



USA 2012

Marriott Marquis, New York
November 12-15

Risk
conferences

- ▶ **Regulation**
- ▶ **Market and credit risk**
- ▶ **Portfolio management**
- ▶ **Derivatives and trading**
- ▶ **Liquidity and operational risk**
- ▶ **Investment opportunities**

Strategies for navigating the regulatory challenges and delivering value through risk management and trading in uncertain times

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Risk USA, hosted by *Risk* magazine, is the most authoritative conference for CROs, CIOs, regulators, traders, portfolio managers and other senior financial decision makers. With an overwhelming raft of incoming financial regulation, a deepening worldwide economic crisis and more frequently occurring tail risk events it is even more imperative to keep on top of complex market developments and share experiences to combat these challenges. The renowned Risk USA conference offers you an excellent opportunity to hear leading experts share views and best practice, across all risk types, to prepare you for 2013 and beyond.

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separately
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workshops

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Highlights of the
18th annual Risk USA

- Keynote speech by **Bart Chilton**, Commissioner, US COMMODITY FUTURES TRADING COMMISSION (CFTC)
- Practical advice and networking opportunity with CROs and CIOs from leading financial institutions
- Presentation on "Meeting evolving counterparty management needs" presented by keynote speaker **William G. De Leon**, Managing Director and Global Head of Portfolio Risk Management, PIMCO
- Multiple panel discussions including topics on regulations, HFT, investment opportunities, OIS vs LIBOR, OTC clearing and a corporates roundtable
- Conference track dedicated to investment opportunities in Latin America, Asia, South Africa and Middle East

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- **Modeling and managing liquidity risk**
- **Advances in execution and liquidity discovery**
- **Risk appetite in a dynamic financial market environment**
- **Tail risk hedging strategies for investors**

Welcome

Since the Group of 20 nations set the post-crisis reform agenda in September 2009, much of the focus has been on the rule-making process. It has been fraught. Many initial proposals have been revisited and revised, timelines have been pushed back, and big gaps still remain to be filled. But the first of the new Dodd-Frank Act rules are set to come into force in October – and when Risk USA convenes in mid-November, banks in some Basel III member countries will be weeks away from introducing the opening wave of new prudential standards. Mandatory clearing should follow on both sides of the Atlantic in the early months of 2013.

In other words, the focus is shifting from drafting rules to implementing them. As a result, the consequences of the new regulatory framework – both intended and unintended – will stop being a subject for speculation, and become something observable. There will be impacts on the economics and liquidity of products, businesses and asset classes – both positive and negative.

Risk USA is an opportunity to get the jump on a period of unprecedented change, thanks to the insights provided by leading practitioners from banks, regulators, asset managers and hedge funds. Covering issues that range from investment banking strategy to wrong-way risk, and from operational risk analytics to inflation volatility strategies, the conference offers comprehensive coverage of the reshaping of financial markets.

We look forward to seeing you in November.



Duncan Wood

Editor

Risk Magazine



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Who should attend?

This conference will be valuable to practitioners and will provide thought leadership in risk management, portfolio management and quantitative finance; it will be of the upmost relevance to those business leaders working in the following types of institutions:

- Investment and corporate banking
- Asset and investment management
- Derivatives trading
- Corporate institutions
- Central banking
- Institutional investors
- Financial consultants and advisors
- Rating agencies
- Software and technology providers

What's in it for you....

- Hear and meet the regulators who will provide you with the most recent regulatory developments and what to expect in the year ahead
- Gain practical advice from experienced professionals on how to overcome current market challenges
- Build your network with decision makers, your peers and leaders in the industry
- Learn about asset allocation risks and where to invest in emerging markets; representatives from Asia, Africa, Middle East and Latin America will participate in discussion on the current market challenges and opportunities
- Listen to the perspectives and views of corporate treasurers and senior risk officers debating their risk management challenges on the corporates panel discussion
- Meet traders and hear their views on the new risks associated with high frequency trading
- Get up to date with latest industry developments and trends
- Be part of a very exclusive group of professionals

Leading practitioners



Keynote Bart Chilton, Commissioner, US COMMODITY FUTURES TRADING COMMISSION (CFTC)



Keynote William G. De Leon, Managing Director & Global Head of Portfolio Risk Management, PIMCO



Michael Alix, Financial Institution Supervision, Senior Vice President, Risk & Policy, FEDERAL RESERVE BANK OF NEW YORK



Jayesh Bhansali, Managing Director, Head of Global Derivatives & Quantitative Strategies, Asset Management, TIAA-CREF



Judith Posnikoff, Managing Director, Founding Partner, PACIFIC ALTERNATIVE ASSET MANAGEMENT COMPANY



Darryll Hendricks, Head of Strategy, UBS



Jerry Webman, Chief Economist, OPPENHEIMERFUNDS



Biswajit Dasgupta, Head of Treasury & Trading, ABU DHABI INVESTMENT COMPANY



Subu Venkataraman, Managing Director & Chief Risk Officer, HIGHBRIDGE CAPITAL



Darcy Bradbury, Managing Director, D. E. SHAW & CO



Marcello Minenna, Head of Unit, Quantitative Analysis & Financial Innovation, COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB)



Mark Kritzman, Managing Partner & Chief Investment Officer, WINDHAM CAPITAL MANAGEMENT



Patrick Trew, Chief Risk Officer & Partner, CQS

Conference program **Day 1**

Tuesday, November 13 • Morning

8:00	Registration and breakfast		
8:50	Welcome address: Duncan Wood , Editor, RISK		
9:00	Keynote address: Speaker to be confirmed, please visit riskusa.com for updates		
9:40	PANEL DISCUSSION: Business impact of regulations – implementation, challenges and the future <ul style="list-style-type: none"> ▶ The potential for continuing regulatory uncertainty impacting the delivery of appropriate risk policies and programs ▶ The implications of Dodd-Frank, Federal Prudential Standards and other regulations on risk management and measurement ▶ Liquidity concerns on an intra-day basis ▶ Volcker Rule and its application to the derivatives markets ▶ Implementing recent regulations Darcy Bradbury , Managing Director, D. E. SHAW & CO Marcello Minenna , Head of Unit, Quantitative Analysis & Financial Innovation, COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB) Anurag Saksena , Chief Risk Officer, BERKELEY POINT CAPITAL Further speakers to be confirmed, please visit riskusa.com for updates		
10:20	Morning coffee break		
10:50	Chairman's opening remarks:		
	STREAM ONE	STREAM TWO	STREAM THREE
	MARKET RISK AND COUNTERPARTY CREDIT RISK MANAGEMENT	ECONOMIC CAPITAL, FINANCIAL REGULATIONS AND RISK AGGREGATION	PORTFOLIO MANAGEMENT AND TRADING
11:00	PANEL DISCUSSION: Innovations in market risk measures in response to the crisis <ul style="list-style-type: none"> ▶ What risk management innovations are now in prominence given the lessons of the financial crisis? ▶ Which risk management techniques are most suitable for the post-financial crisis environment? ▶ How have changed risk appetites affected risk management innovation? ▶ Key areas to discuss in terms of changes to: Stress testing approaches, VaR approaches, risk monitoring approaches to money market funds, CVA implementations Moderator: Navin Sharma, Risk Management, WESTERN ASSET MANAGEMENT Rachid Lassoued , Head of Financial Engineering, Bloomberg Valuation Service (BVAL) Derivatives, BLOOMBERG Barry Schachter , Chief Risk Officer, WOODBINE CAPITAL ADVISORS Further speakers to be confirmed	PRESENTATION: Risk and complexity in financial institutions <ul style="list-style-type: none"> ▶ Strategic considerations for business mix ▶ The limits of diversification ▶ Structural and organizational implications of regulatory change ▶ Risk ecology: cultivation of sustainable strong business practices Darryll Hendricks , Head of Strategy, UBS	PRESENTATION: CCAR stress testing and its implications for risk measurement and management <ul style="list-style-type: none"> ▶ Review of CCAR approach ▶ Economic values or accounting values? ▶ CCAR modeling versus economic capital framework and ALM modeling ▶ Challenges and unintended consequences Jing Zhang , Divisional Managing Director & Global Head of Quantitative Research, MOODY'S ANALYTICS

	STREAM ONE	STREAM TWO	STREAM THREE
11:40	<p>PRESENTATION: Algorithmic exposure for counterparty risk and CVA across all asset classes</p> <ul style="list-style-type: none"> ▶ Foundation of Monte Carlo simulation of counterparty exposure: hybrid model and American Monte Carlo method ▶ Algorithmic exposure vs direct simulation ▶ Real world measure model calibration: matching future values of indexes and rates ▶ Optimizations for large portfolios of linear instruments – superswap concept: single currency swaps, FX Forwards, cross currency swaps ▶ Primary and secondary factors, factor loading ▶ Implementation details: netting and collateral logic for multiple counterparties in bilateral setting, Basel III and beyond <p>Serguei Issakov, Senior Vice President, Quantitative Research & Development, NUMERIX</p>	<p>PRESENTATION: Distributional stress-testing: Panic copulas and fully flexible probabilities</p> <ul style="list-style-type: none"> ▶ Conditional stress-testing via historical scenarios ▶ Quantitative stress-testing of contagion and systemic risk ▶ Downside-only stress-testing of correlations shocks <p>Attilio Meucci, Chief Risk Officer, KEPOS CAPITAL</p>	<p>PANEL DISCUSSION: Addressing risk issues of high frequency trading</p> <ul style="list-style-type: none"> ▶ How will the new regulations transform the way we trade and how much will it cost? ▶ Where are we likely to fail to meet regulatory and exchange requirements? ▶ Preparing for the next extreme market behaviour ▶ Searching for safety post-MF Global ▶ Other risks worth considering <p>Petter Kolm, Director of the Mathematics in Finance, Courant Institute, NEW YORK UNIVERSITY & THE HEIMDALL GROUP</p> <p>Garrett Nenner, Managing Director, Global Markets & Market Structure Specialist, MOMENTUM TRADING PARTNERS</p> <p>Marc Vesecky, Chief Risk Officer, TOWER RESEARCH CAPITAL</p> <p>Further speakers to be confirmed please visit riskusa.com for updates</p>
12:20	<p>PRESENTATION: Counterparty credit risk capital under wrong-way risk</p> <ul style="list-style-type: none"> ▶ General wrong-way risk (WWR) in Basel II & III ▶ Does stress calibration of exposure in Basel III address general WWR? ▶ Modeling general WWR under asymptotic single risk factor framework ▶ Calculating conditional EAD from unconditional exposure distribution <p>Michael Pykhtin, Senior Economist, Quantitative Risk Management Section, FEDERAL RESERVE BOARD</p>	<p>PRESENTATION: A view from Washington and the implementation of Dodd-Frank</p> <ul style="list-style-type: none"> ▶ The latest issues in the on-going work to implement financial reform from Washington, ▶ How the winners from the November elections will shape policy during 2013 ▶ Volcker Rule, BASEL III, Mortgages <p>Scott E. Talbott, Senior Vice President of Government Affairs, THE FINANCIAL SERVICES ROUNDTABLE</p>	<p>PRESENTATION: How you can hedge effectively in this low yield environment</p> <ul style="list-style-type: none"> ▶ Collateral management and the use of technology ▶ Liquidity burden ▶ Managing regulatory expectation and capital requirements <p>Speaker to be confirmed, please visit riskusa.com for updates</p>

Conference program **Day 1**

Tuesday, November 13 • Afternoon

1:00	Lunch		
	STREAM ONE	STREAM TWO	STREAM THREE
12:00	<p>PRESENTATION: Loss given default (LGD) as a function of default</p> <ul style="list-style-type: none"> ▶ A formula that predicts portfolio LGD as a function of the portfolio default rate ▶ Derivation and testing using a long historical data set ▶ Performance compared to ordinary regression using simulated data ▶ Uses within a portfolio loss model and materiality of systematic LGD risk <p>Jon Frye, Senior Economist, FEDERAL RESERVE BANK OF CHICAGO</p>	<p>PRESENTATION: The changing front office: Including the incremental cost of liquidity, funding and risk capital in derivatives pricing</p> <ul style="list-style-type: none"> ▶ Challenges in incrementally pricing liquidity, funding and risk capital as a function of the portfolio ▶ Should there be specialized trading desks for pricing and managing liquidity, funding, and credit risk? ▶ Current trends in collateralized and uncollateralized derivatives trading <p>David Kelly, Director of Financial Engineering, CALYPSO</p>	<p>PRESENTATION: Liquidity and portfolio choice</p> <ul style="list-style-type: none"> ▶ Liquidity as a shadow asset ▶ How investors benefit from liquidity ▶ Analytical construct ▶ Numerical example <p>Mark Kritzman, Managing Partner & Chief Investment Officer, WINDHAM CAPITAL MANAGEMENT</p>
12:40	<p>PRESENTATION: Risk-weighted asset (RWA) divergence related to loss given default and exposure at default</p> <ul style="list-style-type: none"> ▶ Data scarcity ▶ Methodology choices ▶ Model sophistication ▶ Portfolio preferences <p>Steve Bennett, Executive Director, PECDC</p>	<p>PRESENTATION: A quantitative market-based methodology to assess in an integrated way the risks of financial products</p> <ul style="list-style-type: none"> ▶ The integration of risks and the representation in market data via implied probability distributions ▶ Decoupling the information embedded in implied probability distribution: the reduction in granularity ▶ Volatility based indicators and the identification of a recommended time horizon via first passage time distributions ▶ Market-based representations of Sovereign risks: the problem of the numeraire and the reliability of market data <p>Marcello Minenna, Head of Unit, Quantitative Analysis & Financial Innovation, COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB)</p>	<p>PRESENTATION: The scaling property of asset returns and volatility forecasting</p> <ul style="list-style-type: none"> ▶ Modeling returns dynamics at high and low frequency ▶ Risk evaluation, volatility forecasts, and the description of regimes ▶ Following main crashes ▶ Scaling-based intraday trading strategies <p>Attilio Stella, Head of Group, UNIVERSITY OF PADOVA</p>

3:20	Afternoon coffee break
3:50	AFTERNOON KEYNOTE: Meeting evolving counterparty management needs <ul style="list-style-type: none"> ▶ Counterparty selection ▶ Documentation ▶ Regulatory landscape ▶ Collateral and liquidity management William G. De Leon, Managing Director & Global Head of Portfolio Risk Management, PIMCO
4:30	PANEL DISCUSSION: Risk management challenges for corporate institutions <ul style="list-style-type: none"> ▶ The business impact of regulations ▶ New strategies to mitigate risks in different business sectors and conditions ▶ Calculating corporate risk appetite ▶ Black swan events that could possibly interrupt Nina M. Antony , Senior Director of Enterprise, TIME WARNER CABLE Larry Somma , Senior Vice President & Treasurer, HYATT David. B. Rusate , Treasurer, GE ENERGY Further speakers to be confirmed, please visit riskusa.com for updates
5:20	Closing remarks: Duncan Wood , Editor, RISK
5:30	Cocktail reception. End of day one.



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Conference program **Day 2**

Wednesday, November 14 • Morning

8:00	Registration and breakfast		
8:50	Welcome address: Duncan Wood , Editor, <i>RISK</i> MAGAZINE		
9:00	KEYNOTE ADDRESS: "The Observer Effect" How the new Dodd-Frank regulatory regime impacts the financial sector and the need for a corporate culture shift to address a crisis of confidence in markets Bart Chilton , Commissioner, US COMMODITY FUTURES TRADING COMMISSION (CFTC)		
9:40	PANEL DISCUSSION: Risks, opportunities and challenges facing the global investor <ul style="list-style-type: none"> ▶ The prospects for returns on investments in the developed world ▶ Should we worry about inflation or deflation ▶ How do we position portfolios to achieve more reliable real returns? ▶ How to overcome risks with volatility of returns prevalent in emerging markets ▶ How can an investor invest sustainably and responsibly in order to increase long term returns Jayesh Bhansali , Managing Director, Head of Global Derivatives & Quantitative Strategies, Asset Management, TIAA-CREF Judith Posnikoff , Managing Director, Founding Partner, PACIFIC ALTERNATIVE ASSET MANAGEMENT COMPANY Jerry Webman , Chief Economist, OPPENHEIMERFUNDS Further speakers to be confirmed, please visit riskusa.com for updates		
10:20	Morning coffee break		
10:50	Chairman's opening remarks:		
	STREAM ONE	STREAM TWO	STREAM THREE
	LIQUIDITY, SYSTEMIC AND OPERATIONAL RISK	DERIVATIVES AND TRADING	ASSET ALLOCATION AND INVESTMENT OPPORTUNITIES WORLDWIDE
11:00	PRESENTATION: Establishing an ERM framework to integrate liquidity and capital stress testing <ul style="list-style-type: none"> ▶ Modeling the interdependencies of liquidity, income, losses, and capital ▶ Holistic stress testing: CCAR, Basel II, Basel III and systematic implications ▶ Understanding how liquidity/capital ratio constraints effect strategy Max Gunnill , Credit & Capital Practice Leader, QRM	PANEL DISCUSSION: Pricing and hedging of swaps and OIS vs Libor discounting <ul style="list-style-type: none"> ▶ OIS vs Libor, collateral terms and discounting ▶ Building arbitrage-free set of curves: bootstrapping vs optimization ▶ Risk management in multi-curve world ▶ Advanced methods of calculating risk: automatic differentiation Michael Clarke , Managing Director, GOLDMAN SACHS Further speakers to be confirmed, please visit riskusa.com for updates	PRESENTATION: Emerging markets post crisis: potential growth or unnecessary risk? <ul style="list-style-type: none"> ▶ Overview: how are emerging markets managing post crisis? ▶ Understanding the broader dynamics of emerging markets ▶ What is the "safe haven" asset? ▶ Where to invest for higher growth: Asia, Latin America or Africa? ▶ Where should the focus be for investing – developed or emerging markets? ▶ Riskier investments Peter Kisler , Director, Portfolio Manager, NORTH ASSET MANAGEMENT

	STREAM ONE	STREAM TWO	STREAM THREE
I 11:40	<p>PRESENTATION: Measuring and hedging systematic liquidity risk</p> <ul style="list-style-type: none"> ▶ Defining and quantifying market liquidity ▶ Historical analysis of liquidity conditions ▶ An index for market liquidity ▶ Market liquidity and Fed policy ▶ Hedging liquidity risk with tradable assets ▶ Liquidity conditions and future equity returns ▶ Making markets in liquidity ▶ Implications for public policy <p>Terry Benzschawel, Managing Director, Portfolio Analysis & Quantitative Strategy, CITI INSTITUTIONAL CLIENT GROUP</p>	<p>PRESENTATION: US CPI volatility strategies</p> <ul style="list-style-type: none"> ▶ US CPI options market instruments ▶ Insights from inflation volatility smiles ▶ Examples of successful option trades ▶ International context and future developments <p>Mark Greenwood, Head of Inflation Volatility Trading, RBS (Risk Awards 2012: Inflation Derivatives House of the Year)</p>	<p>PANEL DISCUSSION: LatAm - Exploring unlisted investment opportunities</p> <ul style="list-style-type: none"> ▶ Are there relatively unexploited investment opportunities out there that our listed economy is not capturing? ▶ How do regulatory changes influence developments? ▶ How should business be engaging with the changes and opportunities? <p>Rodrigo Sancousky, Partner, FAMA INVESTIMENTOS Afonso Taciro Junior, Superintendente de Riscos Financeiros – Wealth Management & Services, ITAÚ-UNIBANCO</p> <p>Further speakers to be confirmed, please visit riskusa.com for updates</p>
I 12:20	<p>PRESENTATION: Managing a diverse retirement portfolio: Navigating through uncertainty</p> <p>Speaker to be confirmed, please visit riskusa.com for updates</p>	<p>PRESENTATION: Credit Default Swaps and credit trading</p> <ul style="list-style-type: none"> ▶ CDS model monitoring ▶ Pricing and Modeling Credit Default Swaps ▶ Structured Credit <p>Speaker to be confirmed, please visit riskusa.com for updates</p>	<p>PRESENTATION: South Africa - Asset allocation strategies in a new financial environment</p> <ul style="list-style-type: none"> ▶ What is driving asset allocation decisions today? ▶ Risk management: low volatility and risk free assets ▶ Reconsidering assets that were once perceived as 'too risky' ▶ The hunt for high yield ▶ How is regulation impacting asset allocation approaches? ▶ Gold: for risk management or return enhancement? <p>Manas Bapela, Chief Investment Officer, ARGON ASSET MANAGEMENT</p>



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Conference program **Day 2**

Wednesday, November 14 • Afternoon

1:00	Lunch		
	STREAM ONE	STREAM TWO	STREAM THREE
2:00	<p>Presentation: New developments in loss event collection</p> <ul style="list-style-type: none"> ▶ Observed trends from LDCE ▶ Collecting the operational loss data ▶ Internal and external database building and proposed stress-testing requirements <p>Speaker to be confirmed, please visit riskusa.com for updates</p>	<p>Presentation: Commodities trading - The complementary role of real assets in your portfolio</p> <ul style="list-style-type: none"> ▶ Alternative alpha & beta source offered by stocks and bonds ▶ Portfolio risk diversification ▶ Variety of implementation choices <p>David Burkart, Founder, Chief Investment Officer, COLOMA CAPITAL FUTURES</p>	<p>PANEL DISCUSSION: Asia – the 2013 trends in investing and asset management</p> <ul style="list-style-type: none"> ▶ Current opportunities for alternative investments in the region ▶ Progress of RMB internationalization and its impact on investments ▶ Current opportunities in fixed income and currencies in the region ▶ China economy - the economic and investment challenges in the next 5 years ▶ Risk management challenges in Asia <p>John P. Espinosa, Director, Emerging Markets Debt, TIAA-CREF S. Scott Gregory, Managing Director, DARBY OVERSEAS INVESTMENTS Further speakers to be confirmed, please visit riskusa.com for updates</p>

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2:40	<p>Presentation: The use of predictive analysis to price operational risk Gus Felix, Managing Director, Global Head of Operational Risk Management, CITIGROUP</p>	<p>PANEL DISCUSSION: Clearing and execution of over-the-counter swaps – processes and practices</p> <ul style="list-style-type: none"> ▶ Dealer to client – experiences and the “how to” directions ▶ What should buy-side firms consider when executing on exchanges or Swap Execution Facility (Sefs) ▶ Major differences in models ▶ Impact of electronic trading speculations ▶ The future of trading derivatives, how will that trading look like especially in view of new regulations coming in ▶ OTC derivatives, collateral management and liquidity risk considerations <p>Houman B. Shadab, Associate Professor of Law, NEW YORK LAW SCHOOL Patrick Trew, Chief Risk Officer and Partner, CQS Further speakers to be confirmed, please visit riskusa.com for updates</p>	<p>PANEL DISCUSSION: Middle East – Challenges and opportunities facing market participants</p> <ul style="list-style-type: none"> ▶ Diversifying exposure towards higher yields ▶ Where the new growth opportunities will come from? ▶ What are the new risks that firms should be aware of? ▶ Future outlook <p>Biswajit Dasgupta, Head of Treasury & Trading, ABHU DHABI INVESTMENT COMPANY John P. Espinosa, Director, Emerging Markets Debt, TIAA-CREF Daniel Sternoff, Head of Energy and Emerging Markets, MEDLEY GLOBAL ADVISORS Further speakers to be confirmed, please visit riskusa.com for updates</p>
3:20	Afternoon coffee break		
3:40	<p>PLENARY ADDRESS: Michael Alix, Financial Institution Supervision, Senior Vice President, Risk & Policy, FEDERAL RESERVE BANK OF NEW YORK</p>		
4:20	<p>CRO ROUNDTABLE: Recent market development and the future of risk management</p> <ul style="list-style-type: none"> ▶ How have recent industry events and regulatory developments shaped the role of risk and your priorities at your firm for 2013 and beyond ▶ Is the environment different to the pre-crisis conditions and how? What developments have you observed? Did models adequately capture or consider the environment we are in now? ▶ What are the endgames of Quantitative Easing and its impact on returns ▶ How best can we cope with ongoing low-rate environment and how long will it last? ▶ Place of sovereigns in asset allocation ▶ New businesses initiatives implemented with robust set of controls and a transparent assessment of risks. How does your organization handle this process? <p>William L. Dawson, Chief Risk Officer, Wealth, Brokerage and Retirement, WELLS FARGO & COMPANY Subu Venkataraman, Managing Director and Chief Risk Officer, HIGHBRIDGE CAPITAL Barry Schachter, Chief Risk Officer, WOODBINE CAPITAL ADVISORS Kenneth Winston, Chief Risk Officer, WESTERN ASSET MANAGEMENT</p>		
5:10	Closing remarks. End of the Risk USA conference		

Pre-conference workshop

Monday, November 12

Workshop 1 | Modeling and managing liquidity risk

Led by **Rama Cont**, Chair in Mathematical Finance, IMPERIAL COLLEGE (London)

8:30	Registration and breakfast
9:00	Liquidation risk vs mark-to-market risk <ul style="list-style-type: none"> ▶ What is liquidation value? ▶ Liquidation value vs. mark-to-market value ▶ Price impact and the 'optimal execution' of trades ▶ Why risk management should focus more on liquidation value rather than mark-to-market value ▶ Taking liquidity risk seriously: consequences for pricing and risk management
10:30	Morning coffee break
11:00	Liquidation of complex portfolios <ul style="list-style-type: none"> ▶ "Closing out": orderly liquidation of complex multi-asset portfolios ▶ The need for contingency plans for orderly liquidation ▶ A quantitative framework for assessing close-out risk ▶ Hedging in illiquid markets
12:30	Lunch
1:30	Running for the exit: distressed selling and endogenous risk <ul style="list-style-type: none"> ▶ Distressed selling and fire sales ▶ A model of price impact from distressed selling ▶ How distressed selling distorts portfolio volatility and cross-asset correlations ▶ A quantitative model for assessing distressed close-out risk ▶ Case study: the Great Deleveraging of Fall 2008 ▶ Case study: the Quant Crash of August 2007 ▶ The concept of endogenous risk ▶ Spillover effects from liquidation of large portfolios: how exposed are you?
3:00	Afternoon coffee break
3:30	Integrating liquidity and market risk <ul style="list-style-type: none"> ▶ How liquidity risk and market risk are intertwined, and what you can (and should) do about it ▶ A quantitative framework for integrating liquidity and market risk ▶ Designing joint stress scenarios for market risk and liquidity ▶ Strategy crowding as a risk factor
5:00	End of workshop

Remember, all pre and post conference workshops are separately bookable!

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Pre-conference workshop

Monday, November 12

Workshop 2 | **Advances in execution and liquidity discovery**

8:15	Registration and breakfast
8:45	Chairman opening remarks Marcos Lopez De Prado, Head of Global Quantitative Research, TUDOR INVESTMENTS
9:00	Special microstructural features that affect optimal execution <ul style="list-style-type: none">▶ Effects of different match engines (pro rata vs time priority)▶ The relative significance of different information events▶ Implied quoting in multidimensional markets▶ The importance of simulation in algorithm development Robert Almgren , Visiting Scholar and Adjunct Professor in Financial Mathematics, Courant Institute of Mathematical Sciences, NEW YORK UNIVERSITY and Co-founder, QUANTITATIVE BROKERS
10:30	Morning coffee break
11:00	Optimal asset liquidation using limit order book information Sasha Stoikov, School of Operations Research and Industrial Engineering, CORNELL UNIVERSITY
12:30	Lunch
1:30	Liquidity-risk and execution-aware risk management <ul style="list-style-type: none">▶ Fully flexible probabilities and market risk distributional stress-testing▶ Conditional convolution and state-dependent liquidation policy▶ Funding risk and trading decisions in adverse market scenarios▶ Liquidity score, monetary measure of portfolio liquidity based on the additional tail risk added by lack of liquidity Attilio Meucci , Chief Risk Officer, KEPOS CAPITAL
3:00	Afternoon coffee break
3:30	How to conceal trading intentions through Optimal Execution Horizon <ul style="list-style-type: none">▶ An execution horizon is optimal when it minimizes the trade's informational leakage. Order imbalance and trade size are critical inputs for determining the optimal execution horizon (OEH). OEH explains why the literature finds three alternative functional forms for the transaction cost function: Square root, linear and power law▶ Measure the order imbalance, and how your order impacts it▶ Determine a trade's footprint▶ Compute the OEH▶ Develop execution strategies that incorporate OEH as an input. Marcos Lopez De Prado , Head of Global Quantitative Research, TUDOR INVESTMENTS
5:00	End of workshop

▶ Register today at **riskusa.com**

Post-conference workshop

Thursday, November 15

Workshop 3 | Risk appetite in a dynamic financial market environment

8:30	Registration and breakfast
9:00	Best practices in establishing a risk appetite framework: objectives and metrics for capacity and exposure/profile <ul style="list-style-type: none"> ▶ What a risk appetite framework should do/comprise ▶ How a bank should think about its risk-bearing capacity ▶ How it should measure its risk exposure against that capacity ▶ Roles and responsibilities of risk, finance and treasury and linkage to strategic and capital planning Eric Reiner, Managing Director, Firm-wide Risk Control and Methodology, UBS, and Lecturer, Haas School of Business, BERKELEY
10:30	Morning coffee break
11:00	Scenario analysis and stress testing as a necessary component of a risk appetite framework <ul style="list-style-type: none"> ▶ Scenario-based stress tests as a complement to statistical metrics ▶ Development of macro-economic scenarios and applying them across a firm's entire risk profile ▶ Ensuring that scenarios span and probe all major risk dimensions and concentrations ▶ Applications to regulatory stress tests Speaker to be confirmed, please visit riskusa.com for updates
12:30	Lunch
1:30	Consequences of Basel 2.5 and 3 and implications for capital planning and allocation <ul style="list-style-type: none"> ▶ Evolving regulatory standards for eligible capital and risk-weighted assets ▶ Consequences for capital metrics and measurements of risk profile ▶ Leverage and liquidity requirements ▶ How stress results feed back into capital plans and allocation Gurpreet Sodhi, Vice President, Risk, DEUTSCHE BANK SECURITIES
3:00	Afternoon coffee break
3:30	Linkage between firm-wide risk appetite and a granular system of limits and controls <ul style="list-style-type: none"> ▶ Identifying controllable vs. non-discretionary risks and measuring their contributions to risk profile ▶ Calibrating limits to risk appetite ▶ Operational risk: inherent risks and effectiveness of mitigants and controls Speaker to be confirmed, please visit riskusa.com for updates
5:00	End of workshop

Remember, all pre and post conference workshops are separately bookable!

Post-conference workshop

Thursday, November 15

Workshop 4 | Tail risk hedging strategies for investors

8:30	Registration and breakfast
9:00	Presentation: Macro-economic and geo-political outlook for investors <ul style="list-style-type: none">▶ The Eurozone debt crisis – possible end-case scenarios and their impact on investment portfolios▶ Key risk factors facing global investors across asset class and region▶ Which tail risks should I be most concerned about? Speaker to be confirmed, please visit riskusa.com for updates
10:30	Morning coffee break
11:00	Presentation: Managing tail risk - When is it appropriate for investors to implement a tail risk hedging strategy? <ul style="list-style-type: none">▶ The limitations of diversification – correlation in stressed markets▶ Pros and cons of active tail risk hedging▶ How much downside risk can you tolerate?▶ What risk factor exposures do you have?▶ Setting your hedging parameters and time horizon▶ Cost/benefit analysis of tail risk hedging▶ Practical steps to implement a tail risk hedging strategy Barry Schachter , Chief Risk Officer, WOODBINE CAPITAL ADVISORS
12:30	Lunch
1:30	Panel discussion: Identifying optimal solutions to manage tail risk within your portfolio <ul style="list-style-type: none">▶ Traditional option strategies▶ Tail risk protection indices, structured products and ETNs▶ Tail risk hedge funds▶ Cross-asset hedging as a strategy to hedge tail risk in multi-asset portfolios▶ Identifying optimum value sources of tail event hedges within forex▶ Funded or unfunded instruments Moderator: Ari Bergmann , Managing Principal, PENSO Scott Ladner , Director of Alternative Strategies, HORIZON INVESTMENTS Bryan T. Kelly , Assistant Professor of Finance and Neubauer Family Faculty Fellow, UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS Further speakers to be confirmed
3:00	Afternoon coffee break
3:30	Presentation: Evaluating the effectiveness of your tail hedging <ul style="list-style-type: none">▶ The role of stress testing and scenario analysis▶ Ongoing monitoring of your hedging strategy – is it still appropriate, effective and worth the investment?▶ Counter-party credit risk considerations Michelle Ruvolo-Jones , Managing Director on the Risk Management and Absolute Return Teams, STERLING STAMOS
5:00	End of workshop

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