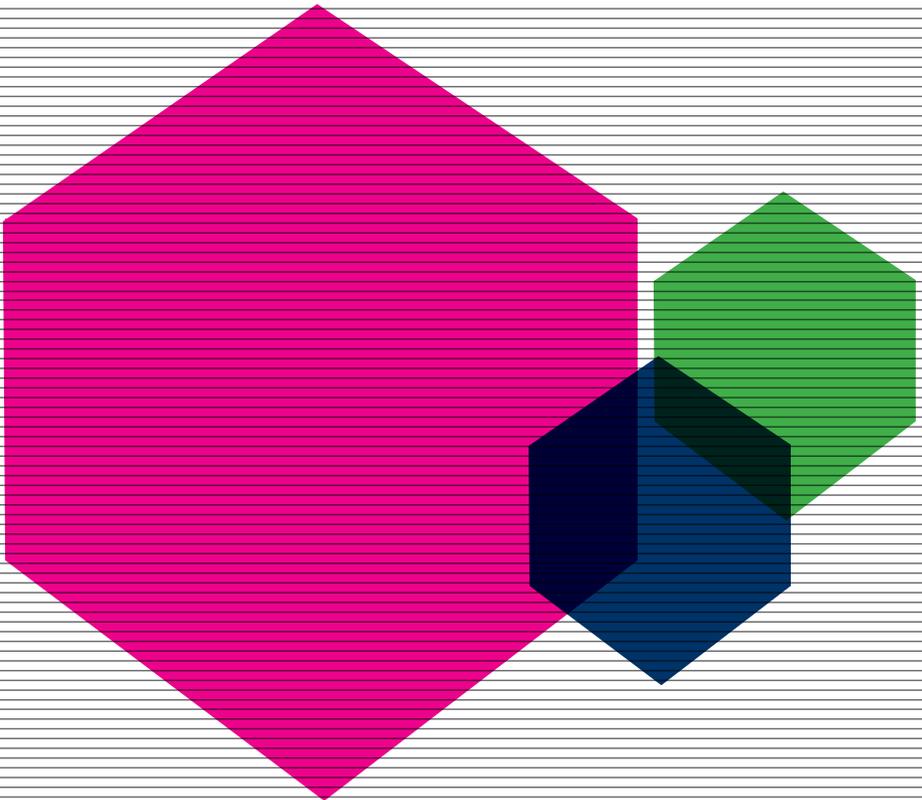




# DYNAMIC HEDGING ESSENTIALS, MASTER CLASS AND WORKSHOP

Chicago, Illinois  
August 8–9, 2013





## 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.*

call— +1 646 736 1852  
email— nexus-risktraining@incisivemedia.com  
web— nexus-risktraining.com/dynamichedging

## 2013 Program Series

---

### Asset Liability Management Techniques and Practices

June 10–12, 2013  
Toronto, Canada

---

### Asset Liability Management Seminar

June 13–14, 2013  
Toronto, Canada

---

### Enterprise Risk Management Techniques and Practices

August 5–7, 2013  
Chicago, Illinois

---

### Dynamic Hedging Essentials, Master Class & Workshop

August 8–9, 2013  
Chicago, Illinois

---

### Asset Liability Management Techniques and Practices

October 14–16, 2013  
London, United Kingdom

---

Contact details for questions:  
**Brianne C. Krysiak**  
[brianne.krysiak@nexusrisk.com](mailto:brianne.krysiak@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.



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 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](http://www.prmia.org)



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](http://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.

call— +1 646 736 1852  
email— [nexus-risktraining@incisivemedia.com](mailto:nexus-risktraining@incisivemedia.com)  
web— [nexus-risktraining.com/dynamichedging](http://nexus-risktraining.com/dynamichedging)



## 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 over 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 8 August, 2013

## Morning

### Dynamic Hedging Essentials

- 0800 Registration and breakfast
- 0830 **Lecture**  
Review of Hedging Instruments
- EL1** First, Second, Third Order Greeks and Cross Greeks
- EL2**
- 1000 **Application**  
Calculate the Greeks
- EA1**
- 1030 Break
- 1045 **Lecture**  
A Primer on Delta Hedging
- EL3**
- 1115 **Application**  
Execute Delta Hedge
- EA2**
- 1130 **Lecture**  
Overview of Dynamic Hedging Practices
- EL4**
- 1230 End of Dynamic Hedging Essentials

Chicago  
Friday 9 August, 2013

## Morning

### Dynamic Hedging Master Class – Part 2

- 0800 Breakfast
- 0830 **Application**  
**MA2** Perform Fund Mapping  
**MA3** Calculate Trading Grid  
**MA4** Produce Risk Report
- 1000 Break
- 1015 **Case Study**  
**MC1** Execute Dynamic Hedging Strategy
- 1200 **Application**  
**MA5** Attribution Analysis
- 1230 End of Dynamic Hedging Master Class

---

## Afternoon

---

### Dynamic Hedging Master Class – Part 1

---

- 1330 Lecture**  
**ML1** Implementation of Dynamic Hedging  
**ML2** Economic Scenario Generators and Nested Simulation
- 1500 Break**
- 1515 Lecture**  
**ML3** Simulation and Evaluation of Dynamic Hedging Strategies
- 1600 Application**  
**MA1** Quantify Cost and Risk Distribution of GMWB
- 1645 Lecture**  
**ML3** Understanding Hedge Effectiveness
- 1745 End**
- 

---

## Afternoon

---

### Dynamic Hedging Workshop

---

- 1330** Welcome and Introductions
- 1400 Roundtable Discussion**
- 1730** End of Workshop
- 1730** Networking Opportunity
- 1930** End
-

