Global Derivatives To Hear The Latest In Research And Talk To The People That Do It."**

Emanuel Derman, Columbia University

## MAIN CONFERENCE DAY TWO

### MAIN CONFERENCE DAY 2

#### 08.00 Registration & Coffee

#### 08.30 Chairman's Opening Welcome

#### 08.40 The New Financial Order: Risk In The 21st Century

**Robert Shiller, Professor of Economics, YALE UNIVERSITY**

Robert J. Shiller has written about financial markets, behavioural economics, macroeconomics, real estate, statistical methods and public attitudes, opinions and moral judgements regarding markets. His book "Irrational Exuberance" (Princeton University Press, 2000, Broadway Books 2001) is an analysis and explication of the stock market boom since 1982. It won the Commonfund prize 2000 and was a New York Times non-fiction bestseller. Professor Shiller is co-founder of Case Shiller Weiss, Inc in Cambridge, Mass., and economics research and information firm, and a co-founder of Macro Securities Research LLC in Cambridge which promotes securitization of unusual risks.

SPECIAL KEYNOTE ADDRESS

#### 09.20 GLOBAL DERIVATIVES 2004 HALL OF FAME ROUNDTABLE



**Robert Engle, Professor of Finance, NYU STERN SCHOOL OF BUSINESS**

Professor Robert F. Engle was awarded the 2003 Nobel Prize in Economic Science. Since 2000 he has held the Michael Armellino Professorship in the Management of Financial Services at the New York University Stern School of Business. Engle is an expert in time series analysis with a long-time interest in the analysis of financial markets. His research has produced such innovative statistical methods as ARCH, for which he was awarded the Nobel Prize, and cointegration, a collaboration with Professor Granger that was also cited in the prize. Further important econometric innovations include Band Spectrum Regression, common features, Autoregressive Conditional Duration (ACD), Conditional Autoregressive Value at Risk (CAViAR), and most recently Dynamic Conditional Correlation (DCC). Engle received the prize for his research on the concept of autoregressive conditional heteroskedasticity (ARCH). He developed this method for statistical modeling of time-varying volatility and demonstrated that these techniques accurately capture the properties of many time series. His ARCH models have become indispensable tools not only for researchers, but also for analysts of financial markets, who use them in asset pricing and in evaluating portfolio risk. Currently he is developing methods to analyze large systems of assets, real time volatility, market microstructure, and extreme market movements.

HALL OF FAME



**John Hull, Professor of Derivatives & Risk Management, UNIVERSITY OF TORONTO**

John Hull is the Maple Financial Group Professor of Derivatives and Risk Management in the Joseph L. Rotman School of Management at the University of Toronto and Director of the Bonham Center for Finance. He is an internationally recognized authority on derivatives and has many publications in that area. Recently his research has been concerned with credit risk, executive stock options, volatility surfaces, market risk, and interest rate derivatives. He was, with Alan White, one of the winners of the Nikko-LOR research competition for his work on the Hull-White interest rate model. He has written two books "Options, Futures, and Other Derivatives" (now in its fifth edition) and "Fundamentals of Futures and Options Markets" (now in its fourth edition). Both books (published by Prentice Hall) have been translated into several languages and are widely used in trading rooms throughout the world. He has won many teaching awards, including University of Toronto's prestigious Northrop Frye award, and was voted Financial Engineer of the Year in 1999 by the International Association of Financial Engineers.



**Nassim Taleb, Founder, EMPIRICA CAPITAL**

Nassim Nicholas Taleb works at the intersection of theory and practice. He started his career as a trader (including the Chicago pits) and subsequently became involved in the unique combination of applied research and trading. He is the founder of Empirica LLC a volatility research laboratory and trading operation in New York. He is also adjunct Professor of Mathematics in Finance at the Courant Institute of Mathematical Sciences of New York University. Taleb held trading positions with major derivative houses (CSFB, UBS, Paribas, Bankers Trust among others) and worked independently on the floor of the Chicago exchanges. His education includes an MBA from Wharton and a PhD from University Paris-Dauphine. He was inducted into the Derivatives Strategy Hall of Fame in 2001. Taleb is the author of Dynamic Hedging (Wiley 1997), and Fooled by Randomness (Texere 2001). Fooled by Randomness has been published in 14 languages, and has been the subject of 130 newspapers articles reaching 40 million readers, something unprecedented for a finance book.



**Robert Shiller, Professor of Economics, YALE UNIVERSITY**  
see above for biographical details



**Stephen Ross, Franco Modigliani Professor of Finance & Economics, MIT SLOAN SCHOOL OF MANAGEMENT**

Stephen A. Ross is a co-founder of Roll and Ross Asset Management Corporation (Roll and Ross), a principal of IV Capital, Ltd. (IVC), and the Franco Modigliani Professor of Finance and Economics at MIT. While he has worked on a variety of topics in economics and finance, he is probably best known for having invented the Arbitrage Pricing Theory and the Theory of Agency, and as the codiscoverer of risk neutral pricing and of the binomial model for pricing derivatives. Roll and Ross is one of the leading quantitative financial management firms in the world, and it is the leading firm applying the APT (Arbitrage Pricing Theory) invented by Ross and developed in collaboration with the other co-founder of the firm, Professor Richard Roll of UCLA.

#### 10.00 TALKING TRADING PANEL

**Rajeev Misra, Head of Integrated Credit Trading, DEUTSCHE BANK**

Rajeev is the Head of Integrated Credit Trading (ICT), in Global Markets. ICT includes the Global Credit Derivatives and the Global Corporate Bond Trading businesses. Rajeev joined Deutsche Bank in 1997 as a Managing Director and Head of Structured Credit Sales. Prior to Deutsche Bank, Rajeev worked at Merrill Lynch for seven years (New York and London), as a Managing Director responsible for derivatives marketing in Europe and in interest rate swaps trading. Rajeev holds a BS in Mechanical Engineering and a MS in Computer Science from the University of Pennsylvania, Philadelphia. He also holds an MBA from the Sloan School of Management, MIT.

TALKING TRADING PANEL

**Lawrence Barwick, Head of Global Prop. Trading, BANK OF AMERICA**

Lawrence Barwick is the founder of systematic trading strategies at Bank of America. Lawrence has been using automated investment techniques for over 10 years. He is currently responsible for a substantial part of the global banking group's strategic risk positioning in world-wide capital markets. Portfolios include Foreign Exchange, Interest Rate and Bond Futures and Emerging Market Currencies. Strategies employed cover a wide variety of styles including long-term trend-following, econometric analysis, short-term opportunistic positioning and high frequency trading.

**Bill Fung, Co-CEO, PI ASSET MANAGEMENT & Visiting Professor, LONDON BUSINESS SCHOOL**  
See page 6 for biographical details

#### 10.40 MORNING COFFEE & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE

### STREAM A - GLOBAL DERIVATIVES 2004 TRADER FORUM

#### 11.00 Trader Roundtable: Examining Key Strategies For Trading Exotic Derivatives Under Tight Risk Constraints

**Stéphane Kourganoff, Global Head of Fixed Income Derivatives Trading & Financial Analytics, CDC IXIS CAPITAL MARKETS**

Stéphane Kourganoff is Global Head of Fixed Income Derivatives Trading and Financial Analytics for CDC IXIS CAPITAL MARKETS (Paris/London/New York/Tokyo). He joined CDC back in 1990 where he founded the derivatives trading department. His responsibilities progressively grew to encompass swaps trading, options, complex options, fx and credit derivative hybrids, as well as derivatives Models and systems for all locations within CDCICM. In his former life, between 1984 and 1990, Stéphane Kourganoff worked for Credit Lyonnais first in Fixed Income origination and then as head of derivatives marketing (Paris). He is a graduate from IEP Paris, specialized in Tax and Finance, 1984.

**Nasir Afak, Head of Currency Options Trading, ING BANK NV**

Nasir Afak joined ING in 2000 as an exotic options trader and became head of currency options trading in Oct 2002. Nasir writes all his own models/risk systems called VolPro which he uses at ING. Prior to his current role, Nasir was a quant working on Global options in the Fixed Income and Leverage Funds team at CSFB. Nasir was also an Emerging markets FX options trader at Deutsche bank responsible for all eastern Europe and South African books and when at Refco Capital Markets he helped set up the multi asset OTC derivatives desk.

**Javier Martin-Artajo, Global Head of Credit Derivatives Trading & Head of Quantitative Research, DRKW**

See page 8 for biographical details

**Dariusz Mirfendereski, Director Derivatives Trading, BARCLAYS CAPITAL**

See below for biographical details

### INNOVATIONS IN INTEREST RATE TRADING

#### 11.35 Overcoming The Practical Modelling Challenges To Accurately Pricing & Trading Inflation-Linked Swaps

**Alex Puacca, Product Director, AFA DART**

Alex originally set the company up with Intercapital some 15 years ago. With nearly 20 years direct involvement in the markets, Alex is experienced in all aspects of derivatives - from model building, through trading to risk management. Currently his research interests are volatility skews and their inclusion in N-factor models, and high dimensional cross currency models.

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gharley@icbi.co.uk +44 20 7915 5603

12.10 **Inflation Derivatives: Pricing And Hedging In A Fast-Expanding Market**

- Four Pricing approaches for 4 Levels of Market Development
- Bootstrapping a forward index/inflation curve
- FX Analogy Method
- Short-end of the Index curve
- Practical hedging approaches
- Future Trends

**Dariusz Mirfendereski, Director Derivatives Trading, BARCLAYS CAPITAL**

Dariusz Mirfendereski is the senior inflation derivatives trader at Barclays Capital. Based in London, he has been responsible for trading all UK and European inflation swaps and options since 1998. Dariusz has also been involved in setting-up Barclays' efforts in developing the new market for US CPI swaps in 2003. Prior to joining Barclays, Dariusz worked from 1993-1996 in San Francisco at EQECAT, a risk consultancy specializing in catastrophe risk assessment for insurance and reinsurance companies, where he was responsible for the modelling of the risk-stimulation and insurance pricing models.

12.45 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.15 **Assessing The Latest Practical Methods For Reducing Trading Costs And Implementing Best Execution Strategies For Enhanced Client Benefit**

- Relationship Based – Develop Trust with Counterparties
- For Options, Pricing often tends to improve on side-known business
- Where possible, execute spreads – lower risk means better pricing
- "Interbank-like" execution – exchange deltas to simplify dealers' lives and manage your own spot risk
- The best prices come from dealers who "know their customer"
- Dealers often show axes – can substantially improve pricing

**Harish Neelakandan, Portfolio Manager & Head of Options Trading, FX CONCEPTS**

Mr. Neelakandan joined FX Concepts in 2001 to set up their options trading operation. Prior to this he was Senior Trader in the Options Group at Caxton Associates LLC, a New York-based hedge fund, where he ran a proprietary portfolio of currency and equity index options. He has also served as Vice President at Merrill Lynch and Company where he managed plain vanilla and exotic option portfolios. Mr. Neelakandan holds an M.S. in Management from the MIT Sloan School of Management and an M.S. in Computer Science from the University of South Carolina.

**INNOVATIONS IN VOLATILITY TRADING**

14.50 **New Advances In Volatility Trading: Designing & Implementing A Fast Three Factor Model For Enhanced Modelling Of Correlation Products**

**Silverio Foresi, Senior Portfolio Manager, GOLDMAN SACHS ASSET MANAGEMENT**

Silverio is a senior portfolio manager in the quantitative strategies group at Goldman Sachs where he is responsible for the volatility strategies and co-responsible for the fixed income relative-value strategies of the group's hedge fund. Before joining GS in April 1999, Silverio headed for two years the research efforts in Emerging Markets Fixed Income Derivatives at Salomon, developing credit models for trading of default-linked products.

15.25 **Examining The Practical Challenges Of Volatility Trading In Commodities: Assessing Peculiarities Of Option Pricing And Hedging In Petroleum Markets**

- Implied distributions, "sticky" models and volatility skews.
- Average price options as an industry benchmark.
- Spread options as a bridge to other commodities and locations.
- New instruments: volatility swaps.

**Ilia Bouchouev, Global Head of Energy Derivatives, KOCH SUPPLY & TRADING LP**

Ilia joined Koch Industries in 1996 as a quantitative analyst and a derivatives trader. He became the global head of energy derivatives for Koch Supply & Trading LP in 2000, and leads the team that is currently among the most active market makers and volatility traders in petroleum markets. He has also introduced a number of new financial instruments to the oil market.

16.00 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

16.20 **Market-Making Versus Relative Value Trading: How Much Do We Let A Model Tell Us?**

- Variance swaps: flow product or exotic option?
- Why the more exotic options often trade at the wrong price: real-world examples
- Hidden risks: what are the real hedging costs of exotic options, and can they be quantified?

**Mike de Vegvar, Executive Director Equity Derivatives Trading, UBS**

Mike de Vegvar is an Executive Director at UBS and is responsible for trading exotic equity derivatives and structured products in London. Prior to joining UBS, Mike traded interest rate derivatives at Bankers Trust and First Chicago. He holds BS and MS degrees in Electrical Engineering from MIT and an MBA from the Wharton School of Business.

**VOLATILITY MODELLING**

16.55 **Understanding Volatility As An Asset Class**

- Stock index volatility - can it diversify portfolio risk
- Is volatility predictable?
- What is the correlation of volatility with stock/ bond returns
- Is it possible to "invest" in volatility?

**Andrew Harmstone, Head of European Derivatives & Quantitative Research, LEHMAN BROTHERS**

Prior to his current role, Andrew spent 15 years working with derivatives-based quantitative products on the asset management side with Credit Suisse Asset Management and JP Morgan Investment Management. He served as Contributor to the Presidential Task Force on Market Mechanisms commissioned by President Reagan to study the 1987 Market Break. He has served on the board of the Futures Industry Institute and the New York Options and Futures Society.

17.30 **The Econometrics Of Non-Gaussian Stochastic Volatility Models**

- Estimation of the Likelihood Function for Non-Gaussian Stochastic Volatility Models
- Special case of Poisson Jumps and Variance Gamma-based models
- The Choice of the Optimization methodology
- Comparison between Classical and Bayesian Methods
- Bias, Efficiency and Consistency of the Estimators
- Analysis of the Likelihood Sensitivities with respect to various Parameters
- Comparison between the Statistical and Risk-Neutral Distributions
- Application to Trading Strategies in Derivatives

**Alireza Javaheri, Quantitative Analyst Global Equity Derivatives, RBC CAPITAL MARKETS**

Alireza Javaheri is a Quantitative Analyst with RBC Capital Markets. Prior to joining RBC Capital Markets he worked for Goldman Sachs and Lehman Brothers. He completed an M.Sc. from Massachusetts Institute of Technology in EE in 1994. CFA Charter-holder since 2000. Completing a Thesis on Stochastic Volatility and Particle Filtering at "Ecole des Mines de Paris".

**STREAM B – THE LATEST INNOVATIONS IN CREDIT RISK MODELLING**

11.00 **Valuing CDO Tranches Without Monte Carlo Simulation**

- Generalized Copulas
- Factor Models
- Calculating the probability distribution of the time of the Nth default
- Valuing an Nth to default CDS analytically
- Valuing tranches of cash CDOs and synthetic CDOs analytically
- Numerical results
- Impact of correlation, default probabilities, number of factors, etc

**John Hull, Professor of Derivatives & Risk Management, UNIVERSITY OF TORONTO**

See page 7 for biographical details

12.10 **Hedging When Perfect Replication Is Not Possible: Evaluating The Hedging Performance Of Complex Credit Derivatives Models In Practice**

- Testing the models: where are the dangers?
- A consistent methodology to assess the validity of derivatives models
- How bad is the absence of spread volatility in the Li model?
- The impact of different copulae
- Residual risk after calibration to the same market inputs
- The impact of uncertain recovery for different complex derivatives

**Riccardo Rebonato, Head of Group Market Risk, ROYAL BANK OF SCOTLAND**

Dr Riccardo Rebonato is Head of Group Market Risk, including Quantitative Research Centre. He is also a Visiting Lecturer at Oxford University for the Mathematical Finance Diploma and Visiting Fellow at the Applied Mathematical Department of Oxford University. Prior to joining RBSG, he was, at the same time, Head of the Complex Derivatives Trading Desk and of the Complex Derivatives Research Group at Barclays Capital. Before that he was a Research Fellow in Physics at Corpus Christi College, Oxford, UK. He is the author of the books "Interest-Rate Option Models" (1996, 1998) and "Volatility and Correlation in Option Pricing" (1999). He has published several papers on finance (interest-rate option models, computational techniques) in academic journals, and is on the editorial board of several journals.

12.45 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.15 **Examining Fast Monte Carlo Methods For Accurate Estimation Of Tail Probabilities And Risk Measures For Portfolio Credit Risk**

- Difficulties in estimating probabilities of large losses
- using importance sampling to accelerate simulation of rare events
- Combining importance sampling with factor models of dependence between obligors
- Accurate estimation of tail probabilities and risk measures for large credit portfolios

**Paul Glasserman, Jack R. Anderson Professor of Risk Management, COLUMBIA GRADUATE SCHOOL OF BUSINESS**

Paul Glasserman is the Jack R. Anderson Professor of Risk Management at Columbia Business School. His research addresses modeling and computational problems in risk

management and derivative securities. He is author of the book "Monte Carlo Methods in Financial Engineering", published by Springer in 2003.

14.50 **Evaluating Advanced Pricing & Hedging Of Single And Portfolios Of CDO Tranches**

- Single tranche: basic structures and variations
- Quick algorithm for pricing and risk calculation
- Risk measurements and cash flow analysis
- Hedging against default
- Hedging against spread movement

**David Li, Head of Credit Derivatives Research, CITIGROUP**

David X. Li is currently a director and New York head of the Global Credit Derivative Research at Citigroup where he leads the model development and client research activities to support Global Credit Derivative Trading business. He has worked for The RiskMetrics Group where he initiated and developed the first commercial CDO model, CDO Manager. David is widely accredited for introducing the copula function into credit portfolio modelling as well as for writing the first paper on credit curve construction.

**David Shelton, VP Credit Derivatives Research, CITIGROUP**

Within Credit Research David's main interests are pricing and hedging of CDOs and correlation products. For 5 years prior to Citigroup David worked at Merrill Lynch and Natwest Global Financial Markets on FX, hybrid FX interest rate and Credit products. David has a DPhil in Theoretical Physics from the University of Oxford.

15.25 **Variance Reduction For Prices And Greeks Of Basket Default Swaps And Synthetic CDOs In The Li Model**

- The Li Model
- Importance sampling for baskets
- Elliptic copulas
- Importance sampling for synthetic CDOs
- Likelihood ratio method
- Pathwise method for discontinuous payoffs

**MARK JOSHI, Head of Model Evaluation, ROYAL BANK OF SCOTLAND**

Mark Joshi is Head of Model Evaluation, Quantitative Research Centre, Group Market Risk, Royal Bank of Scotland. He is responsible for researching derivative pricing, assessing model risk, doing model validation, and consulting on quantitative issues across the group. Mark has recently published the books "The Concepts".

16.00 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

16.20 **Examining Archimedean Copulas And Contagion In Credit Portfolios**

- Towards a dynamic credit model
- Relationship between intensity models and frailties
- Archimedean copulas and frailties
- A frailty approach
- New developments in dynamic credit modelling

**Javier Martin-Artajo, Global Head of Credit Derivatives Trading & Quantitative Research, DRESNER KLEINWORT WASSERSTEIN**

Javier is currently Global Head of Credit Derivatives Trading at Drkx. Previously he was Head of EM Credit Derivatives at Lehman Brothers. Javier worked in the proprietary trading group at Nomura Securities where he was VP Head of EM Derivatives. He was awarded Global Finance Magazine Top 100 Emerging Markets superstar. Derivatives superstar list.

**OPTIMUM PORTFOLIO MANAGEMENT USING DERIVATIVES**

16.55 **A Quantitative Approach To Detect Market Abuses: The Surveillance Automatic Integrated System (Saïs)**

- Review of the literature and supervisory experience on the effects of insider trading and market manipulation.
- The Market Abuse Detection procedure.
- The tripwires definition: the volumes of trading in the security; the returns on the security; the static market concentration; the dynamic market concentration.
- The calibration procedure of the tripwires: the theorem of convergence; the convergence of an AR process to a diffusion process; passage from discrete to continuous time and definition of parameters.
- The alert generation process
- The algorithm for reading the alerts

**Marcello Minenna, Enforcement Officer, CONSOB**

Marcello Minenna is an enforcement officer of CONSOB (the Italian Securities and Exchange Commission) in charge of analysing and developing quantitative models for surveillance. He has taught Mathematical Models for Finance in several Italian Universities as contract Professor. He presently teaches Financial Mathematics at University of Milano Bicocca.

17.30 **Evaluating The Use Of Derivatives In Trading & Investment Portfolios: Can Investors Implement Responsible Derivative Programs That Suit And Protect Their Investments**

**Larry Abele, Managing Director, Quantitative Strategies & Portfolio Engineering, DEUTSCHE ASSET MANAGEMENT**

Larry Abele joined Deutsche Asset Management in 2000 after 6 years of experience as a research principal for Barclay's Global Investors' Advanced Strategies Research Group on the global asset allocation (GAA) team and as a research associate responsible for GAA and currency allocation decisions at First Quadrant Corp.

**Robert Fotheringham, Vice President Derivative & Quantitative Investments, OMERS**

HOT TOPIC

Investor Perspective



Robert M. Fotheringham currently serves as the Vice President, Derivative and Quantitative Investments, with the Ontario Municipal Employees Retirement System. Robert's responsibilities include the design, application and trading of synthetic and index linked securities. He is responsible for the active management of a fully diversified, global portfolio of derivative instruments and quantitative based cash securities. The notional value of the derivative portfolio under his management currently exceeds \$8.0 billion. Quantitative based cash assets exceed \$4.0 billion. Robert sits as a senior member of OMERs Investment Management Committee, and Global Asset Allocation Committee, where he assists in the development of the Fund's asset allocation strategies and risk management initiatives.

**Frances Cowell, Head of Derivatives Risk Management, MORLEY FUND MANAGEMENT**

Frances has worked in the investment management industry since 1983. Since then she has managed domestic and international equity and fixed interest portfolios, and asset allocation. In 1998 she moved to the UK to work for QUANTEC, a major provider of portfolio risk management systems, and in 2002 took up duties as Interim Head of Portfolio Risk at Morley Fund Management. She now works in the Portfolio Risk team, specialising in risk management for derivatives and hedge funds.

Phil Hunt is currently Head of Product Development at WestLB, where his responsibilities cover interest rate, FX and credit derivatives. Phil has been in the financial markets since 1992, previously holding positions at NatWest Markets and ABN-Amro.

16.00 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

16.20 **Global Derivatives Product Panel: Risk Managing Innovative Financial Products**  
Chair: **Dongning Qu, Head of Quantitative Products Group, ABBEY NATIONAL**  
See page 11 for biographical details

**Andrew Brogden, Head of Equity Derivatives Trading, ABBEY NATIONAL**

Andrew is Head of Equity Derivatives Trading, Abbey National Financial Products. He has nearly ten years experience trading and modelling exotic equity derivatives, convertible bonds, house price index derivatives and derivatives on fund performance. Previously, Andrew was a quant in HSBC's Specialised Derivatives Group.

**Frances Cowell, Head of Derivatives Risk Management, MORLEY FUND MANAGEMENT**

See page 8 for biographical details

**Joe Zou, VP Volatility Proprietary Trading Group, GOLDMAN SACHS**

See above for biographical details

16.55 **Innovations In High-End Numerical Techniques For The Pricing Of Derivative And Structured Financial Instruments**

In order to avoid technological traps when pricing derivative instruments, you need:

- a sound mathematical formulation of the problem
- model parameters obtained from market data in a stable and robust way
- advanced numerical techniques which have been proven in more general PDE frameworks

**Andreas Binder, CEO, MATHCONSULT**

Andreas Binder is CEO of MathConsult GmbH and CEO of the Industrial Mathematics Competence Center. In his professional career, Andreas has been working on continuous casting and hot rolling of steel, on modelling and simulation of the blast furnace process, on extrusion processes, but of course also on the pricing of convertible bonds and on complex fixed income instruments. Andreas is a member of the advisory board of the Austrian Mathematical society. He has published numerous publications on nonlinear mechanics, inverse problems in diffusion equations, computational finance.

17.30 **Examining The Optimal Use Of Market Models In Practical Hedging**

- Efficient Calibration & Restricted Dimension Implementations
- Hedging & Risk-Management Implications & Objective Assessment

**Stephen Dodds, Director, Global Quantitative Analytics Group, BARCLAYS CAPITAL**

Stephen started his career on the exotic interest rate derivatives desk. In addition to his continuing responsibilities on the interest rate side, he is now responsible for derivatives analytics in other asset classes. His areas of interest include practical implementation of market models for a wide range of exotics, and their optimal use in hedging.

**STREAM D – ADVANCED EQUITY DERIVATIVES PRICING & HEDGING**

11.00 **Modelling Stock Price Dynamics In The Presence Of Default: Calibration & Convertible Bond Pricing Linking Equity & Credit Markets**

- Exploring the application of a structural credit model to the valuation and hedging of convertible bonds.
- The hazard rate is a function of a distance to default given by the stock price and the leverage of the firm.
- Analysing the behaviour of the model for a sample of traded convertibles and compare with other widely used models.

**Rick Shypit, Executive Director, MORGAN STANLEY**  
Rick is an Executive Director in the equity Division at Morgan Stanley where he is responsible for quantitative modelling of equity derivatives and convertible bonds. Prior to joining Morgan Stanley, Rick was Capital Markets Officer in Firm Risk Management at Chemical Bank, NY covering interest rate derivatives and bond trading.

11.35 **Valuing And Hedging Volatility Derivatives**

- Review of variance swap pricing and hedging
- Volatility swaps and the convexity adjustment
- The effect of jumps
- Carr-Lee model-independent valuation of volatility derivatives
- Real world applications

**Jim Gatheral, Head of Quantitative Analysis, MERRILL LYNCH**

Over a career spanning over 20 years, Dr. Jim Gatheral has been involved in all of the major derivative product areas as bookrunner, risk manager and quantitative analyst in London, Tokyo and latterly New York. He is currently head of Quantitative Analytics and Listed Options Automated Market Making for Equity Markets at Merrill Lynch. An adjunct Professor at the Courant Institute of Mathematical Sciences, New York and co-teacher of a popular Masters course with Nassim Taleb. Jim holds a Ph.D. in theoretical physics from Cambridge University.

12.10 **The Characteristic Curve Approach to Arbitrage-Free Time Interpolation of Volatility**

- The calendar-spread condition for European calls on dividendless stocks
- Generalisations to puts and dividend-paying shares, currencies, and commodities
- Differential formulation of the constraint and solution in terms of characteristic curves
- Model-independent results and interpretation in terms of variance interpolation along characteristics
- Extension to fixed cash dividends

**Eric Reiner, Managing Director Group Market Risk, UBS AG**

Eric Reiner is a Managing Director within the Group Market Risk unit of UBS Corporate Center. He is charged with the creation of a new global function responsible for market risk methodology across all of the UBS Business Groups as well as providing quantitative and analytical advisory to UBS Group and Business Group senior management and risk control functions. Prior to assuming his new role in February 2003, he was for 5 years a Managing Director in Equities Trading at UBS Warburg, based in Stamford.

12.45 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.15 **Hedging With Options In The Presence Of Jumps And Stochastic Volatility**

- Some new model free results
- Hedging with jumps
- Empirical results with S&P500 options
- Introducing stochastic volatility

**Peter Carr, Head of Quantitative Research, BLOOMBERG LP**

Dr. Peter Carr heads Quantitative Research at Bloomberg LP. He also directs the Masters in Mathematical Finance program at NYU's Courant Institute. Prior to his current positions, he headed equity derivative research groups at Banc of America Securities and at Morgan Stanley. He is currently the treasurer of the Bachelor Finance Society and an associate editor for 6 academic journals related to mathematical finance and derivatives. He was selected as Risk Magazine's prestigious "Quant of the Year" for 2003

14.50 **Implementing A Jump-Diffusion Model For Exotic Equity Products**

- Using jumps to explain the equity volatility smile.
- Hedging under jumps.
- A multi name jump diffusion model.
- Pricing exotic equity options with the jump diffusion model.
- Empirical evidence.

**Jesper Andreasen, Head of Product Development, NORDEA MARKETS**

Jesper Andreasen heads the Product Development Team at Nordea Markets in Copenhagen. Prior to this, Jesper has held positions in the quantitative research departments of General Re Financial Products and Bank of America in London. Jesper's research interest include yield curve models, volatility smiles, numerical methods, and credit derivatives. In 2001 Jesper received Risk Magazine's Quant of the Year award.

14.50 **Case Study: Calibration And Comparison Of Stochastic Volatility And Other Advanced Volatility Models**

- Effects of jumps in price and variance
- Stochastic volatility and Levy processes
- Including 'exotics' in model calibration
- Using a high level language

**Curt Randall, Senior Vice President for Applications, SCICOMP INC**

Curt Randall is head of financial product development for SciComp Inc. He was the chief architect of the PDE and Monte Carlo modules for SciFinance which are used by some of the worlds largest banks, and securities firms.

**Jim Gatheral, Head of Quantitative Analysis, MERRILL LYNCH**

See above for biographical details

**Vladimir Lucic, Quantitative Analyst, TD SECURITIES**

16.00 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

16.20 **Examining Two Sided Barrier/Exit Problems With Jumps**

- Valuation theory for double barrier options, when the security price can jump.
- Relationships between the payoff density and exit and overshoot densities.
- Exact valuation solutions for special and general cases.

**Alan Lewis, Founder, OPTIONCITY.NET**

Alan has been active in option valuation and related financial research for over twenty years. He served as Director of Research, Chief Investment Officer, and President of the mutual fund family at Analytic Investment Management, a money management firm specializing in derivative securities. More recently, Alan authored the book "Option Valuation under Stochastic Volatility".

17.30 **Talking Exotics: Examining New Innovations In Pricing (& Mis-pricing), Hedging, & Trading The Latest Generation Of Exotic Equity Derivative Products**

**David Samuel, Head of Equity Products Trading, RBS FINANCIAL MARKETS**

David Samuel is Head of Equity Products Trading at RBS Financial Markets, prior to this he ran the equity exotics desk at Chase Manhattan Bank and held a quant-trading role at Lehman Brothers.

**Lorenzo Bergomi, Head of Equity Derivatives Quantitative Research, SOCIETE GENERALE**

Lorenzo joined SG in 1997 as a quantitative analyst on the exotics desk and in 2000, set up a global research team covering quantitative issues for the Equity Derivatives Department. His group currently focuses on models & algorithms for exotics, prop. trading strategies, credit/equity models. Originally trained as an electrical engineer, Lorenzo obtained a PhD in theoretical physics in the theory group at CEA, Saclay, France, then spent two years at MIT before joining SG.

**Andrew Harmstone, Head of European Derivatives & Quantitative Research, LEHMAN BROTHERS**

See page 8 for biographical details

18.05 **Champagne Round Tables**

19.00 **Gala Cocktail Party**

**STREAM C – HEDGE FUND TRADING STRATEGIES**

11.00 **Compensation And Risk Control: The Impact Of Compensation Incentives On Risk Taking Behaviour**

- Options and Incentives: Examples
- How options influence behavior
- Example: Since increased volatility raises option values it follows that options induce agents and employees to seek out volatility
- The above example is wrong!
- The three basic impacts of incentive schedules on behavior necessary and sufficient conditions: shift, magnification (delta), and convexity
- The duality of risk aversion and riskiness

**Stephen Ross, Franco Modigliani Professor of Finance & Economics, MIT SLOAN SCHOOL OF MANAGEMENT**

See page 7 for biographical details

11.35 **Talking Volatility Trading In Today's Dynamic Marketplace: Examining New Products And New Horizons**

- Use of variance swaps
- Correlation products and trades

**Pav Sethi, Equity Derivatives Portfolio Manager, J. D CAPITAL MANAGEMENT**

Pav Sethi is an equity derivatives portfolio manager with J.D. Capital Management. He was previously an equity derivatives trader with Morgan Stanley in London. Mr. Sethi received a bachelors degree in chemistry from Cornell University and a masters in mathematics from the University of Chicago.

12.10 **Assessing The Latest Innovations In Pricing MBS & The Key Hedging Implications**

**Nazir Dossani, Senior VP, Investments, FREDDIE MAC**  
In his current role Nazir Dossani is responsible for formulating and implementing the corporation's interest-rate risk management strategies. He also is responsible for fixed-income research and financial engineering, with a focus on developing risk measurement, valuation and hedging tools. This responsibility includes development of prepayment, interest-rate and portfolio optimization analytics.

12.45 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.15 **Negative Probabilities And Other Non-Conventional Ideas Applied In Finance**

- Negative volatility used for option valuation
- Why are we so negative to negative probabilities?
- Interpreting negative probabilities in finance.
- Negative probabilities more useful than you would think?
- From Black-Holes to Black-Scholes
- How Einstein would have run a Hedge Fund

**Espen Haug, Proprietary Derivatives Trader, JP MORGAN**

Espen Haug is currently working as a proprietary derivatives trader for J.P. Morgan New York. Prior to joining J.P. Morgan he worked for several years as a senior option trader for Paloma Partners and Amananth Advisors, a market neutral hedge fund based in USA. He has developed systems and tools for options and interest rate derivatives for the Chase Manhattan Bank Derivatives Research and Trading Group (Europe).

14.50 **Hedge Fund Strategies Panel Discussion**

**Talking Volatility Trading: Exploring Successful Quantitative Strategies For Arbitraging Volatility Against Volatility & Determining Whether There Is A Perfect Hedge**  
**Espen Haug, Proprietary Derivatives Trader, JP MORGAN**  
See above for biographical details

HEDGE FUNDS

**John Zhao, Senior Trader, CLINTON GROUP**

John Zhao is a senior trader in charge of systematic trading in global bond arbitrage at the Clinton Group The Instruments that he trades include G-7 government bonds, swaps, options and other derivatives. Prior to his current role he spent six years as a fixed-income derivatives market maker at First Union National Bank where he traded all swaps and options products.

**Joe Zou, VP Volatility Proprietary Trading Group, GOLDMAN SACHS**

**PRODUCT INNOVATIONS & MODELLING**

15.25 **New Work On Modelling FX/IR Hybrids**

- When does the FX smile dominate?
- When does interest rate volatility dominate?
- Ad-hoc corrections and their effect on prices and hedges
- Do we need high dimensional models?

**Phil Hunt, Head of Product Development, WestLB**

# MAIN CONFERENCE DAY THREE

## MAIN CONFERENCE DAY 3 – 27 MAY 2004

08.30 **Coffee & Opportunity To Visit The Derivatives & Risk Management 2004 Technology Exchange**

09.10 **Quantitative Finance: How We Got Here, Where We're Going**

- Hardback classics
- Pulp fiction
- True adventure

**Emanuel Derman, Professor & Co-Head Financial Engineering Program, COLUMBIA UNIVERSITY**  
Emanuel Derman obtained a Ph.D. in theoretical physics from Columbia University in 1973. Between 1973 and 1980 he did research in theoretical particle physics, and from 1980 to 1985 he worked at AT&T Bell Laboratories. In 1985 Dr Derman joined Goldman Sachs' fixed income division where he was one of the co-developers of the Black-Derman-Toy interest-rate model. From 1990 to 2000 he led the Quantitative Strategies group in the Equities division, where they pioneered the study of the volatility smile. He was appointed a Managing Director of Goldman Sachs in 1997. In 2000 he became head of the firmwide Quantitative Risk Strategies group. He retired from Goldman, Sachs in 2002. Dr Derman was named the IAFE/Sungard Financial Engineer of the Year 2000. He is a professor at Columbia University and co-head of their financial engineering program.

09.45 **On The Cognitive Aspects Of The Preference For Negative Skewness**

- Cognitive explanations for over-inference: the law of small numbers.
- Behavioural explanations for the neglect of rare events: Prospect theory
- Recent empirical research
- Is there a solution?

**Nassim Taleb, Founder, EMPIRICA CAPITAL**  
See page 7 for biographical details

10.20 **GLOBAL DERIVATIVES FINANCIAL MINDS PANEL**

**Exploring Trends & Developments In Volatility & Correlation**

**Emanuel Derman, Professor, COLUMBIA UNIVERSITY**  
See above for biographical details

**Jim Gatheral, Head Of Quantitative Analysis, MERRILL LYNCH**  
See page 9 for biographical details

**Riccardo Rebonato, Head Of Group Market Risk ROYAL BANK OF SCOTLAND**  
See page 8 for biographical details

**Peter Carr, Head Of Quant Research, Bloomberg LP & Director Of Math Finance, COURANT INSTITUTE NYU**  
See page 9 for biographical details

**Greg Merchant, Managing Director, Head of European Derivatives Analytics, DEUTSCHE BANK**  
Greg Merchant joined Deutsche Bank in 1996 to head up the New York derivatives analytics team. In 1998 he moved to London to become head of European derivatives analytics at Deutsche Bank. Prior to joining Deutsche Bank Greg joined the Dollar Swaps desk at Merrill Lynch in New York in 1993 and he was previously T.J. Watson research fellow at IBM. He has a PhD in Applied Mathematics from Northwestern University and worked as a postdoctoral fellow in the Mathematics department at Stanford University.

11.00 **MORNING COFFEE & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

### STREAM A – INNOVATIONS IN VOLATILITY TRADING

11.30 **Option Valuation With Conditional Skewness**

- Jumps and local skewness
- Stochastic volatility and long-term skewness
- Interaction between jumps and stochastic volatility

**Steven Heston, Assistant Professor, UNIVERSITY OF MARYLAND**

Steve Heston graduated with a B.S. double major in Mathematics and Economics from the University of Maryland, College Park in 1983. He attended the Graduate School of Industrial Administration and earned an MBA in 1985 followed by a Ph.D. in Finance in 1990. He held previous faculty positions at Yale, Columbia, Washington University, and the University of Auckland in New Zealand. He worked in the private sector with Goldman Sachs in Fixed Income Arbitrage and in Asset Management Quantitative Equities. He is known for analyzing options with stochastic volatility and international stock risk.

12.35 **Measuring The Value Of Dynamic Correlations For Asset Allocation**

- Solving portfolio risk, option prices on multiple underlyings, portfolios of options, and correlated default risk all at once
- Can we reduce volatility without reducing expected returns?
- Which covariance matrix to use?
- Errors that cost nothing
- DCC - a new simple covariance matrix
- Measuring the Value of Correlation Information

**Robert Engle, Professor of Finance, NYU STERN SCHOOL OF BUSINESS**

See page 9 for biographical details

Special Address

13.10 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.30 **Assessing How The Current Generation Of Exotic Models Combine With Trading Reality**  
**Nick Nassuphis, Trader, CREDIT SUISSE FIRST BOSTON**

15.05 **Pricing Options On Realized Volatility And Variance – Evaluating A New Pricing / Hedging Methodology**

- Simple
- Arbitrage-Free
- Practical

**Zhenyu Duanmu, Director, Merrill Lynch**

Since 1996, Zhenyu Duanmu has been an Exotic Option / Structuring Trader in Merrill Lynch. Prior to his current position he was a Quant at Bear Stearns and at UBS.

15.40 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

### INNOVATIONS IN VOLATILITY PRICING & MODELLING

16.00 **New Work On Pricing Options On Realised Variants**

- Variance Swap and Volatility Swaps
- The Variance SwapPrice
- Modeling Quadratic Variation (QV)
- Laplace Transforms of QV
- Time changes (TC) of Brownian Motion
- Laplace transforms of TC
- Comparing QV with TC

**Dilip Madan, Professor of Finance, UNIVERSITY OF MARYLAND**

See page 6 for biographical details

Brand New Research

16.35 **Understanding And Implementing Volatility And Correlation Arbitrages**

- How to get individual stock skews from historical data
- Locking conditional and unconditional forward volatilities
- What can be said about forward skews?
- Skew dynamics arbitrage
- Arbitraging between skew and credit derivatives
- Dispersion trades revisited
- FX arbitrage : triangular, tetraedric and beyond
- Caps/Swapion arbitrage

**Bruno Dupire, Quantitative Research, BLOOMBERG**

Bruno Dupire has headed the Derivatives Research teams at Société Générale, Paribas Capital Markets and Nikko Financial Products before being a consultant in derivatives and asset allocation and now joining Bloomberg to develop pricing, risk management and arbitrage models. He is best known for having pioneered the widely used local volatility model (simplest extension of the Black-Scholes-Merton model to fit all option prices) in 1993 and subsequent stochastic volatility extensions. Before these years, he obtained a Master's Degree in Artificial Intelligence, a PhD in Numerical Analysis and introduced the use of Neural Networks for financial time series forecasting. In 2002 he was included in the Risk magazine "Hall of Fame" of the 50 most influential people in Derivatives and Risk Management.

17.05 **Assessing Volatility Model Robustness**

- Calibration
- Vega hedging
- Nonlinear models
- Optimal static hedging
- Case study: Cliquet options

**Paul Wilmott, Founder, WILMOTT ASSOCIATES**

Dr Paul Wilmott has been described by the Financial Times as the cult derivatives lecturer. He has for many years been a financial consultant specializing in derivatives, risk management and quantitative finance. Dr Wilmott received his D.Phil. from Oxford University in 1985. He is the author of Paul Wilmott Introduces Quantitative Finance (Wiley 2000) and Paul Wilmott on Quantitative Finance (Wiley 2001). He has written over 100 research articles on finance and mathematics. Dr Wilmott runs www.wilmott.com, the popular quantitative finance community website, the quant magazine Wilmott and is the Course Director for the Certificate in Quantitative Finance. Paul Wilmott is a partner in the volatility arbitrage hedge fund Caissa Capital.

**Erwin Simons, Quantitative Modelling, ING**

Erwin Simons' current role is in Quantitative Modelling at ING-South-West Europe. He has three years front-office experience in Equity, Interest Rate and Hybrid derivatives pricing. Advanced Monte-Carlo methods, Uncertain parameter models, Lévy stochastic volatility models, Finite difference methods, Parallel computation and Advanced hedging techniques. He has a PhD in Applied Mathematics from the Catholic University Leuven - von Karman Institute for Fluid Dynamics (Belgium) on Parallel Large-Eddy Simulation of Incompressible Turbulent Flows in Complex Geometries.

### STREAM B – ENHANCED PRICING, HEDGING & TRADING CREDIT DERIVATIVES & CDOs

11.30 **Overcoming The Challenges Of Calibrating & Fitting The Smile For More Accurate Pricing Of Exotic Hybrid Equity-Credit Products**

- Modelling the distribution of the default time
- From CDS spreads to Default probabilities & from Defaultable bonds to Default probabilities
- First generation of hybrid model
- Calibration of a deterministic framework through stripping of market defaultable instruments
- Impact on standard european options pricing
- The hybrid model with jumps

**Marcus Overhaus, MD, Global Head of Quantitative Research, DEUTSCHE BANK**

Marcus Overhaus has been the global head of quantitative research for Deutsche Bank Global Equities, based in London, since 1996. Previously he worked in interest rate and foreign exchange derivatives quantitative research for Deutsche Bank in New York and Frankfurt respectively. Marcus is co-author of the following books: Modelling and Hedging Equity Derivatives (Risk Books, 1999); Equity Derivatives and Market Risk Models (Risk Books, 2000) and Equity Derivatives: Theory and Applications (Wiley, 2002). He is currently co-writing a fourth book for publication in 2004. He is a member of scientific advisory boards for two International Research Institutes based in Swansea and Berlin. Marcus has a degree and PhD in pure mathematics and theoretical physics.

12.35 **Modelling Default Contagion And Hedging Basket And Portfolio Credit Derivatives**

- Types of default contagion and their effects on credit spread
- Frailty models: a convenient way to model information-based default contagion
- Resulting spread dynamics
- Hedging basket credit derivatives: spread-delta and default-delta
- Dispersion Risk: Can we hedge with the underlying index alone?

**Philipp Schönbucher, Assistant Professor Quantitative Methods of Risk Management, ETH ZURICH**

Since October 1st, 2002, Philipp J. Schönbucher is Assistant Professor for Quantitative Methods of Risk Management at the ETH Zurich. From 2000-2002 Dr Schönbucher was postdoctoral researcher at the Department of Statistics at the Faculty of Economics at Bonn University. His research interests cover all areas of mathematical finance, in particular the modelling of credit risks but he has also published on other questions like market illiquidity or stochastic volatility. He is associate editor of Finance and Stochastics and member of the European Academic Council of Standard and Poor's.

13.10 **LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

14.30 **Evaluating The Benefits & Limitations Of Using Monte Carlo Simulation To Measure & Manage Risk Exposure In CDOs Of CDOs & Determining The Future Modelling Challenges**

- What are CDOs of CDOs?
- Copula valuation models.
- Monte Carlo approaches to variance reduction from a valuation perspective.
- The seed variance of risk calculations for CDOs of CDOs.
- The profile of risk exposures for CDOs of CDOs. Spread risk, recovery risk and default exposure.
- Calibration to the CDO market.

**David Beaglehole, Head of Derivatives Research North America and Global Credit Derivatives, DEUTSCHE BANK**

David Beaglehole is a Managing Director and head of Derivatives Research for North America at Deutsche Bank. At Deutsche David is in charge of all credit derivatives research. David has worked for Deutsche Bank for 6 years. Prior to working at Deutsche, he worked in the Derivatives Modeling Group at Goldman Sachs in New York for 5 years. Prior to this David was an Assistant Professor of Finance at the University of Iowa for 2 years. He has published a number of articles at several finance journals including the Journal of Financial Economics, has a PhD and an MBA in Finance and Economics from the University of Chicago, a First Class B.Sc. Honours degree in Mathematics from the University of Auckland and has been an Associate of the Society of Actuaries in the United States.

15.05 **Examining Key Strategies For The Optimum Valuation Of Synthetic CDOs And Successfully Hedging The Positions**

- Review & pitfalls of the models
- Hedging out residual positions

**Martin St-Pierre, Global Head of Structured Credit Derivatives Trading, BEAR STEARNS**

Mr. St. Pierre is a Senior Managing Director at Bear Stearns and is Global Head of Structured Credit Derivatives Trading. Previous roles at Bear Stearns include being co-head of New York Credit Derivative Trading and head of Latin American Credit Derivatives Trading. Martin joined Bear Stearns in June 2000 from Credit Suisse Financial Products where he traded Latin American Credit Derivatives and Structured Brady Bond Options. Prior to joining the trading desk at CSFP, he was a member of the product development group where he developed the Credit Derivative models for Credit Suisse. Before moving to CSFP, Mr. St. Pierre was a Research and Teaching Fellow at Harvard University. He graduated with a BS from McGill University in Montreal, Canada, and earned a PhD in Mathematics from UCLA.

15.40 **AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

16.00 **Examining Key Developments In Accurately Estimating Correlations & Volatilities Of CDO Tranches**

- Single tranche CDO dynamic hedging strategies
- Distinguishing Pricing and Risk Management of the position
- Input of new credit index

**Loic Fery, Global Head of Credit Derivatives & Structures, CREDIT AGRICOLE INDOSUEZ**

Loic Fery is Managing Director in the Fixed Income division of Credit Agricole Indosuez (CAI). He is based in London and acting as Global Head of Credit Derivatives & Structures: his product line

responsibility includes CDS Trading, Credit Structuring (including synthetic CDO business-line), and Convertible Stripping. He started working in Credit Derivatives in 1996 and has been involved successively in both Trading and Structuring sides of this growing activity. Before moving to London to head the global business, he was based in Hong Kong where he ran Asian Credit Derivatives desk for CAI and previously for SocGen.

**16.35 Variance Minimization Versus Spread pv01**  
**Ali Hirsra, Vice President, MORGAN STANLEY**  
 Ali joined Morgan Stanley in January 2000. His main focus is on model risk and model review. Prior to his current position, he worked in the Equity Derivatives Research at Banc of America Securities and the Fixed Income Research at Prudential Securities. His research interests are credit and equity derivatives. He is also an adjunct professor at Columbia University where he teaches in the Mathematics Finance Program.

**17.05 Accurately Estimating Credit Spreads From Option Prices**  
 Speaker tbc

**17.40 Exploring Multi-Step Monte Carlo Simulation Of CDOs And CDO2s**  
 ■ Fast and complete generation of Waterfalls for Multi Step Simulation  
 ■ Tranche PIK probabilities – OC Breaching Probabilities for Cash Flow CDOs  
 ■ Interest Only – Principal Only Risk Decomposition and Reinvestment Algorithms  
 ■ Case Study – Simulation of all CDOs in a CDO2

**Volkan Kurtas, Senior Risk & Analytics Manager, UNIQA ALTERNATIVE INVESTMENTS**  
 Volkan Kurtas is leading the Risk & Analytics team of UNIQA Alternative Investments GmbH. The team conducts quantitative analysis on investments for buy decision, develops further quantitative and monitoring systems and manages the risks of assets under management. Mr. Kurtas is mainly focused on analyzing portfolios of CDO tranches with various simulation techniques and managing the risks of CDO2s.

**William Morokoff, Director, New Products Research Group, MOODY'S KMV**  
 William Morokoff is a financial engineer in the research and analytics group at Moody's KMV. He heads the New Products Research Group, which is focused on developing new methodologies and products for risk management of credit sensitive portfolios and structures. Key efforts of the group include development of credit valuation models and simulation methods for pricing and risk management of CDOs and portfolios of CDO tranches. Prior to joining KMV, he was a vice president in quantitative risk management research at Goldman Sachs.

**STREAM C – HYBRID MODELLING & PRICING INNOVATIONS**

**11.30 Reusing Interest Rate Models For Better Hybrid Pricing Credit**  
 ■ Deterministic hazard rates  
 ■ Payout Representation  
 ■ Stochastic hazard rates  
 ■ Reusing cross-currency models  
 ■ Payout Representation (II)  
 ■ Equity  
 ■ Model Merging  
 ■ Skew

**Tom Hyer, Executive Director Derivatives Analytics, UBS**  
 Tom Hyer obtained a B.A. from Rice and a Ph.D. from Stanford before beginning his analytics career in fixed-income derivatives at Bankers Trust (now Deutsche Bank); he subsequently worked at First Union before joining UBS in 2001. He is perhaps best known as the author of "It's About Forward Vol", a seminal analysis of calibration techniques for interest rate models. He has devised and implemented models for equity, credit, FX, cross-currency and hybrid products, as well as languages for trade description, hedge computation and run-time extensions. His current focus is on interest-rate, cross-currency and hybrid models, and on their interoperation with payout languages and frameworks.

**12.35 Linked Bond Successfully Synthesising A Euro Inflation Using a Combination Of Credit & Inflation-Linked Derivatives**  
**Rashid Zuberi, Director Interest Rate Derivatives, DEUTSCHE BANK**

**13.10 LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

**14.30 Theory And Calibration Of Lognormal Swap Market Models And Smile-Consistent Generalisations**  
 ■ Theory and calibration of swap market models. A new fast and accurate calibration method  
 ■ Analytical bounds on the errors  
 ■ Simultaneous calibration to caps and swaptions in co-terminal swap market models is faster, more stable and accurate than in standard LIBOR market models  
 ■ Introducing smile-consistent extensions of the standard lognormal-based modelling that are viable for pricing and hedging exotic derivatives.

**Stefano Galluccio, Director, Exotic Derivatives Trader & Head of Exotic Derivatives Structuring, BNP PARIBAS**  
 Stefano Galluccio is an Exotic interest-rates derivatives and hybrids trader and head of exotic derivatives structuring at BNP Paribas. Prior to his current position he was a senior quantitative analyst in interest-rates and hybrid derivatives. Stefano previously worked at Commerzbank as a senior quantitative analyst in credit derivatives.

**15.05 Explorations Into The Co-Movement Of Rates & Equities**  
 ■ Motivation: pricing and hedging of hybrid derivatives  
 ■ What drives correlations between equities and interest rates?  
 ■ Exploring variation of equities-rates correlation over time  
 ■ Equities-rates co-movement during major market shocks  
 ■ Implications for designing and pricing hybrid derivatives

**Piotr Karasinski, Director, CITIGROUP**  
 Piotr Karasinski heads development of pricing models for interest rate and hybrid derivative products at Citigroup Global Markets in London. During his 20 years in derivatives, he developed valuation models for interest rates, forex, equity and hybrid products, did pioneering work developing a credit model for a Triple-A rate derivatives subsidiary, and worked on applications of derivatives to corporate finance. He has a PhD in Physics from Yale University.

**ADVANCED EQUITY DERIVATIVES PRICING, HEDGING & TRADING**

**16.00 Assessing The Suitability Of The Current Generation Of Models For Pricing Equity Default Swaps**  
**Joaquim de Lima, Global Head of Equity Derivatives Research, HSBC**

**16.35 Developing A Consistent Approach For Handling The Forward Smile**  
 ■ General Issues about forward starting options  
 ■ Modelling under Jump and stochastic volatility setting.  
 ■ Arbitrage constraint  
**Chrif Youssif, Director, DRESDNER KLEINWORT WASSERSTEIN**  
 Chrif is a Director at DrKW in charge of structuring and quantitative modelling. He joined DrKW as senior trader in April 2003, prior to that he was a senior quant then an exotic trader at Merrill Lynch Equity Derivatives Desk. Chrif joined Merrill Lynch in June 1999 from Paribas Capital Market where he was head of Equity Derivative Quantitative Research.

**17.05 The Latest Innovations In Pricing & Hedging Cliquets, Forward Starts & Other Exotic Equity Derivatives**  
 Speaker tbc

**STREAM D- THE LATEST INNOVATIONS IN INTEREST RATE MODELLING**

**11.30 Mathematical, Empirical And Practical Issues With Volatility Modelling**  
 ■ Which volatility?  
 ■ Problems with correlation.  
**Marek Musiela, Global Head of Fixed Income Research & Strategy Team, BNP PARIBAS**

Marek Musiela is Global Head of BNP Paribas Fixed Income Research and Strategy Team (FIRST). His team develops, implements and supports quantitative models for credit, foreign exchange and interest rates businesses. Marek has a distinguished professional career. His area of expertise lies in stochastic calculus, probability, statistics and applications of such methods in finance. His current main interests lie in reconciling the latest academic research with its applications to pricing and hedging of financial derivatives and to other aspects of financial risk management. Marek is best known for his contribution to the development of term structure models. Among other things he introduced the so-called 'Musiela parameterisation' and is the co-developer of the 'BGM' or 'Market Models'. His book, co-authored with M. Rutkowski, entitled 'Martingale Methods in Financial Modelling' provides a comprehensive, self-contained, and up-to-date treatment of the main topics in the option pricing theory and is considered to be a classic in this area. Marek gained PhD in Mathematics from the Polish Academy of Sciences in 1976.

**12.35 New Empirical And Computational Results InThe Relative Importance Of Jumps In Returns, In Stochastic Volatility And In Volatility**  
 ■ Evidence from S&P500 futures options  
 ■ Comparison of methods for fitting implied volatility surfaces to data  
 ■ Pitfalls in implying option model parameters from data  
 ■ New method for unbiased simulation of affine-jump diffusion models  
 ■ Relative importance of jumps in volatility

**Mark Broadie, Professor of Business, COLUMBIA GRADUATE SCHOOL OF BUSINESS**  
 Mark Broadie is a professor at the Graduate School of Business at Columbia University. His research focuses on problems in the pricing of derivative securities, risk management, and portfolio optimization. Much of his research focuses on the design and analysis of efficient Monte Carlo methods for pricing and risk management. Professor Broadie is editor-in-chief of the Journal of Computational Finance and serves as associate editor for Mathematical Finance, Operations Research, and Computational Management Science. Previously he was a vice president at Lehman Brothers in their fixed-income research group.

**13.10 LUNCH & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

**14.30 Evaluating An Interest Rate Modelling Framework In Discrete Rolling Spot Measure**  
 ■ A discrete framework, as defined on event time grid, for cross-currency term structure modeling  
 ■ A construction of a cross currency model with Markov-Functional models for each currency  
**Alexandre Antonov, Senior Quantitative Analyst, NUMERIX**

Alexandre Antonov got his PhD degree in physics in the Landau Institute of Theoretical Physics in 1997. In 1998 he joined Numerix Corporation where he works until now as Senior Quantitative Analyst. His field of interest is rather wide. It covers interest rate models, cross currency models and credit ones. His activity is concentrated on modelling and numerical methods development including such popular areas as Monte-Carlo simulations, lattices and stochastic mesh algorithms.

**15.05 Examining An Effective Volatility Technique For Stochastic Volatility BGM**  
 ■ Libor Market Models: framework and extensions  
 ■ Analytic Formula for European with mean-reverting alpha stoch-vol  
 ■ Controlling joint evolution of interest-rate and volatility  
 ■ Calibration of Libor Model to smile  
 ■ Markov simplification  
 ■ Smile-Effect on CMS and Bermudan

**Philippe Balland, Director, MERRILL LYNCH**  
 Philippe Balland is a Director in the fixed income division at Merrill Lynch, London, where he has the responsibility for developing and implementing stochastic models for pricing and hedging complex options. He is a regular guest speaker at leading academic and industry conferences. Philippe holds a PhD in mathematics from Oxford University.

**15.40 AFTERNOON TEA & OPPORTUNITY TO VISIT THE DERIVATIVES & RISK MANAGEMENT 2004 TECHNOLOGY EXCHANGE**

**16.00 The 'Numeraire Alignment' Optimisation Of BGM Model**  
 ■ A control variance method based on a non-arbitrage strategy  
 ■ Error behaviour in the BGM model implemented as a Monte Carlo simulation  
 ■ Error reduction technique on the domestic interest rate curve  
 ■ Practical results  
 ■ Generalisation to other variables: foreign interest rate curve, FX rates, equity prices

**Emmanuel Fruchard, Director, Front Office & Risk Management Continental Europe, SUMMIT SYSTEMS**  
 Mr. Fruchard joined Summit in 1995 and led the Financial Engineering group at Summit's New York headquarters for three years before returning to the Paris office to take charge of the company's front office and risk management product line for continental Europe. Since 2002 he has also been managing the BGM implementation project. Before Summit, Mr. Fruchard was head of Fixed Income & FX Research at Crédit Lyonnais in Paris. He holds a BA degree in Economics and M.S. degrees in Mathematics and Computer Science.

**16.35 Innovations In Using The Framework Of Stochastic Volatility, Local Volatility And Correlation Structures As Powerful Tools In The Analysis Of Compound Options And Financial Product Innovations**  
 ■ PRDC's, callable Range accrual options, etc. display common phenomena of compound options in their investment performance and risk management.  
 ■ Incompleteness of market information and the need for simplicity present the challenge to the day to day practice.

**Ken Yan, Head of Structured Derivatives Trading, NOMURA**  
 Ken Yan is head of structured derivative trading and head of Asia Pacific derivatives in Nomura international. Prior to that, he traded structured derivatives in Citibank NY and TMI in London. He was an assistant professor in mathematics in the US before his finance career.

**17.05 International Models For Interest Rates And Foreign Exchange: A General Framework For The Unification Of Interest Rate Dynamics And Stochastic Volatility Modelling**  
 ■ Wiener chaos representations for positive-interest arbitrage-free interest rate systems.  
 ■ Interest rate models as square-integrable Wiener functionals.  
 ■ Chaotic approach to interest rate yield curve and volatility calibration. Construction of specific models. Exact solutions for swaptions and bond options.  
 ■ Arbitrage-free exchange rate systems and their relation to the Rogers "potential" approach. Relation to the Amin-Jarrow approach.  
 ■ Chaotic models for foreign exchange volatility. Extensions to other asset classes.

**Lane Hughston, Professor of Financial Mathematics, King's College London**  
 Lane Hughston is Professor of Financial Mathematics at King's College London, where he is the head of a lively research group and runs a successful postgraduate teaching programme. Before joining King's College he was Director of Derivative Product Risk Management at Merrill Lynch, London. He received his doctorate in mathematics from the University of Oxford, where he was a Rhodes Scholar. His research interests include the pricing and risk management of derivative securities, martingale models for interest rate and foreign exchange processes, and the applications of geometric methods in finance. Website: www.mth.kcl.ac.uk

**17.40 Examining The Markov Functional Model Under Smile**  
 ■ Interest Rate Vol Smile Analysis  
 ■ Market Calibration  
 ■ Pricing Behaviours & Analysis

**Dongning Qu, Head of Quantitative Products Group, ABBEY NATIONAL FINANCIAL PRODUCTS**  
 Dongning Qu is currently head of Quantitative Products Group within Abbey National Financial Products, which structures and risk manages products covering all major asset classes. He previously worked in FX and equity markets at banks including HSBC and Nikko Securities. His PhD was in Statistical Optics from Imperial College. Prior to his career in derivatives, Dongning worked for the Defence Research Agency for several years.

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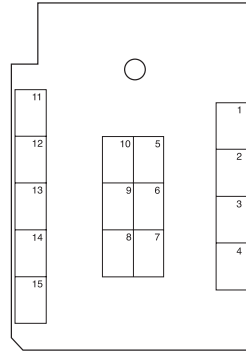
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Our clients use NumeriX software to price the most complex segment of trading

room products, "exotic" derivatives, and to hedge and manage the risk of interest rate, foreign exchange, equity and credit portfolios. NumeriX software solutions include precise calibration, well-researched and implemented market valuation models, as well as proprietary tree algorithms and Monte Carlo simulation.

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### COMPANY PROFILE

NumeriX has offices in New York, London and Tokyo. Our business professionals originate from the derivatives trading environment, while our research and development team benefits from PhD level expertise in theoretical physics, computer science and applied mathematics. Today, NumeriX employs over 80 people worldwide. NumeriX can be found at www.numerix.com.

### CONTACT

Nick Haining  
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### DATES

Day 1 - 25th May 2004:  
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Day 2&3 - 26th & 27th May 2004: Main Conference  
Day 4 - 28th May 2004:  
Engle Workshop, Interest Rate Workshop & Heston Workshop  
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<input type="checkbox"/> <b>4-DAY PACKAGE:</b> Trading Summit OR Hull + Main Conference + Workshop - please select one: <input type="checkbox"/> Engle <input type="checkbox"/> Interest Rates <input type="checkbox"/> Heston	25th - 28th May 2004 £2,997 + VAT @ 16% £479.52 = £3,476.52	£500	£3,097 + VAT @ 16% £495.52 = £3,592.52	£400	£3,197 + VAT @ 16% £511.52 = £3,708.52	£300
<input type="checkbox"/> <b>3-DAY PACKAGE:</b> Trading Strategies Summit + Main Conference	25th - 27th May 2004 £2,198 + VAT @ 16% £351.68 = £2,549.68	£300	£2,298 + VAT @ 16% £367.68 = £2,665.68	£200	£2,398 + VAT @ 16% £383.68 = £2,781.68	£100
<input type="checkbox"/> <b>3-DAY PACKAGE:</b> Main Conference + Workshop: - please select workshop: <input type="checkbox"/> Engle <input type="checkbox"/> Hull <input type="checkbox"/> Interest Rates <input type="checkbox"/> Heston	25th - 28th May 2004 £2,198 + VAT @ 16% £351.68 = £2,549.68	£300	£2,298 + VAT @ 16% £367.68 = £2,665.68	£200	£2,398 + VAT @ 16% £383.68 = £2,781.68	£100
<input type="checkbox"/> <b>2-DAY PACKAGE</b> Main Conference Only	26th & 27th May 2004 £1,299 + VAT @ 16% £207.84 = £1,506.84		£1,399 + VAT @ 16% £223.84 = £1,622.84		£1,499 + VAT @ 16% £239.84 = £1,738.84	
<input type="checkbox"/> <b>1-DAY PACKAGE</b> Trading Strategies Summit Only	25th May 2004 £999 + VAT @ 16% £159.84 = £1,158.84		£999 + VAT @ 16% £159.84 = £1,158.84		£999 + VAT @ 16% £159.84 = £1,158.84	
<input type="checkbox"/> <b>1-DAY PACKAGE:</b> Workshop Only: Please select one <input type="checkbox"/> Hull <input type="checkbox"/> Engle <input type="checkbox"/> Interest Rates <input type="checkbox"/> Heston	25th May 2004 £999 + VAT @ 16% £159.84 = £1,158.84		£999 + VAT @ 16% £159.84 = £1,158.84		£999 + VAT @ 16% £159.84 = £1,158.84	

\* Savings include Multiple Booking and Early Booking discounts  
Please note the conference fee does not include travel or hotel accommodation costs

### CANCELLATION POLICY

Should you be unable to attend, a substitute delegate is always welcome at no extra charge. Alternatively, we will make a prompt refund less service charge of 10% of the fee for cancellations received in writing (letter or facsimile) no later than 26/04/04. A 50% refund will be sent for cancellations received by 10/05/04; thereafter we regret that no refunds can be made.

Personal data is gathered in accordance with the Data Protection Act 1998. Your details may be passed to other companies who wish to communicate with you offers related to your business activities. If you do not wish to receive these offers, please tick the box

Additional Requirements. Please notify ICBI at least one month before the conference date if you have any additional requirements e.g. wheelchair access, large print etc.

## Register Now - Five Easy Ways!

- Fax this form on +44 20 7915 5101
- Post this form to: **Global Derivatives & Risk Management** Conference Administrator, ICBI, 29 Bressenden Place, London SW1E 5DR
- Telephone us on +44 20 7915 5103
- Email: icbi\_registration@icbi.co.uk  
always quote your **VIP code** and conference name
- via the website: **www.icbi-derivatives.com**

### VENUE DETAILS

NH Eurobuilding, Padre Damian, 23, 28036 Madrid  
Tel: 00 34 91 353 73 00, fax: 00 34 91 345 45 76  
nheurobuilding@nh-hotels.com

### CD ROM

I am unable to attend, but please send me the CD rom at £428.88 (£365 + £63.88 UK VAT) including post and packing.

### PAYMENT DETAILS

Please use this form as our request for payment. Fax and phone bookings should be made with a credit card number, or followed up by a posted registration form. Places are only guaranteed by full payment.

#### Please complete as applicable

- I enclose a cheque/bankers draft made payable to IIR Ltd for £.....
- I will pay by bank transfer, made to: Barclays Bank plc, 54 Lombard St, London, UK. Account name: IIR Ltd - International Division  
Account no: 80686468 Sort Code: 20-00-00. Swift BARCGB 22 Please insert delegate name and Conference Code KN2079 in the transmission details. VAT Number: A0 06 364 5F
- Please invoice my company
- Please debit my MASTERCARD  VISA  EUROCARD  AMERICAN EXPRESS

Card Number: .....  
Expiry date: ..... with the sum of £.....  
Signature: .....

REGISTRATION FORM