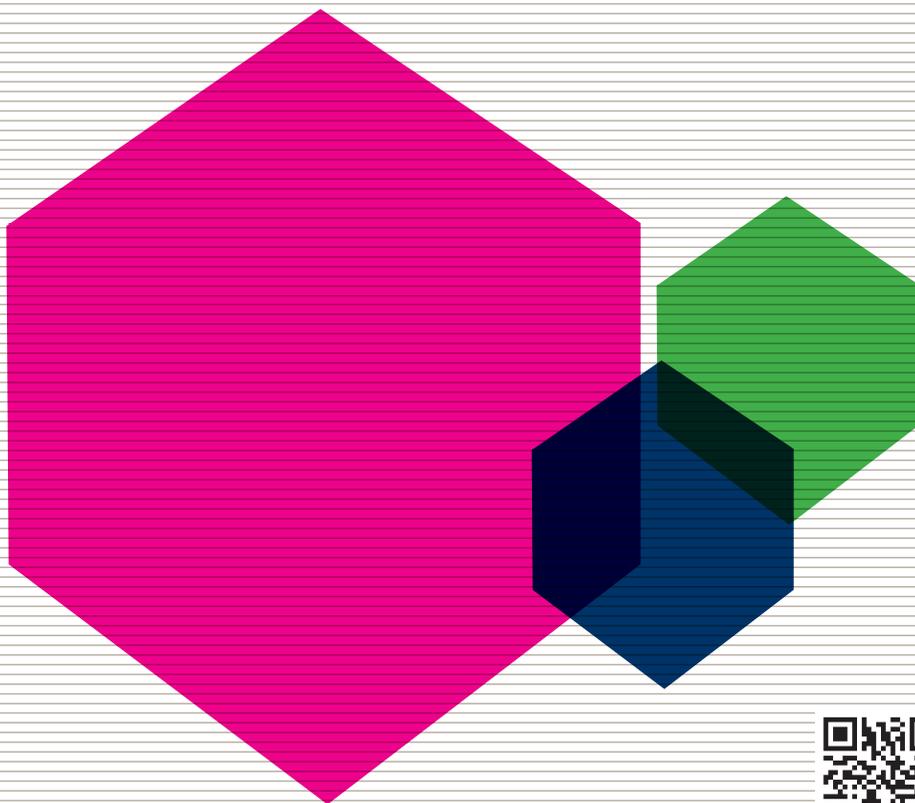




DYNAMIC HEDGING ESSENTIALS, MASTER CLASS AND WORKSHOP

Chicago, Illinois
April 26–27, 2012





About the course

Tremendous advances have been made in the last few years in the area of dynamic hedging of variable products. These advances have been necessary to keep up with the increasing risks and challenges associated with GMXBs. The level of knowledge and understanding required to successfully implement and run effective dynamic hedging programs has also increased significantly.

DYNAMIC HEDGING PROGRAM SERIES is conducted over two days consisting of three separate parts that provide a complete dynamic hedging training program covering essential concepts, advanced topics and workshop discussion with industry practitioners.

Participants will be able to immediately take back to the office and apply what they have learned and will have the opportunity to network with other professionals in this fast paced and evolving field of practice.

DYNAMIC HEDGING ESSENTIALS is a half-day classroom training session designed to provide a review of essential dynamic hedging concepts.

What you will gain

- Learn industry practice regarding dynamic hedging programs
- Calculate first, second, third order Greeks and cross Greeks
- Execute delta hedge

DYNAMIC HEDGING MASTER CLASS is an advanced one-day program covering the key elements of executing a dynamic hedging program to hedge equity-based guarantees and provides hands-on practice through case studies and application exercises.

What you will gain

- Learn how to implement a dynamic hedging program
- Review economic scenario generators and nested simulation
- Learn how to simulate and evaluate dynamic hedging strategies
- Quantify cost and risk distribution of GMWB
- Understanding hedge effectiveness and attribution analysis
- Perform fund mapping
- Calculate trading grid
- Produce risk report
- Execute dynamic hedging strategy

DYNAMIC HEDGING WORKSHOP is a half-day focus group discussion and networking opportunity for dynamic hedging practitioners. There is no cost to attend but participation in the facilitated discussion is by invitation only.

What you will gain

- Survey of industry practices
- Identification of challenges and issues facing industry
- Benchmarking – hedge effectiveness, grid processing speed



Who should attend?

ESSENTIALS

Risk professionals already familiar with many of the concepts, but who want a refresher and deepen their knowledge;

Professionals looking to enter into the field of Dynamic Hedging;

Investment bankers wanting to provide sound Dynamic Hedging solutions to their clients;

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

Senior management looking to gain a firm grasp of the financial risks facing their organizations, make more effective business decisions;

MASTER CLASS

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 Dynamic Hedging and who are willing to invest some additional time to learn the basic concepts covered in the Essentials class;

Investment bankers wanting to provide sound Dynamic Hedging solutions to their clients;

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

WORKSHOP

Risk professionals working for insurance companies who are involved in the dynamic hedging process and who are able to participate in an industry focus group discussion of current issues, solutions and benchmarking.

***Note that participation in the workshop is by invitation only. Interested participants may request an invitation. There is no requirement to register for either the Essentials or Master Class in order to attend.*

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2012 Program Series

Dynamic Hedging Essentials, Master Class & Workshop

April 26-27, 2012
Chicago, Illinois

Enterprise Risk Management Techniques and Practices

June 25- 27, 2012
Montreal, Canada

Asset Liability Management Techniques and Practices

October 22-24, 2012
Chicago, Illinois

Asset Liability Management Seminar

October 25-26, 2012
Chicago, Illinois

Contact details for questions:
Brianne C. Gilbert
brianne.gilbert@nexusrisk.com





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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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 equity based guarantees for over ten years including working with one of the first insurance companies to implement dynamic hedging, 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 25 years 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.

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.

DYNAMIC HEDGING ESSENTIALS, MASTER CLASS AND WORKSHOP

Chicago
Thursday 26 April 2012

Morning

Dynamic Hedging Essentials

- 0700 Registration and breakfast
- 0800 **Lecture**
- EL1** Review of Hedging Instruments
- EL2** First, Second, Third Order Greeks and Cross Greeks
- 0930 **Application**
- EA1** Calculate the Greeks
- 1000 Break
- 1015 **Lecture**
- EL3** A Primer on Delta Hedging
- 1045 **Application**
- EA2** Execute Delta Hedge

Chicago
Friday 27 April 2012

Morning

Dynamic Hedging Master Class – Part 2

- 0700 Breakfast
- 0800 **Application**
- MA2** Perform Fund Mapping
- MA3** Calculate Trading Grid
- MA4** Produce Risk Report
- 0930 Break
- 0945 **Case Study**
- MC1** Execute Dynamic Hedging Strategy
- 1130 **Application**
- MA5** Attribution Analysis
- 1200 End of Dynamic Hedging Master Class

1100 **Lecture**

EL4 Overview of Dynamic Hedging Practices

1200 End of Dynamic Hedging Essentials

Afternoon

Dynamic Hedging Master Class – Part 1

1400 **Lecture**

ML1 Implementation of Dynamic Hedging

ML2 Economic Scenario Generators and Nested Simulation

1530 **Break**

1545 **Lecture**

ML3 Simulation and Evaluation of Dynamic Hedging Strategies

1630 **Application**

MA1 Quantify Cost and Risk Distribution of GMWB

1715 **Lecture**

ML4 Understanding Hedge Effectiveness

1600 **End**

Afternoon

Dynamic Hedging Workshop

1330 Welcome and Introductions

1400 **Roundtable Discussion**

WD1 Survey of Industry Practices

WD2 Identification of Challenges and Issues Facing Industry

WD3 Benchmarking – Hedge Effectiveness, Grid Processing Speed

1730 End of Workshop

1730 Networking Opportunity

1930 **End**

Risk
training

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