

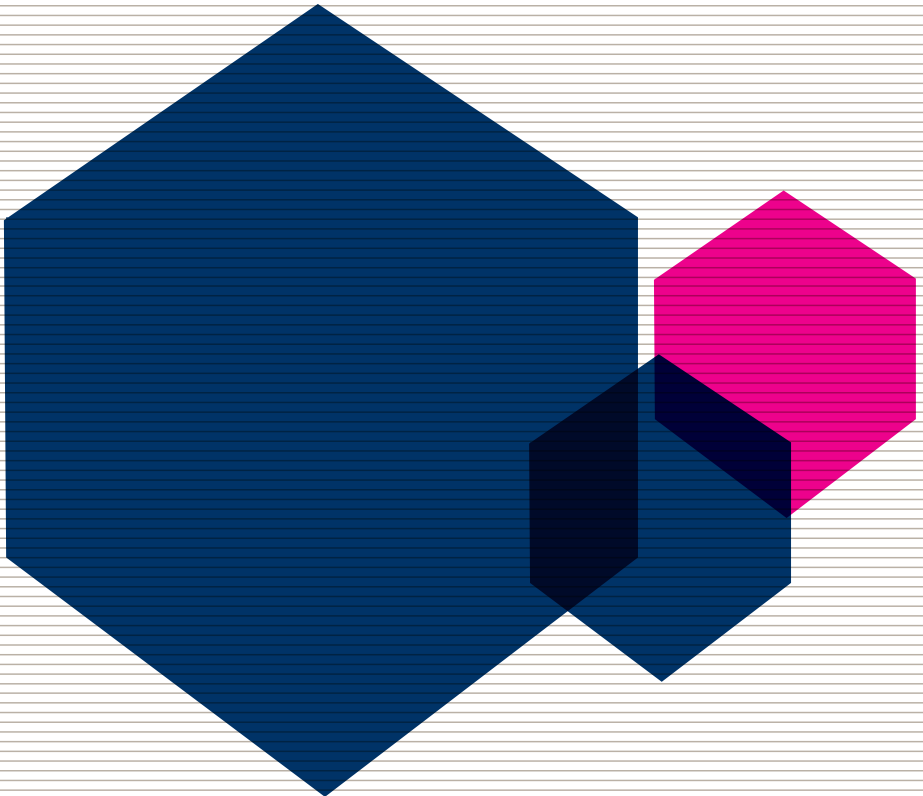


ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

Chicago, United States
22–24 October 2012

ASSET LIABILITY MANAGEMENT SEMINAR

Chicago, United States
25–26 October 2012





ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

About the course

Recent changes in the risk management landscape have significantly impacted Asset Liability Management for insurance companies. Solvency II, MCEV, IFRs and principle based approaches are fundamentally changing the way insurers execute ALM. Furthermore, many insurance company and pension portfolios are risk inefficient. This means that for a given level of risk, the financial objectives are not maximized. Risk optimization can add substantial value in many cases on a default-free basis while simultaneously reducing the exposure to the multiple dimensions of interest rate risk.

Course highlights

- Live hands on-training (each participant must bring a laptop computer).
- Valuable tools, utilities and models are provided as part of the course fee.
- Leading edge techniques and practices.
- Preparation for rating agency and regulatory reviews.
- Best practices frameworks with templates provided for ALM Policy and Risk Appetite Statements.
- Practical direction on how to execute ALM/ERM at a strategic level and realize real bottom line results.
- 5-week pre-course e-learning to help participants prepare for the intense course.
- Highly practical and interactive course including:
 - Application sessions where participants learn by applying tools and techniques to real-life examples
 - Extensive use of case studies where participants interact with other industry professionals and learn by doing

This course is intense. Be prepared to roll up your sleeves!

Who should attend?

Asset Liability Management Techniques and Practices has both reflected and influenced industry best practices, regulatory guidance and rating agency assessment. This course is a must for anyone responsible for risk management. Past course participants have immediately put to use the tools and techniques provided, used insights gained to prepare for reviews with rating agencies and regulators and have realized real bottom line results from being able to apply ALM at a strategic level. Course participants typically include:

Senior management looking to gain a firm grasp of the financial risks facing their organizations, make more effective business decisions and use ALM strategically, beyond risk mitigation and compliance;

Risk professionals already well versed in the underlying theory, but who want to gain further deep insight into the tools and techniques that are used in industry practice today;

Professionals looking to enter into the field of ALM and who are willing to invest some additional time pre-course to learn the basic concepts;

Asset managers and investment bankers wanting to provide sound ALM solutions to their clients;

Actuaries looking to gain a more in-depth knowledge of this key area of practice;

Board members looking to ensure they have the requisite knowledge of risk management in order to perform their fiduciary responsibilities.



About the Partners



Nexus Risk Management provides clear, transparent and complete solutions for managing risk. As a company, we focus exclusively on risk. Specializing in Asset Liability Management, Dynamic Hedging

and Enterprise Risk Management, we deliver tools, training, expertise and execution to enable our clients to maximize risk efficiency.

Worldwide we work closely with insurance companies and pension plans, rating agencies and regulators, leading experts from academia and the investment industry as well as reinsurers and other counterparties to bring together deep industry knowledge, leading edge techniques and best practices from around the world. Using robust ALM and LDI frameworks that are fully integrated within ERM we deliver state of the art dynamic hedging programs, asset management within a risk framework and risk optimization.

Through our offices in Toronto, Seoul, Hong Kong and Chicago we provide highly specialized services to our clients globally.



The Professional Risk Managers' International Association (PRMIA) is a higher standard for risk professionals, with more than 60 chapters around the world and over 75,000 members

worldwide. A non-profit, member-led association, PRMIA is dedicated to defining and implementing the best practices of risk management through education, events, networking, online resources, and certification including the Professional Risk Managers' (PRM) designation and the Associate PRM certificate. More information can be found at www.prmia.org



The Canadian Institute of Actuaries (CIA) is the national organization of the actuarial profession. Member driven,

the Institute is dedicated to serving the public through the provision, by the profession, of actuarial services and advice of the highest quality. In fact, the Institute holds the duty of the profession to the public above the needs of the profession and its members. More information can be found at www.actuaries.ca



Risk is the undisputed number one publication for financial risk managers, derivatives dealers, corporate hedgers and institutional investors. Risk Training was launched 15 years ago and is the flagship brand of Incisive Training. We offer over 100 courses a year and our portfolio extends to the UK, Europe, North America, Asia, Middle East, South Africa and Australia.

We have developed a reputation for the timeliness and the relevance of our course content, and the expertise and professionalism of our tutors.

We believe that education, the meeting of minds and sharing of best practice is critical for the functioning and development of the financial markets. Our aim has always been to provide honest independent training on business critical matters, to respond swiftly to changing regulation and to provide clients with the knowledge they need to advance in their careers.



The Society of Actuaries is an educational, research and professional organization dedicated to serving the public and more than 21,000 members. The SOA's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk. soa.org



Chicago Board Options Exchange (CBOE), the largest U.S. options exchange and creator of listed options, continues to set the bar for options trading through product innovation, trading technology and investor education.

CBOE offers equity, index and ETF options, including proprietary products, such as S&P 500 options (SPX), the most active U.S. index option, and options on the CBOE Volatility Index (VIX), the world's barometer for market volatility. Other groundbreaking products engineered by CBOE include equity options, security index options, LEAPS options, FLEX options, and benchmark products, such as the CBOE S&P 500 BuyWrite Index (BXM).

CBOE's Hybrid Trading System incorporates electronic and open outcry trading, enabling customers to choose their trading method. CBOE's Hybrid is powered by CBOEdirect, a proprietary, state-of-the-art electronic platform that also supports the CBOE Futures Exchange (CFE), CBOE Stock Exchange (CBSX) and OneChicago. CBOE is home to the world-renowned Options Institute and CBOE.com, named "Best of the Web" for options information and education.

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ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

Course materials Five-week e-learning Pre-course

ALM ESSENTIALS is designed to provide a review of fundamental ALM concepts. This five-week e-learning course delivers on-line lectures and practice sessions and includes valuable references and selected readings to help prepare participants for the intense Techniques and Practices that will follow. Participants who register by will receive this valuable course material.

Pre-course package

1. Detailed course overview

2. Pre-Reading Package

3. Bibliography/List of suggested background readings

4. SOA ALM specialty guide

5. Survey questionnaire

Course tutors:

Charles L. Gilbert, FSA, FCIA, CFA, CERA

Charles L. Gilbert is president and founder of Nexus Risk Management providing advanced risk management solutions to financial institutions globally. Mr. Gilbert works with several insurance and reinsurance companies worldwide to implement and execute dynamic hedging programs, Asset Liability Management and Enterprise Risk Management.

Mr. Gilbert has been actively involved in managing risks associated with insurance company portfolios, serving on industry task forces and conducting research for both the Society of Actuaries and Canadian Institute of Actuaries. Mr. Gilbert was also responsible for launching one of the first dynamic hedging initiatives for a major actuarial consulting firm in 2000 and is recognized as a thought leader in ERM and ALM.

Mr. Gilbert has close to 25 years of experience in the life insurance industry and has personally trained over 1,000 risk professionals, regulators, rating agency analysts and senior management on risk management worldwide.

On-site Package

1. Hand-outs of All Presentations (Bound Copy and CD)

2. Excel Based Models and Tools

- VaR and CTE Models
- Price sensitivity charts and statistics
- Approximation techniques using Taylor Series Expansion
- Impact of changes in interest rates on economic value
- Stochastic models
- Risk profile
- Replicating portfolios and hedging techniques
- Calculating volatility and building correlation matrices
- Collection of interest rate models
- Model calibration
- Historical market data
- Delta hedging simulator
- Dynamic hedging model
- Option pricing calculator
- Risk metrics and analytics to calculate Greeks
- Bootstrapping techniques

3. Case Study Material

- Annual reports
- Regulatory frameworks regarding risk management

4. Sample Policy Templates

- ALM Policy Statement and Procedure Manual

5. Sample ALM Report Template

6. ALM Committee Package

- Agenda
- Minutes
- Reports

7. Group Assignments

JOHN J. WIESNER, MBA

John J. Wiesner is Managing Director of Nexus Risk Management in Chicago, overseeing all hedging operations globally. As part of a strategic partnership between the Chicago Board Options Exchange and Nexus Risk Management, Mr. Wiesner also acts as Risk Management Strategist at the CBOE focusing on insurance product hedging needs.

Mr. Wiesner has over 20 years of capital market experience. He executed the first electronic option trade in the US. Mr. Wiesner began his options trading career as a market-maker on the Chicago Board Options Exchange. During the 1990's he designed new trading strategies for option market-makers. He wrote software that priced options and executed orders on the first electronic option order entry system.

From 2001 to 2007, he was a member of the Chicago Stock Exchange and founded and managed a global volatility arbitrage. In 2008 he started consulting to insurers for CDS and Equity Index risk system construction, as well as for variable annuity design. Over the years he has also consulted to risk management/trading software firms for automated hedging programs and portfolio risk management metric design.

ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES



CFA Institute has approved this program, offered by Nexus Risk Management, for 20 CE credit hours. If you are a CFA Institute member, CE credit for your participation in this program will be automatically recorded in your CE Diary.

Day 1 TECHNIQUES AND PRACTICES CHICAGO Monday October 22, 2012

0730	Registration
0800	Breakfast
0830	Welcome, Course Overview and Introductions
0900	Lecture
L1	Anatomy of a Failure C. Gilbert
L2	ALM Framework Implementation C. Gilbert
L3	ALM Best Practices C. Gilbert
1030	Break

Day 2 TECHNIQUES AND PRACTICES CHICAGO Tuesday October 23, 2012

0800	Breakfast
0830	Lecture
L7	Policies and Control Procedures C. Gilbert
L8	Investment Strategy and Portfolio Optimization C. Gilbert
0930	Case Study
C2	Formulate ALM Strategies Faculty
1030	Break

Day 3 TECHNIQUES AND PRACTICES CHICAGO Wednesday October 23, 2012

0800	Breakfast
0830	Lecture
L13	Risk Reporting and Communication C. Gilbert
0900	Case Study
C5	Working Session Prepare Presentations for Case Study Faculty
1200	Lunch
1300	Case Study
C6	Participate in Mock ALM Committee Meeting Faculty

<p>1045 Case Study C1 Review ALM Practices of Leading Insurance Companies Faculty</p>	<p>1045 Lecture L9 Uses and Limitations of Traditional Risk Measures C. Gilbert</p>	<p>1500 Review and Closing Remarks / Question and Answer</p>
<p>1200 Lunch</p>	<p>L10 Advanced ALM Risk Metric and Analyses C. Gilbert</p>	<p>1600 End of Techniques and Practices</p>
<p>1300 Lecture L4 Term Structure of Interest Rates J. Wiesner</p>	<p>1200 Lunch</p>	
<p>1330 Application Exercise A1 Derive Spot Rate Curve Using Bootstrapping Techniques Faculty</p>	<p>1300 Application Exercise A5 Calculate Risk Metrics and Analyze Exposure Faculty</p>	
<p>A2 Calculate Implied Forward Curve Faculty</p>	<p>A6 Quantify Interest Rate Risk Exposure Faculty</p>	
<p>1415 Break</p>	<p>1345 Case Study C3 Rebalance Portfolio to Within Risk Limits Faculty</p>	
<p>1430 Lecture L5 Market Consistent Valuation J. Wiesner</p>	<p>C4 Measure Impact of Change in Interest Rates Faculty</p>	
<p>L6 Introduction to Stochastic Modeling C. Gilbert</p>	<p>1500 Break</p>	
	<p>1515 Lecture L11 Modeling Interest Rates C. Gilbert</p>	
	<p>L12 Dynamic Hedging J. Wiesner</p>	
	<p>1700 End of Day 2</p>	



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ASSET LIABILITY MANAGEMENT SEMINAR

October 25 – 26, 2012

Asset Liability Management Seminar

Insurance companies and pension plans have suffered severe losses as a result of inadequate or no ALM discipline in every decade since the 1970s. Losses that could easily have been avoided with proper ALM.

The risk management landscape is changing rapidly. Greater recognition of risk exposure and more sophisticated techniques to measure and control risk are resulting in new regulation, new capital requirements, new accounting standards and a new solvency framework.

Asset Management has fundamentally changed as a result. Innovative ALM strategies and new products are being called upon to address some of the greatest challenges faced by the insurance and pension industries.

- Interest rates are at or near historic lows.

- Fixed income assets are not available to match long liability cash flows.
- Many insurance companies face the challenge of having unhedged in-the-money embedded derivatives their liabilities even as they seek to offer more products with investment guarantees.
- Insurance companies are making significant investments as they prepare for the new regulatory changes.
- Insurance companies and pension plans are looking for ways to manage the various risks associated with their liabilities and increase portfolio returns at the same time.

ASSET LIABILITY MANAGEMENT SEMINAR provides an unsurpassed opportunity to network with leading risk professionals involved in ALM, dynamic hedging, ERM and asset management. Join us and hear from prominent experts in the field on the critical issues facing risk professionals today.

Thursday, October 25, 2012

8:00	Registration & Breakfast
8:30	Opening Remarks Charles Gilbert, Nexus Risk Management
8:40	Overview of the Risk Management Landscape
9:20	Latest Regulatory Developments/Reconciling Economic and Accounting Objectives in ALM
10:30	Networking Break
10:45	ALM Strategies – What Worked and What Didn't
12:00	Lunch
13:30	Maximizing Risk Efficiency
14:45	Networking Break
14:30	Betting the Farm on Rising Interest Rates
15:45	Beyond LDI – Innovative De-Risking Solutions for Pensions
17:00	Reception
18:30	End of Day 1

Friday, October 26, 2012

8:00	Breakfast
8:30	Variable Annuities vs. Mutual Funds with Embedded Hedge Portfolios
9:30	The Role of ALM within a Best Practices ERM Framework
10:30	Networking Break
10:45	Incorporating Market Views in ALM Strategies
11:45	Lunch
13:15	The Volatility Term Structure: Does it imply higher realized volatility?/Options, Futures and Other Derivatives for ALM
14:30	Networking Break
14:45	Ask the Experts – Current ALM Issues and Challenges
16:00	End of ALM Seminar



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Registration form

Prices

Your registration fee includes morning and afternoon refreshments, lunch and your seminar materials.

Asset liability management techniques and practices Chicago

	Early booking 1 (before 24 July)	Early booking 2 (before 24 September)	Standard (after 24 September)
Asset Liability Management Techniques and Practices	\$4,700	\$5,200	\$5,700
Asset Liability Management Seminar	\$1,595	\$1,750	\$1,900
Both Events	\$5,795	\$6,395	\$6,995

****All discounts are calculated on the full price of the event and must be qualified by Incisive Media.** The organiser's decision is final. Discounts cannot be combined. For more than 3 delegates bookings please contact Customer Services to discuss a group discount on tel: +1 646 736 1852.

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