



STRUCTURED FINANCE

Hedge Fund Strategies Workshop: Everything you need to know about hedge funds

A comprehensive and practical 3-day workshop on:

- Growth and ongoing evolution of hedge funds and their strategies
- Terminology and setup that is key to understanding how hedge funds trade
- Major hedge fund strategies and their historical and current returns
- Market ramifications of hedge fund trading and likely trends for next year
- Risk management for hedge fund investors and trade counterparties

Target participants:

Hedge fund investors
Product control officers
Risk managers and lawyers
Prime Brokerage, Operations, IT specialists

Why you should attend:

- Unique access to top financial experts independent from investment banks
- Network and discuss current market issues, challenges and industry initiatives with your counterparts in the financial industry
- Work on case studies using real trade examples and current market prices

Course directors: Terri Duhon / Anu Munshi / Colin Smith

Date: 2nd – 4th December 2008

Venue: London



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DAY ONE: Tue, 2nd Dec 2008

OVERVIEW OF DERIVATIVES

Why do hedge funds use derivatives?

- Leverage
- Trading unobservable inputs
- Vanilla vs. exotic derivatives

Case study: Why do derivatives exist?

Money now is better than money later!

- Review of time value of money
- Importance of present value and mark to market

Case study: Time value of money

Case study: Hedge fund MTM

The fix is in...

- Fixing prices for a future date
- Futures vs. forwards

Case study: Calculating forwards

Swaps: Yours is better than mine

- Two legs of a swap must be...?
- Interest rate swaps
- Cross currency swaps
- Credit default swaps
- Positive and negative MTM

Case study: Determining fixed interest rates

Case study: What does it mean to invest?

There's no such thing as a free option!

- Option terminology
- Options vs. forwards
- Key inputs for option valuation
 - Volatility
- Delta hedging

Case study: Option payouts

Case study: Equity options delta hedging

DAY TWO: Wed, 3rd Dec 2008

HEDGE FUND SETUP

How big are hedge funds?

- What makes a hedge fund?
- Current market statistics
 - Hedge fund AUM
 - Distribution of AUM by region
 - Distribution of AUM by fund size

Terminology, terminology...

- Leverage
 - Margin calls
- Volatility
 - Alpha vs. beta
 - Sharpe ratio
- Funds of hedge funds
- Hedge fund returns
 - What is 2 and 20?

Case study: Margin calls

Case study: Calculating returns

Case study: Hedge fund termsheet

Case study: Fund of funds termsheet

Getting started

- Capital introduction
- Placement agents
- Prime brokerage
- Administrators
- Fraud
- Trading with hedge funds

Case study: Fraudsters Inc.

Who invests in hedge funds?

- Individuals vs. institutional investors

Hedge fund strategy overview

- Are some strategies better suited for certain investors?

The workshop will focus on the practical realities of the market rather than taking an excessively mathematical or academic approach. The course style will be discussion and case study based rather than pure lecture, allowing participants to think through the products themselves and thus gain a more intuitive understanding of the market.

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DAY THREE: Thu, 4th Dec 2008

HEDGE FUND STRATEGIES

Equity strategies

- Fundamental value

Case study: Fundamental value in equity

Event driven strategies

- Merger arbitrage
- Special situations
- Distressed investing
- Activist shareholders

Case study: LBO dynamics

Case study: The Children's Investment Fund

Relative value strategies

- Convertible arbitrage
- Fixed income arbitrage
- Trading volatility

Case study: Convertible arbitrage

Case study: Yen carry trade

Macro strategies

- Discretionary thematic
- Soros and Tiger

Case study: What happened to Amaranth?

Hedge fund returns

- How have hedge funds performed?
- Allocations and predicted performers for 2009

Managing hedge fund risk

- Hedge fund linkages with market participants
- Threats and opportunities
- Managing hedge fund risk
 - Investors: choosing the right hedge fund(s)
 - Prime brokers: setting limits
 - Counterparties: managing concentration risk

Case study: Which hedge fund to choose?

COURSE DIRECTORS

Terri Duhon is a market professional with 14 years of experience in derivative products and securitization. After a period of trading interest rate derivatives at JPMorgan, she focused on the credit derivatives market, helping to build the structured finance and single tranche business at JPMorgan in NY and then London. She also spent 2 years at ABN AMRO, helping build a global structured credit business including working on the original credit derivative indices and the first credit CPPI trade. Terri started B&B Structured Finance Ltd in 2004. While running B&B, she has undertaken several derivatives and securitization consultancy projects as well as numerous training assignments in Europe, North America and Asia.

Anu Munshi has 11 years experience working in financial markets starting with 8 years in structured credit at JPMorgan in the US, Asia and Europe. She started her career structuring emerging market and credit derivatives in NY. She then moved to Singapore as product manager for credit derivatives, CDO and ABS for JPMorgan in Asia, educating clients and distributing structured credit products in the region. Later she moved to JPMorgan in London to develop its structured credit and hybrid notes business in Europe, and was instrumental in developing options on CDS and tranches. Anu joined B&B as a partner in October 2005. While at B&B, she has conducted several courses globally, and has undertaken a variety of consulting projects for clients in the US and Europe.

Colin Smith has 25 years of experience in financial markets, most recently as the Senior Risk Officer at Citigroup Alternative Investments. Colin joined Citibank in 1994 to head up its European structured equity derivative trading arm, following which he moved into Citibank's Risk Management division in 1996. After several years in London as Head of Risk Analysis and Reporting for the corporate bank, Colin moved to New York in 2002 as Chief Risk Officer for Citigroup Global Investments (which was later renamed Citigroup Alternative Investments). Prior to Citibank, Colin was at Mitsubishi Finance for 10 years, trading various debt and equity markets, with an emphasis on complex derivative products and proprietary trading. Before Mitsubishi, Colin was in Eurobond sales and research at Wedd Durlacher, the largest stock jobber on the floor of the London Stock Exchange. Colin graduated with a BA in Economics from Stirling University.

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B&B STRUCTURED FINANCE LTD

- B&B Structured Finance Ltd (“B&B”) was founded in 2004 and is a consortium of experienced and respected financial market professionals who uniquely have recent, relevant experience in a broad range of product areas
- B&B educates institutions from basic through to advanced financial products spanning:
 - Interest rate, foreign exchange, credit, equity and commodity derivatives, and hedge funds
 - Trading, structuring, sales and marketing, and management
 - Over 6,000 course participants and 600 training days since 2004
- B&B also provides strategic consulting services, tailored to suit clients’ individual requirements across asset classes and organizational functions

INFORMATION AND REGISTRATION

Cost & Registration:

£2,000 + VAT per delegate

Course Booking Form: Hedge Fund Strategies 2nd Dec 2008 – 4th Dec 2008, London

Payment method:

- I enclose a cheque for £2,350 (incl. VAT) payable to B&B Structured Finance Ltd.
- I have made a payment of £2,350 (incl. VAT) to your bankers:

B&B Structured Finance Ltd.
Barclays Bank, 26 Minories, London EC3N 1BQ
Account Number: 10097691
Sort Code: 20-32-06

First Name _____
Last Name _____
Job Title _____
Company _____
Address _____

Email _____
Tel _____
Fax _____
Signature _____

To register or to request further information, please contact us at:

Email: info@bandbsf.com

Tel: +44 207 925 8380

Fax: +44 207 925 8399

If you would like us to tailor this or any of our other courses to your requirements, we could conduct an in-house course with the content and format to suit your specific needs. Please contact us at info@bandbsf.com with any inquiries.

TERMS AND CONDITIONS

- 1. Delegate numbers:** The workshop requires a minimum of 10 delegates and a maximum of 20 delegates.
- 2. Payment** is required prior to the event. If you require an invoice, please inform us stating whether you need an original or a fax copy. Please allow a minimum of 7 working days for the payment to reach us and please let us know when payment has been sent. Please state the event and delegate to which your payment relates.
- 3. Cancellation:** If you are unable to attend and let us know in writing 14 days or more before the course, an administration charge of 10% of the course fee will be incurred. 50% of the course fee will be charged if you give between 7 and 14 days’ notice. Thereafter, full payment is required, but a substitute delegate is welcome at no extra charge. This policy is necessary due to the strict limitation on delegate numbers.