

# Smart Capital 2008: The Euromoney Australian Financial Markets Innovation Congress



27-28 March 2008 • The Westin, Sydney • Australia

**Smart Capital 2008** will capture the essence of global capital flows across all transactions, transcending traditional product categories. Be it equities, fixed income, commodities, FX, alternatives or a combination, this congress will provide the platform for investors and asset managers to engage with corporate issuers, regulators as well as financial intermediaries and product innovators.

While the current market volatility inevitably creates uncertainty, it invariably presents significant opportunities for the discerning investor. This congress will provide the much-needed platform for banks to engage with their clients as well as showcase their **leadership in financial innovation**.

**Agenda @ 20 March 2008**

For updates, go to: [www.EuromoneyConferences.com/Australia08](http://www.EuromoneyConferences.com/Australia08)

<b>Day One: 27<sup>th</sup> March 2008</b>	
9:00	Euromoney welcome <b>Christopher Garnett</b> , Director, Euromoney Conferences
9:10	 Opening Keynote Address: <b>Recent financial developments</b> <b>Glenn Stevens</b> , Governor, Reserve Bank of Australia
9:40	Opening Panel Discussion (A) <b>Global markets overview: Volatility, liquidity, risks – and financial innovation!</b> While the US housing sub-prime fallout was widely expected, the surprise was in the more dramatic over-reaction in other parts of the market globally: well-rated loans and equity markets have fallen victim. Various surveys and studies have shown that the US economy is in better health than recent equity market performances – and that prospects for Australia are even better. If markets are now severely under-valued, surely it's time for bargain-hunting? Asia beckons?  <i>Moderated by:</i> <b>William Pesek Jr</b> , Asia-Pacific Columnist, Bloomberg (Japan) <i>Panelists:</i> <b>Su-Ming Wong</b> , Managing Director, CHAMP Ventures <b>Bill Evans</b> , General Manager, Economics, Westpac Banking Corporation <b>Adrian Gmuier</b> , Head - Asia, RMF Investment Management, Man Investments (Singapore) <b>Grant Kelley</b> , Principal and Chief Executive Officer (Asia), Colony Capital (Hong Kong)
10:30	Morning Break
11:00	 CFO Interview: <b>Australia's largest M&amp;A</b> <b>Gene Tilbrook</b> , Finance Director, Wesfarmers Interviewed by: <b>Christopher Garnett</b> , Director, Euromoney Conferences
11:30	Workshop (A) Hosted by HSBC
	<b>The search for alpha: Challenges for institutional investors</b> Does the recent sell off in global equities signal the return of Hedge Funds as an allocation of choice? In today's more challenging markets what are the key issues institutions need to consider before allocating to alternative investments? This session will consider: <ul style="list-style-type: none"> <li>• Finding Alpha</li> <li>• The liquidity trap</li> <li>• Avoiding reputational risk (fund blow ups)</li> <li>• International transparency and what it should look like</li> <li>• The growth of single manager advisory relationships</li> </ul> <b>Patrick Tuohy</b> , Global Head Sales & Marketing, Alternative Investment Group, HSBC Private Bank

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12:15	Luncheon	
13:25	<p>Panel Discussion (B): <b>Distressed investing: Evaluating the landscape for distressed situations in Australia in the midst of a credit crisis</b></p> <p>As the ability for corporations to refinance themselves out of difficulty dries up, and as Australian corporate default rates rise from their recent historic lows, distressed investors will become an increasingly integral element of Australian financial markets. Who are distressed investors, what do they look to do and how can they assist corporations and the broader economy to ride through a downturn?</p> <ul style="list-style-type: none"> <li>• The evolution and outlook for distressed investing in Australia</li> <li>• Debt liquidity in Australia: Comparisons with other jurisdictions</li> <li>• Distressed Investors: Driving restructuring solutions or opportunistic vultures?</li> <li>• Drivers for banks to sell distressed positions - Basel II, default rates and pricing</li> <li>• Identifying distressed, undervalued or event driven opportunities</li> <li>• Challenges for distressed investors in implementing restructurings in Australia</li> </ul> <p><i>Moderated by:</i> <b>Christopher Garnett</b>, Director, Euromoney Conferences</p> <p><i>Panelists:</i> <b>Ian Johnson</b>, Managing Director, Helmsman Funds Management <b>Suresh Withana</b>, Managing Director and Chief Investment Officer, Harmony Capital Partners (Singapore) <b>Nicholas Dunstone</b>, Partner, Henry Davis York Lawyers <b>Peter Gothard</b>, Partner, Ferrier Hodgson</p>	<p>Panel Discussion (C): <b>Emerging markets: Optimism in the face of the stormy global credit markets?</b></p> <p>Various Q3 2007 reports showed that emerging markets have withstood fairly sturdily the storm in global credit markets. However by Q1 2008, the so-called 'de-coupling theory' did not seem to be that persuasive anymore. Across Asia, equity markets faced the onslaught of the credit contagion, albeit in a more subdued manner. How do these events affect the asset allocation strategies with respect to emerging markets? What is the outlook for emerging markets for 2008?</p> <p>Does the re-pricing of credit risks present an opportunity for investors to seek investments in companies operating in Asia where operations will not be affected by the US economy? Can the effects of the sub-prime mortgage crisis on global equities be offset by the rapid growth and development of emerging markets? Should Australian investors now take Asia and emerging markets more seriously? How can investors gain access to the growing prosperity of the BRIC economies and emerging frontier markets of Vietnam, sub-Saharan Africa, Eastern Europe and beyond? Is the search for alpha pushing fund managers to increase their exposure to emerging markets more than ever?</p> <p><i>Moderated by:</i> <b>Richard Morrow</b>, Editor, Asiamoney</p> <p><i>Panelists:</i> <b>John Pereira</b>, Managing Director &amp; Chief Executive, Olympus Funds Management <b>Saqib Mawaz-Khan</b>, Regional Director, Emerging Markets Partnership (Brunei) <b>Bill Barden</b>, Director Structured Credit, HSBC (Hong Kong) <b>Edvaldo Ailder Catalani Morata</b>, Asia Pacific General Manager, Santander Global Banking &amp; Markets (Hong Kong)</p>
14:15	<p>Workshop (B): Hosted by: Westpac Institutional Bank</p> <p><b>The "New Carry Trade" and what it means for FX markets</b></p> <p>The carry trade received a lot of bad press in 2007, despite generating positive returns for yet another year. Indeed, the simple act of borrowing in a low yielding currency and lending in a high yielding currency has generated positive returns for G10 currencies in each of the last nine years - the longest period that we can find back to the '70's. But it is important to note that the liquidity that</p>	<p>Workshop (C) Hosted by Santander Global Banking &amp; Markets</p> <p><b>Property derivatives: Typical structures and practical uses</b></p> <p>The workshop will draw on the extensive experience of Santander Global Banking &amp; Markets in the UK property derivatives market.</p> <p>In particular, the workshop will examine:</p> <ul style="list-style-type: none"> <li>▪ The use of property derivatives to provide synthetic access to commercial and/or residential property returns</li> <li>▪ The use of property derivatives to synthetically</li> </ul>

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	<p>drives the carry trade is changing in nature. There are a number of reasons for this:</p> <ul style="list-style-type: none"> <li>• Increased financial product choice is being offered to people who have never had the choice in the past</li> <li>• Aging economies are preparing for retirement</li> <li>• wealth is being transferred from the West to the East and Middle-East</li> <li>• SWFs are dominating the financial landscape</li> <li>• Reserves are being used to buy equity rather than debt, and</li> <li>• Leverage is becoming more accessible</li> </ul> <p>This means that the nature of the carry trade will change in coming years and this will have major consequences for FX markets.</p> <p><b>Robert Rennie</b>, Executive Director, Global Currency Strategy, Westpac Institutional Bank</p>	<ul style="list-style-type: none"> <li>▪ transfer property risks</li> <li>▪ The future development of property derivatives in Asia and Australasia</li> </ul> <p><b>Dominic Cooper</b>, Santander Global Banking &amp; Markets</p>
15:00	Afternoon Tea	
15:30	 <p>Keynote Address <b>The resources boom and global commodities financing</b> <b>Christopher Catlow</b>, Chief Financial Officer, Fortescue Metals Group</p>	
16:00	<p>Panel Discussion (D): <b>Sustainability, climate change and the global capital markets</b></p> <ul style="list-style-type: none"> <li>▪ In the push for socially responsible investing, is climate change creating a new asset class? What is the role of the capital market institutions in pushing the green agenda?</li> <li>▪ Valuing emissions: Are auctions the way forward?</li> <li>▪ Regulatory arbitrage</li> <li>▪ Structuring CDM products: What do they offer investors? How can a long term price curve be created for carbon and GHG emissions?</li> <li>▪ Project finance and energy infrastructure: Available offset projects; Emissions management and new projects</li> </ul> <p><i>Moderated by:</i> <b>William Pesek Jr</b>, Asia-Pacific Columnist, Bloomberg (Japan)</p> <p><i>Panelists:</i> <b>Bill Hartnett</b>, Managing Director Australasia, Innovest Strategic Value Advisors <b>Emma Herd</b>, Director, Emissions &amp; Environment, Westpac Banking Corporation <b>Francis Grey</b>, Research Manager - Australia/New Zealand, Sustainable Asset Management <b>Lisa Wade</b>, Executive Director, arkx Carbon Fund</p>	
16:50	Summary remarks	
17:00	Cocktail Reception	

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Day Two: 28 <sup>th</sup> March 2008	
9:00	<p>Opening remarks <b>Christopher Garnett</b>, Director, Euromoney Conferences</p>
9:05	<div style="display: flex; align-items: flex-start;">  <div> <p>Global Keynote Address <b>Sovereign Wealth Management: How central banks and government entities manage nationally-owned financial assets</b> <b>Arjan B. Berkelaar</b> Principal Investment Officer (Asset Allocation &amp; Quantitative Strategies) The World Bank</p> <p>A recent trend has been the rise of sovereign wealth funds (SWFs) that – by some estimates – collectively manage USD 2.5 to 3 trillion. Several SWFs have been created recently, but others have been around for decades. These SWFs are increasingly following the lead of established institutional investors moving from fixed income investments into equities, and even hedge funds, private equity and other alternative investments. Not all SWFs are created equal, however. Their distinct financing structure, long-term liabilities, and objectives should inform the investment strategy and risk-return profile.</p> <p>The keynote presentation will cover the following:</p> <ul style="list-style-type: none"> <li>• Recent trends in reserves management and the management of public wealth</li> <li>• A typology of sovereign wealth funds: needs, objectives and structural form</li> <li>• How the needs of sovereign wealth funds and central banks change as they diversify investments</li> <li>• Challenges and choices that public institutions face in managing public assets efficiently</li> <li>• The importance of designing the appropriate institutional arrangement and governance structure</li> </ul> </div> </div>
9:45	<p>Panel Discussion (E): <b>Major current issues impeding successful restructurings</b></p> <ul style="list-style-type: none"> <li>• The global market for investment into distressed situations</li> <li>• Possible shareholder claims following the decision in the Sons of Gwalia case</li> <li>• Insolvent trading liability faced by directors and others</li> </ul> <p><i>Moderated by:</i> <b>John Martin</b>, Partner, Henry Davis York Lawyers</p> <p><i>Panelists:</i> <b>Steven Sherman</b>, Partner, Ferrier Hodgson <b>Adrian Loader</b>, Managing Director, Quay Capital <b>Roger Dobson</b>, Partner, Henry Davis York Lawyers <b>Gwyn Morgan</b>, Executive Director &amp; Head of Asset Structuring, Westpac Institutional Bank</p>
10:35	Morning Break
11:05	<div style="display: flex; align-items: flex-start;">  <div> <p>Keynote Address <b>Update on New Zealand economic and monetary policy</b> <b>Dr Alan Bollard</b>, Governor, Reserve Bank of New Zealand</p> </div> </div>
11:35	<p>Closing Panel Discussion (F): <b>Managing bank capital: Funding and capital strategies in the post sub-prime landscape</b></p> <p>As the aftershocks from the sub-prime contagion continue to reverberate, how have banks adjusted their capital management strategies? In the earlier reporting season, Australian banks have been emphasizing their fine financial shape and suggesting that any financial impact on them is likely to be minimal. What are some of the liquidity and funding challenges in the next 6-12 months?</p> <ul style="list-style-type: none"> <li>▪ Portfolio re-balancing: Long term vs short term funding strategies</li> <li>▪ Regulatory drivers and Basel II</li> </ul>

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	<ul style="list-style-type: none"><li>▪ Risk measurement approaches and internal capital assessment</li><li>▪ Innovations in capital instruments</li></ul> <p><i>Moderated by:</i> <b>Christopher Garnett</b>, Director, Euromoney Conferences</p> <p><i>Panelists:</i> <b>Patrick Mitchell</b>, Director – Treasury, Rabobank Group <b>John te Wechel</b>, Head of Group Funding, Commonwealth Bank of Australia <b>Dr Andries Hoekema</b>, Director, Structured Credit, HSBC UK</p>
12:25	Summary & Wrap-up <b>Teik H. Tan</b> , Director of Conferences – Australia/New Zealand, Euromoney Institutional Investor PLC
12:30	Luncheon
14:00	Close of congress

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