Outline of Tailored 2-Day Risk Management Seminar
(Follow Up to Capital Markets and Derivatives Seminar)

I. Review of Futures, Forwards, Options and Swaps via the SIV
   a. SIV and its multiple Risks
   b. Concept of Risk and Value
   c. Concept of identification of Risk Profile of Instruments
   d. Concept of Expected Price (Fisher Parity)
   e. Concept market risk versus credit risk
   f. Sovereign Risk and Credit Spreads

II. Workshop on Volatility Recognition
   a. Concept of volatility measures
   b. Balance Sheet and implications for Volatility
   c. Historical Vols

III. Lunch
   a. Continuation of Workshop

IV. Sources of Volatility: Prices occurrences versus expectations
   a. The problem with history – examples from Global Markets
   b. Global markets and price movements
   c. Commodity prices and balance sheets
   d. Banks balance sheets and embedded risks

V. History of Risk Management Techniques
   a. Flow Risks
   b. Stock adjustments of prices
   c. Return, duration and Convexity
   d. Option Theoretic approaches
   e. Correlations
   f. From MPT and Asset Management
   g. Alpha, Beta and diversification
   h. VaR

Day II.

I. Bond Risk
   a. Historical
   b. Volatility, Lambda, and the option theoretic approach
   c. Bonds as Forward, Swaps and Options
   d. Non-Kinky Risk and VaR
   e. The options Problem and VaR
   f. Revisit SIVs
   g. Think about Bonds and Options approaches to Risk Analysis

II. Asset Management: Different kinds Risk
   a. Different Types of Measures of Volatility
   b. Risk Measurement, Optimization and Risk Management

III. Non-Linear Risk Profiles and VaR
   a. Implications for fat tails
   b. Lambda Risk revisited

IV. Lunch

V. LTCM Story and Risk Management versus Risk measurement
   a. Liquidity Risk
   b. Correlations go to one
   c. Correlations go to negative one
   d. Being right and losing everything
      i. The knockout option approach
      ii. Identifying potential portfolios that are subject to shocks
   e. Simulations

VI. Looking at History Again as a Summary of Where we are today
   a. The Great Crisis
   b. SIV's and underestimating risk