



Credit Derivatives, CDOs & other Structured Credit Products

Copenhagen, March 15-16, 2007

- Structures
- Mechanics
- Markets
- Innovations
- Strategies
- Legal Issues
- Accounting
- Risk Management



Credit Default Swaps • Total Return Swaps • Credit Options
Credit-Linked Notes • ABCDS • Nth-to-Default Swaps • EDS • iTraxx • CDX • CMBX
CDOs • CBOs • Leveraged Loan CDOs • Synthetic CDOs • Single-Tranche CDOs
Bespoke CDOs • CDO-Squared • Constant Proportion Debt Obligations

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Credit Derivatives, CDOs and other Structured Credit Products

Growth in credit derivatives markets has been phenomenal – from virtually nil in 1995 to an estimated notional outstanding amount of app. USD 20 trillion by the end of 2006 – five times higher than at the end of 2003!

This growth has been accompanied by significant product innovation and today, the credit derivatives market spans a broad range of products such as single name and basket default swaps, nth-to-default swaps, credit linked and leveraged credit linked notes, and synthetics CDOs.

These products are designed to help dealers and end users to manage credit risk and to exploit relative value opportunities across the global credit markets. Investors and investment managers are now able to isolate default and recovery risks and to manage these more actively, resulting in greater flexibility in tailoring credit strategies to accommodate their risk/return requirements.

This development is supported by strongly increasing credit market liquidity and advances in credit modelling, which enables investors to implement still more sophisticated trading and hedging strategies, to manage the risks of such strategies - and to evaluate their financial performance.

But there is a flip-side to this success story!

“Understanding the credit risk profile of CDO tranches poses challenges to even the most-sophisticated market participants.”

Alan Greenspan, the legendary, now former, chairman of the Federal Reserve Bank, and others have seen that the growing use of credit derivatives and complex, structured credit products is transferring risk on an increasingly large scale in ways that are at best opaque to “laymen” and regulators.

Many new participants in this booming market may not fully understand the risks that they are taking on!

The objectives of this two-day, intensive seminar is to give you a thorough introduction to the mechanics, pricing, applications and risks of credit derivatives, CDOs and other structured credit products as well as a good understanding of legal, accounting and other important practical issues related to using and investing in these products

You will learn about:

- ✓ The mechanics and uses of credit derivatives in an investment setting
- ✓ How the markets work, and how iTraxx and other indices have made trading and hedging easier
- ✓ Legal issues and how they play out under various credit events and settlement mechanics
- ✓ The structuring and pricing of CDOs, bespoke CDOs, single-tranche CDOs
- ✓ The explicit and implicit risks embedded in cash flow and synthetic CDOs
- ✓ CDO-Squared, Constant Proportion Debt Obligations and other innovations
- ✓ Correlation Trades, Negative Basis Trades
- ✓ How to Manage Credit Portfolios
- ✓ Accounting rules for credit derivatives and structured credit investments

Contributions from:

- BASISPOINT
- Plesner Lawfirm
- ABN Amro Bank
- PricewaterhouseCoopers
- Delft Asset Management

Seminar Leaders



Soren Plesner
CFA, FRM, PRM
CEO BASISPOINT

soren.plesner@basispoint.com

Soren Plesner has many years of experience in teaching and consulting on financial subjects such as securities analysis, risk management, asset allocation, portfolio management

and asset-liability management. He has held courses at very large number of financial institutions and corporations in a number of countries, including the US, Mexico, Germany, Scandinavia and a number of Central and Eastern European countries. Clients include Deutsche Bank, European Central Bank, Deutsche Bundesbank, Danske Bank, Nordea and many other financial institutions.



Anna Iversen
Solicitor, Junior Partner, Plesner Law Firm

ani@plesner.com

Anna Iversen has wide-ranging experience of structured finance transactions, focusing on derivatives and treasury risk management. She advises on the full range of derivatives

and structured products, general banking and finance law and she is frequently involved in the documentation and structuring of a variety of innovative financial transactions. She also advises on regulatory matters, e.g. in relation to hedge funds. Anna is a frequent speaker on derivatives and its documentation.

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Thursday, March 15

0900-0915	Welcome and Introduction
0915-1015	Credit Derivatives – Introduction and Overview <i>Soren Plesner, BASISPOINT</i> <ul style="list-style-type: none"> • Credit Derivatives and their Predecessors • Market Structure and Market Developments • Types of Credit Derivatives and their Mechanics • Examples of Credit Derivatives Applications
1015-1030	Coffee Break
1030-1200	Credit Derivatives: Legal and Documentation Issues <i>Anna Iversen, Plesner</i> <ul style="list-style-type: none"> • ISDA Master Agreement • 2003 Credit Derivatives Definitions • Confirmations • Analysis of Credit Events • Other Conditions to Settlement • Settlement Mechanics • How Does a Credit Derivatives Transaction Differ from the Underlying Debt Instrument It References? • Issues to Be Aware of When Reviewing the Terms of a Credit Derivatives Transaction • Case Study
1200-1300	Lunch
1300-1430	Credit Linked Notes <i>Soren Plesner, BASISPOINT, and Anna Iversen, Plesner</i> <ul style="list-style-type: none"> • Mechanics and Uses of Credit Linked Notes • Leveraged Credit Linked Notes • Principal Protected CLNs • Case Study: Investing in Credit Linked Notes • Legal Issues: <ul style="list-style-type: none"> - CLN Documentation - Comparison of CDS Documentation and CLN Documentation - Bankruptcy Remoteness, Limited Recourse and other Features - Priority for Allocation of Losses to CLN - Liquidation of Eligible Investments and Redemption of CLN
1430-1445	Coffee Break
1445-1615	Recent Market Developments and Some 2nd-Generation Credit Derivatives <i>Soren Plesner, BASISPOINT</i> <ul style="list-style-type: none"> • The Move Towards a Standardized Market for Credit Derivatives • iTraxx, CDX and CMBX and their Importance for a Functioning and Liquid Market • 1st-to-Default, 2nd-to-Default Swaps, nth-to-Default Swaps • Equity Default Swaps • ABCDS and other Innovations
1615-1630	Q+A and Summary Day One

Friday, March 16

0900-0915	Opening Remarks and Brief Recap
0915-1015	Collateralized Debt Obligations <i>Soren Plesner, BASISPOINT, and Anna Iversen, Plesner</i> <ul style="list-style-type: none"> • CDOs – Repackaging through Customised Securitization • Balance Sheet and Arbitrage CDOs • CBOs and Leveraged Loan CDOs • Some Structural and Legal Issues <ul style="list-style-type: none"> - The SPV and Credit Enhancement - Replenishment of Reference Credits - Structural and Legal Safeguards • Investors' Corner <ul style="list-style-type: none"> - How and Why to Invest in CDO's
1015-1030	Coffee Break
1030-1200	Synthetic CDOs: Combining the Best of Securitization and Credit Derivative Technology <i>Soren Plesner, BASISPOINT</i> <ul style="list-style-type: none"> • Purpose of Synthetic Securitizations • A Synthetic Bank Securitization • Single-tranche and Bespoke CDOs • CDO Squared etc. • Case Studies: "Thunderbird" CDO's • Pricing and Hedging of Synthetic CDO Tranches • Correlation Trades and "Negative Basis" Trades • Investors' Corner <ul style="list-style-type: none"> - Advantages and Caveats of Investing in Synthetic CDO Tranches
1200-1300	Lunch Break
1300-1345	Using Credit Derivatives and Structured Credit Products in High Yield Fund Management – Practical Experiences <i>Denis Loubignac, DELFF Asset Management</i>
1345-1430	Organizational, Accounting and Regulatory Issues <i>Soren Plesner, BASISPOINT, and Michael E. Jacobsen, PwC</i> <ul style="list-style-type: none"> • Infrastructure and Educational Requirements for Using Credit Derivatives • Accounting for Credit Derivatives and Structured Credit Products under IFRS • Treatment under Basel II
1430-1445	Coffee Break
1445-1615	Expanding Horizons: Constant Proportion Debt Obligations and other Innovations <i>James Gorman/Andrew Feachem, ABN Amro Bank</i>
1615-1630	Panel Session <ul style="list-style-type: none"> • Importance of Credit Derivatives Markets for Financial Intermediation • Expected Future Developments
1630-1700	Cocktails, Snacks and Networking

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Course Venue



The seminar will take place at Plesner's conference facilities in the "Copper Tower", Amerika Plads 37, 2100 Copenhagen. (see location on map).

Seminar Fee and Registration

The seminar fee is EUR 1,250 plus V.A.T. The fee includes materials, lunches and refreshments. Travelling and accommodation costs are not included. If you enroll a minimum of 3 persons for the seminar, we grant you a discount of 15% on the course fee.

Cancellation policy: If for some reason you are unable to attend a course, you are always welcome to send a substitute. Cancellation should be given to BASISPOINT no later than 2 weeks before the seminar, otherwise no refund will be given. BASISPOINT reserves the right to cancel or move a course, if the number of delegates is considered to be too small. We reserve the right to make minor modifications to the program.

3 easy ways to register!

- ✓ Register at www.basispoint.com
- ✓ Send us an E-mail at courses@basispoint.com. Include name(s) and contact details of participant(s).
- ✓ Fill in the below slip and fax it to +45 70 22 17 22 or send it per "snail-mail" to: BASISPOINT, Groenegade 13, DK-2970 Hoersholm



You are also most welcome to contact BASISPOINT at info@basispoint.com or per phone on +45 70 22 16 22

www.basispoint.com



Please register the following for "Credit Derivatives, CDOs and other Structured Products", March 15-16, 2007:

Name	Position	E-mail address

Registration form submitted by (name): _____

(E-mail): _____ (Phone): _____