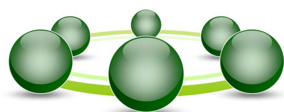

ISC Chronicle

Investment Solutions Consultants

Summer 2009

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A Chronicle of the Investment Management Industry

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Welcome to the Summer 2009 Edition

Welcome to the new look Summer 2009 edition of the ISC Chronicle. As the much vaunted "green shoots of recovery" begin to take root after months of unprecedented volatility, and as managers see the welcome return of cash inflows, in this edition we take a look at two areas of the market that have been hit hard by the recession—OTC derivatives and the Property Fund Management industry—the latter penned by industry expert, Nick Percival.

As usual we welcome all and any feedback that you may have and hope that you find these articles both edifying and informative. If you would like to talk to our subject matter experts then please do not hesitate to contact us on info@iscllp.com

Sean Sprackling
Partner
ISC LLP

Have Reports of the Death of OTC Derivatives been greatly exaggerated?

This article first appeared in both Derivsource and I-Performance Analysis, and was written prior to the EU Commission announcement on OTC Derivatives

The first half of 2009 has been a year of great uncertainty in the OTC markets as regulators around the world attempt to shore up some of the perceived risks highlighted during the turmoil of recent months. In the last few weeks, these attempts have begun to crystallise as the authorities on both sides of the Atlantic have started to reveal their hands. Today the European Commission was due to announce its plan for reforming the derivatives markets, following the pronouncements in the US last month. However that announcement has not taken place, but has rather been postponed – a sign, surely that Charlie McCreevey (the EU Commissioner) is buying time to ensure that both the US and the EU are in line with each other.

It was back in April of this year that the G20 group of industrialised and emerging countries agreed that CDS contracts should be centrally cleared, and this is expected to be a mainstay of the European regulations when they are finally announced. However in the US, the Treasury Secretary Timothy Geithner announced last month that he wanted to go further and push all "standardised" contracts onto exchanges or other trading platforms and this has, it seems, put the cat amongst the pigeons. Since then there has been a flurry of debate by interested parties on both sides, but it has lead for many to question the long-time future of the over-the-counter market given the seeming political will of the Obama administration.

So are we truly looking at the beginning of the end for the OTC Derivative? I personally think not, rather that, in the words of Churchill "…Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning…" Even determined political will is not necessarily sufficient to ensure that change is both justified and achievable, and if there is one thing that the last 18 months should have taught us, it is that we need to respond to challenges from a global perspective. Certainly in the UK there is a recognition that, whilst clearing and eventually trading of the more commoditised products is both desirable and likely, this can not ever account for the whole universe of derivative contracts. As Alexander Justham, the director of markets at the Financial Services Authority was quoted as saying the other day "…We do genuinely recognise that there is a place for this [OTC] market…"

The key word in all of this is of course "standardised". Certain derivative contracts are naturally well suited for the move onto exchange. CDS index tranches are the most obvious example of these commoditised products, as are interest rate swaps – many of which can already be traded on the likes of Tradeweb. Moving the whole universe of these types fully onto exchange seems a natural progression as much of the infrastructure is already in place. For instance Swapclear (owned by LCH.Clearnet) in the UK has been clearing swaps for over 10 years and recently announced it would offer its services direct to the buy-side. But the fact is that there is still a vast underlying market, driven by user-demand, which by its very nature is bespoke and cannot be taken onto exchange. As the Wholesale Market Broker's Association said the other day, "…exchange traded products do not give the same degree of cover

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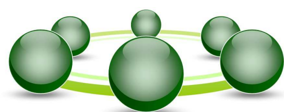

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ISC Resources:

In addition to the Chronicle, ISC offers our clients and associates a number of other resources, and we are often featured in other press publications and conferences (see back page):

http://www.iscllp.com

http://twitter.com/ISC_LLP

http://derivatives.blogware.com

http://performance.blogware.com

http://clientreporting.blogware.com

Publications:

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Have Reports of the Death of OTC Derivatives been greatly exaggerated?

because exchanges cannot handle that level of complexity..”

My advice to our buy-side clients is currently that they therefore ignore the challenges of trading and supporting OTC contracts at their peril. There are several reasons why the OTC market will continue to be a weapon in the armoury of investment managers, and here are just a few of them:

The Exchanges do not want it (yet) – whilst there has obviously been an unseemly rush towards grabbing a piece of the clearing pie amongst the big global players, even they openly admit that the challenges of trading and clearing all OTC contracts are just too much to contemplate. So much so in fact that they felt the need to warn off Geithner from demanding too much go onto exchange – the COO of NYSE Liffe going so far as to say that he thought it wrong that all OTC contracts be “…put in a straight jacket on an exchange…”

The Dealers will not let it happen – the heavyweights such as ICAP have a huge vested interest in keeping the OTC markets alive, well and paying commission. As they said in a statement last month “…The solutions to the current problems in the financial markets does not lie in attempting to mandate the transfer of OTC trading on to exchanges…”

Hedging – amidst all the furore, it is sometimes forgotten that OTC Derivative contracts are risk management tools, and the overwhelming majority use them for this purpose**.** However, whether you are a corporation, a portfolio manager, or a debt manager, your precise hedging requirements will be peculiar to you and will require customised solutions if you are going to create perfect hedges. Clearly after what we all experienced in September last year, the need for sound risk management is paramount, and we should be encouraging all ways of achieving this goal.

Financial innovation – much was made last year of the waves of Schumpeterian creative destruction caused by the financial engineers that came up with CDOs and CDO^2. Indeed financial engineering has become something of a dirty word in the public psyche. Though there is some truth in this, it should not be forgotten that Schumpeter’s waves were creative rather than just destructive. The crisis may have dampened the human spirit briefly, but it will not be long before the next generation of derivative contracts emerge, and these by necessity will start of life as OTC trades and will be supported by the OTC support infrastructure that we have been building over the last few years.

Financial products require them – over the last few years, not only are the financial contracts used in investment management getting more diverse, but so are the end-products sold to the retail, wealth, and institutional markets. There will always be a place for the talented stock-picker, but the increasingly complex demands of individual and corporate investors requires in many cases certainty of outcome. Whether you are investing because you need funds to put your kids through college, retire early and guarantee an income, or because you need to match the future liabilities of your pension obligations – you will more likely than not be best advised to use the derivative markets to create structured solutions to those outcomes. And whilst much of this hedging can come from exchange traded products, the more complex the outcome, or the more bespoke the solution will require an OTC contract.

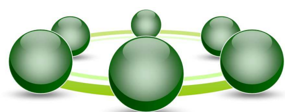
Concentration of risk – there has also been much debate over whether the introduction of central clearing does in fact reduce overall counterparty exposures, or whether this it is merely concentrating risk in one area. Some far more venerable authorities than I have argued for the latter and I would recommend the admirable paper by Duffie & Zhu of Stanford University called “Does a Central Clearing Counterparty Reduce Counterparty Risk?”

Enforceability – finally and perhaps most importantly comes the question of the enforceability and practicability of implementing the changes mooted. Coming up with a meaningful definition of what a standardised contract actually means is bound, in my eyes, to failure and is more likely throw up more questions than answers. The regulators on both sides of the Atlantic have to steer a fine line between being seen to be tough and riding roughshod over the interests and advice of the actual market participants.

In conclusion, I do believe that reports of the death of the OTC derivative have been exaggerated. The market has to change, of that there is no doubt, but expect this to be an evolution rather than a revolution. The OTC derivative will continue to exist for the foreseeable future, though with a different and evolving set of contracts that are categorised in that way. We cannot therefore afford to ignore the changes coming, but similarly we cannot forsake the progress we have already made in the OTC markets to date. Change is coming to us all, but it will hopefully make for a safer, more risk managed future. And as King Whitney Jr once wrote “…Change has a considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better..”

POSTSCRIPT: EU Press Release

The European Commission has adopted a Communication on ensuring efficient, safe and sound derivatives markets, following a commitment made in the Communication on 'Driving European recovery' (IP/09/351). The Communication looks at the role played by derivatives in the financial crisis and at the benefits and risks of derivatives markets, and assesses how risks can be reduced. Following the public consultation which this Communication launches, the Commission will host a public hearing on 25 September 2009. Taking into account the outcome of the consultation, the Commission will draw operational conclusions before the end of its current mandate and present appropriate initiatives, including legislative proposals as justified, before the end of the year to increase transparency and ensure financial stability. This Communication marks another step in the Commission's efforts to strengthen the financial system in view of the failings unearthed by the financial crisis. It responds to the commitment con-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Have Reports of the Death of OTC Derivatives been greatly exaggerated?

tained in the Communication of 4 March and is fully in line with the principles adopted by the G20 and the recommendations of the de Larosière Group. The Commission stands ready to work with authorities around the world to ensure global consistency of policy approaches and to avoid any risk of regulatory arbitrage. Internal Market and Services Commissioner Charlie McCreevy said "Derivatives markets play an important role in the economy but the crisis has shown that they may harm financial stability. As regards credit default swaps (CDS), industry has committed to clear CDS on European reference entities and indices on these entities through one or more European CCPs by 31July 2009. I expect industry to move clearing of CDS to any European CCP that has received regulatory approval for clearing indices and single names by that deadline."

Taking into account the wide diversity of 'over the counter' (OTC) derivatives markets, the Communication outlines the tools to ensure that they do not harm financial stability. These tools, which can be combined with each other, are:

- **Standardisation**: This would enhance operational efficiency and reduce operational risks. It could be achieved by encouraging broader take up of standard contracts and electronic affirmation and confirmation services, central storage, automation of payments and collateral management processes. This requires investments and it may therefore be necessary to incentivise these investments.

- **Central data repositories** : Such repositories collect data on, for example, number of transactions and size of outstanding positions. This increases transparency, knowledge and contributes to operational efficiency. Currently, such a repository exists for Credit Default Swaps (CDS) [1], and could potentially be used for other derivatives segments as well. European securities regulators (CESR) are currently carrying a feasibility study for data repository based in the European Union. In the light of the forthcoming CESR report, the Commission will decide on appropriate actions.

- **Central Counter-party (CCP) clearing:** CCPs have proven their worth during the financial crisis. In view of those benefits, the Commission has since October 2008 worked with industry to ensure that clearing of CDS takes place on European CCPs. Industry has as a result committed to achieve CCP clearing by 31 July 2009. If industry is unable to deliver on this commitment, the Commission will have to consider other ways to incentivise the use of CCP clearing. The Commission also considers that the broader use of CCPs in other OTC derivatives markets should be incentivised, wherever possible.

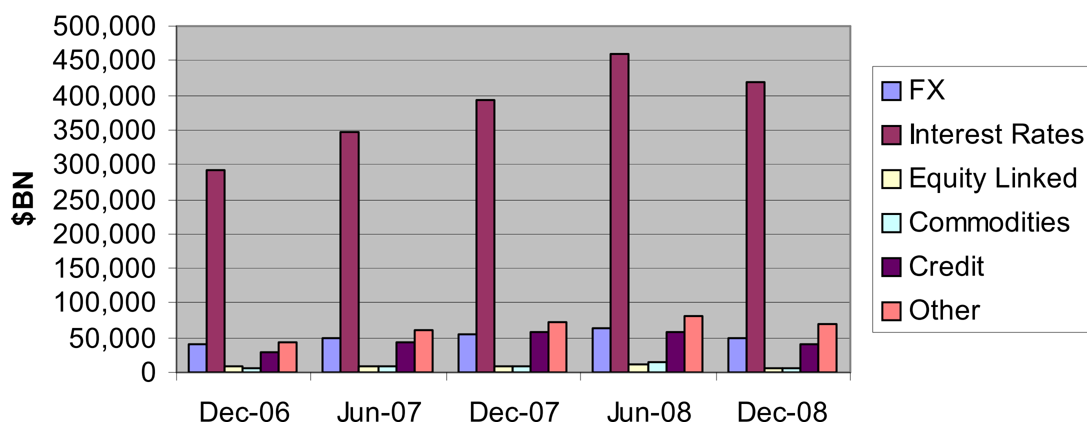
- **Trade execution on public trading venues** : For standardised derivatives that are cleared by a CCP, the question arises whether the trading of these contracts should take place on an organised trading venue where prices and other trade-related information are publicly displayed (e.g. a regulated market). This would improve price transparency and strengthen risk management. However, it could come at a cost in terms of satisfying the wide diversity of trading and risk management needs. The Commission will examine, taking into account the bespoke and flexible nature of OTC derivatives markets and the regime applicable to cash equities, how to arrive at a more transparent and efficient trading process for OTC derivatives. In this respect the Commission will further assess (i) the channelling of further trade flow through transparent and efficient trading venues and (ii) the appropriate level of transparency (price, transaction, position) for the variety of derivative markets trading venues.

The Communication also highlights the actions already undertaken in response to the financial crisis in the area of derivatives (e.g. CCP clearing for CDS, securitisation, credit rating agencies and hedge funds and other alternative investment management funds, supervision).

Sean Sprackling
Partner
ISC LLP

Charlie McCreevey, EU Commissioner

"...Derivatives markets play an important role in the economy but the crisis has shown that they may harm financial stability…"



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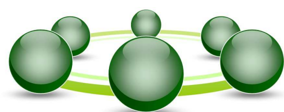
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Property Fund Management - to 2010 and Beyond

The Author:

Nick Percival is an associate of ISC and has over 25 years experience in a variety of capital markets. During an initial 10 years as a corporate financier he gained a broad & deep understanding of equity & corporate bond markets, a working knowledge of debt markets and a firm grasp of the key business drivers within a variety of sectors including real estate. Nick has since obtained significant experience in mezzanine & subordinated debt markets and structured products including asset-backed, project & structured finance as well as insurance related capital and real estate. He also has substantial experience in providing interest rate, foreign currency and debt advisory services principally to major real estate and private equity groups. Most recently Nick has been responsible for developing Cushman & Wakefield's real estate private equity capabilities, including client development and servicing, fund structuring and real estate debt fund reviews.

If you would like to discuss any of the issues with Nick then please contact him at info@iscllp.com

To 2010 & beyond – are your decision-making, systems and processes sufficiently robust and integrated to cater both now and in the future? Nick Percival takes a look at some of the pertinent issues in the first of a series of articles.

It is very tempting to think that because the unprecedented turmoil surrounding the financial markets appears to have stabilised somewhat, the property industry can return to its historically independent asset "cocoon" and carry on nearly as before. OK, loan to values will have to be lower, possibly for quite a while, but otherwise aren't things pretty much OK now that asset values have returned to attractive levels, having fallen in many cases by around 50%? After all, most of us prefer the status quo and besides if it isn't fundamentally broke then don't fix it, especially if it's going to cost………

Unfortunately, there are a few "flies in the ointment" which are likely to prevent this, both in terms of whether maintaining the status quo is indeed adequate (given the continued uncertainties) and whether it will be sufficient to attract future investors to your particular fund(s). As the first in a short series, this article seeks to identify the major issues and to describe the first three of these in a little more detail.

Are we through our Darkest Hour?

It is by no means certain that we have reached the bottom and that it is now only upwards from here. Property is very much a late cycle asset particularly in respect of upturns. So far there has been only relatively little debt maturing to date, (surprisingly) limited tenant defaults and therefore limited knock-on effect upon rents, with the lenders having barely started in clearing out their problem loans and CMBS/RMBS investments. It may be considerably too early to conclude that existing decision-making, processes and systems are adequate and sufficiently co-ordinated and sophisticated (let alone "best in breed") to cater for either the present or investors' future requirements.

Property Investors' Confidence

This has taken a major battering – in recent times property was often increasingly sold as a virtual panacea ie a low risk, low volatility, high yield, high return and uncorrelated asset class. Recent months have almost universally disabused us of this rose-tinted view, particularly in the US & UK. As with many other asset class investors, property investors are, in future, going to be far more selective about who they are going to invest their money with. Property managers need to position themselves in terms of manager track record, systems and processes if they wish to access investors' cash going forward.

Property Derivatives

This is a new tool now available to the property industry. Property Derivatives are being increasingly used by investors and managers alike whether for hedging or speculative purposes. Additionally, property derivatives pricing gave early warning of both property price falls and indeed their extent, making them a valuable predictive and decision-enabling tool. These instruments need to be appropriately monitored and valued (particularly with the now much greater awareness of counterparty risks). They also need to be integrated into decision-making and other processes and systems (including trading) not only within the property operations but also across other asset classes.

Interest Rate & Foreign Exchange Hedging and Hedge Accounting

It remains surprising how many parties still do not adequately or accurately consider the impact of interest rate and foreign exchange hedging in changing a project's risk profile, both at the time of entering into a transaction and on an ongoing basis. This is especially so when the project's nature changes significantly (eg a letting) or there is a significant movement in interest rates or exchange rates. Recent events have again demonstrated the extent and speed at which rates can move, highlighting the de-risking potential of hedging, particularly by reducing the severity of bad outcome scenarios. Additionally, an increasing number and type of vehicles are required to undertake hedge accounting or have investors/managers who are subject to these accounting rules. To attract future investors to these vehicles, systems will need to be in place to provide these functions.

Increasing desire to integrate Property with other Asset Classes

Many multi-asset managers and investors' believe that property has (again) become a mainstream asset class and should therefore be evaluated on a consistent basis with other such classes. Recent events have highlighted that there are potentially common exposures across classes (eg tenant/corporate credit risk) and counterparty risks (eg bank loan & hedging counterparty risks as well as bank corporate credit risk). The fall of Lehman Brothers and others has highlighted the need to have accurate and timely monitoring of both entity level and group-wide counterparty exposures. As a significant source of potential counterparty risk, property will have to become much more consistently treated and integrated with other asset classes systems-wise, to enable group-wide exposures to be assessed on a timely and accurate basis.

The importance of Liquidity

Until recent events, this was left off many radars and the need for a prudent level of liquidity and timely systems to monitor such levels were not appropriately recognised. This appreciation has radically changed. A difficult lending environment (envisaged for some considerable time), continued economic and investor uncertainty and tougher investor requirements, will all ensure the new requirement for formal liquidity monitoring will remain. To be effective, such systems have to be capable of monitoring a wide range of variables on a timely basis, from possible debt covenant breaches (eg LTV, ICR & DSCR) and the ability to call capital commitments, through to margin calls on derivatives and loans as well as falling income from tenant defaults and possibly exchange rate movements.

Better appreciation of Volatility, Leverage & Risk

Consideration of these concepts separately, let alone combining them, was largely ignored by investors and managers alike in the property bull run and has now

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Property Fund Management - to 2010 and Beyond

come back to haunt. Many real estate equity investors (and managers with promote remuneration structures) viewed leverage simply as a way of enhancing (or achieving certain minimum) return levels rather than substantially increasing risk. Whilst it can be argued that the (long) rise in property values statistically reduced volatility (thereby reducing the modelled risk of poor outcomes), for those of us with longer memories, steep falls in property values have occurred more than once in our lifetime and this possibility should always have been included in any modelling and/or deal structuring. In most cases insufficient attention was given to modelling downside cases – often very limited downside cases or upside cases only were considered. And most investors almost certainly never modelled the possible variability of returns due to the underlying asset volatility, the addition of leverage and the possible disconnect between interest rates and property yields. Whilst it is true that much of this modelling "error" can be categorised as poor and ill-informed decision-making by deal makers and their investment committees, going forward it is also going to be the case that investors are going to want to see decision-making properly codified with the modelling approach, assumptions and sensitivities much more transparent and vigorously tested. And of course utilisation made of property derivatives as a predictive & valuation tool in addition to reliance on agents' forecasts……

I'd now like to expand a little on the first three of these factors in this first article.

Our Darkest Hour

Telling clients what their core beliefs or assumptions should be is, I find, usually an excellent way of upsetting a relationship. However, asking whether possible questions and scenarios have been fully considered, and logical implications and conclusions drawn can be fruitful.

One such scenario would currently be: "If we were to see significantly higher tenant defaults than is currently the case, what are the answers to each of the following:

- Can your systems model the effect of a particular tenant default across all properties
- Do you know in what circumstances there would be a technical breach under any of your loans group/fund wide (whether on/off balance sheet, recourse or non-recourse) and what the cure periods and remedies are in each case
- Do you know which or in what circumstances loans/assets/hedges could be cross-defaulted
- Do you automatically monitor covenant breaches and does your system cater for the varying backward looking, forward looking, variable period covenant testing etc and differing income and cost calculations (including bank charges and hedge values) for each loan
- Do your systems alert you when there may be future covenant breaches from scheduled changes in say ICR/DSCR etc
- Do tenant defaults at asset level automatically feed into Liquidity Tests at appropriate levels within the group/fund
- Does a tenant default automatically change or highlight a property's valuation in your systems
- Do you have early warning systems in place to evaluate/monitor (weak) tenants and possibly renegotiate terms
- When would you know that a tenant has not paid its rent?

Other questions could include:

- Which (parts of) your systems & processes are spreadsheet based
- To what extent do (parts of) your systems & processes require manual inputs
- How regularly is information updated
- To what extent are you able to scenario plan
- Can you easily assess all your loans, interest rate hedges and other derivatives using a variety of criteria?

It may well be the case that you have been fortunate enough to experience only limited defaults to date and/or a significant amount of your debt is currently floating (thereby providing sufficient cashflow headroom) but are you comfortable that a significant deterioration in tenant defaults, interest rates or values would be assessed and catered for in a timely fashion?

In any event, and looking forward for a moment, are future new investors going to accept spreadsheet-based monitoring & reporting systems as being adequate and is the extent to which your systems can undertake sophisticated "what if" analyses etc sufficient, especially if other managers do provide such "best in breed" components….

Property Investors' Confidence

As already mentioned, property investors are going to be far more selective when choosing investment managers. Sure, a significant part of their decision-making will be assessing a manager's track record (and in particular who actually sold assets ahead of the fall, who made returns from asset management rather than from high leverage only and who did NOT buy during the period of over-valuation despite the temptations!). But an important part of their decision-making process is already focussing on other issues such as transparency, (decision-making) processes and appropriateness of systems as well as other governance issues.

Part of these changes are cyclical – it has been very easy for managers to raise funds for property in recent years and, as a result, terms for investors became progressively less favourable. Investors ignored or were unaware of relatively poor systems and corporate governance in the rush to be invested in the market. Recent events have highlighted some of the major excesses and the degree to which even the basics were largely ignored by some managers. Better and more co-ordinated systems and processes are required and if you wish to attract future investors, having a great manager will not be enough.

Property Derivatives

Property Derivatives have been around for some years, particularly in the UK, where there has been a great source of data, namely the IPD UK Property Indices around which to base such instruments. Originally the main constraints to their development were:

- A lack of understanding and

"...Property investors will in the future have to be far more selective when choosing investment managers...a significant part of their decision-making will be assessing a manager's track record...But an important part of their decision-making process is already focussing on other issues such as transparency, (decision-making) processes and appropriateness of systems as well as other governance issues…"

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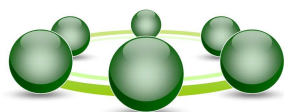

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distrust by property managers as to their uses,

- Concerns regarding basis risk given the individuality of each property asset whilst the main contract was a Total Return Swap on the IPD UK All property index, and
- Formal authority to use such instruments not being in existence

Managers are now generally much more aware of their potential uses and the credit crunch and associated events have demonstrated an extremely high performance correlation between all sectors, reducing the basis risk difficulties. Additionally various sub-indices are now priced and to some degree tradable and products other than total return swaps are now available. As their usage has become more widespread, the required technical changes to articles & procedures to allow derivatives to be used have become common and less costly.

As well as being able to be used to both gain exposure to a market/ sector quickly and hedge existing exposures, property derivatives can also be used as an indicator of future performance and valuations and have proved to be far more accurate in predicting the timing and extent of the downturn than agents' forecasts. They should, therefore, form an integral part of any property managers' armoury.

Current usage constraints now generally fall into three categories:

- Lack of integration into decision-making generally. Most funds/groups almost certainly do not have a mechanism for integrating property derivatives pricing into their decision-making, monitoring & valuation processes.
- Lack of systems to trade & monitor property derivatives and associated collateral and counterparty risks. Many multi-asset managers and traditional real estate only companies/funds simply do not have these systems in place
- Lack of experience in negotiating associated ISDA documentation. Whilst this is often the case for pure property operators, the documentation has become much more standardised and therefore less costly to negotiate and additionally property notes have been developed which do not require such documentation.

Constraints have largely therefore moved from philosophical unease to practical & cost issues. Now, even for relatively small operators, there are cost-effective solutions available, particularly when their integral role in future value monitoring and decision making is considered. For multi-asset managers with real estate activities who have traditionally had very different systems from other managed assets, and who are now beginning to consider much more integrated systems, the marginal cost of catering for property derivatives should be especially low if planned and executed correctly.

Conclusions

Many of the above issues can be categorised as part of a general investor requirement for improved Risk Governance and the property industry is not immune from this. Indeed (apart from perhaps the Hedge Fund industry) it can be argued that more improvement is needed here, precisely because relatively little has been done in the past due to its non–mainstream, specialist and (until recently) highly performing nature.

Many investors (or at least their trustees) will either stay on the sidelines or be highly selective unless firms ensure that they have governance structures and processes in place to measure not only investment, but also counterparty and operational risks as well. This means having the correct (and correctly educated) committees and management information systems capable of reporting on these risks and managers must be able to calculate their firm-wide exposures to a variety of risks as a basic rule of operation.

It is also clear that property does have significant peculiarities and it is therefore vital that when considering such structures, processes and systems, that the planning and implementation teams contain appropriate personnel from various disciplines and front/back offices, otherwise the process will be unnecessarily painful, time-consuming and costly. For multi-asset managers, where their property arms have been largely separate system-wise in the past, this is particularly the case.

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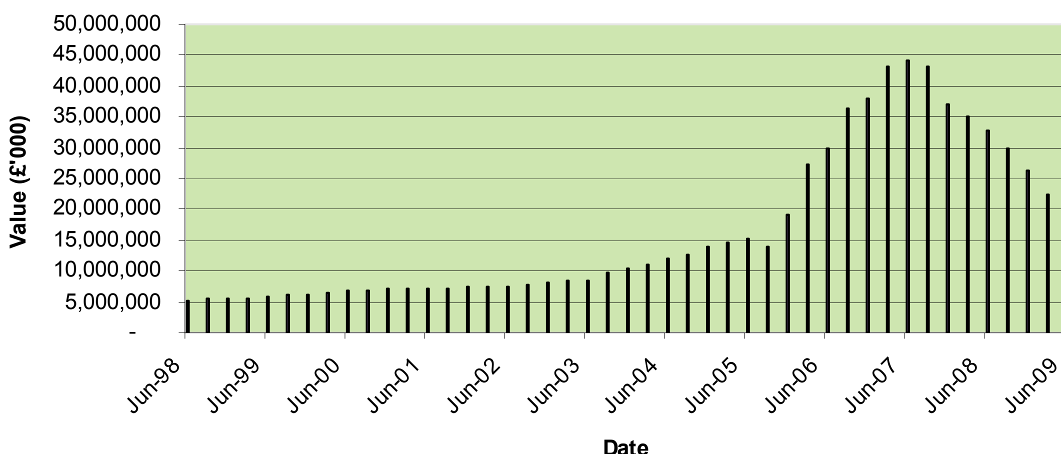

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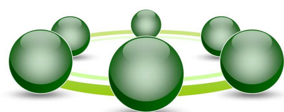
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Performance & Risk Association AGM

The Performance and Risk Association is devoted to aiding learning and development in the areas of performance measurement, attribution, risk, and client reporting.
This is achieved by working with firms to deliver in-house courses, running public programmes, publishing the Performance Measurement and Client Reporting Review (PMCRR) and organising strategy meetings for the key figures.

The PRA is holding its Annual General Meeting on Wednesday 30th September 2009, and ISC is the registered Knowledge Partner for the event with our Performance and Risk expert, **Simon Haque**, presenting. In order to book your places please contact Simon using simon.haque@iscllp.com or log on to the event web site: http://www.praconference.com/

Client Reporting Events

Simon Harris, one of our Client Reporting experts, recently appeared on a Client Reporting Webinar hosted by **Vermillion Software** called "*Client Reporting: Keeping Clients Satisfied in a Volatile Market*". The panellists included:
Simon Harris, Partner, Investment Solutions Consultants
Simon Cornwell, Sales and Marketing Director, Vermilion Software
Liz Jones, Senior Consultant, Mercer
Julian Baines, Middle Office Manager, Royal London Asset Management
Tim Wood, Head of Global Network Management, RBC Dexia
Joshua Seeman, Manager Global Operations Client Reporting, Janus Capital Group
If you would like to listen to the full audio of the webinar please follow the link below:
http://www.brighttalk.com/dcemail_redirect/webcast/3205

Simon will also be appearing at **Osney Media's Client Reporting Symposium** on the 16 November. Osney Media's 13th Annual Client Reporting & Servicing conference has been designed to bring together an international line-up of practitioners from asset management firms to provide an excellent platform for discussion and case study presentations to exchange experiences and overcome challenges the current economic climate holds for client reporting and servicing departments.

http://www.client-reporting.com/index.asp

ISC is in the process of organising a **Client Reporting Surgery** that will give industry participants the opportunity to raise questions to a panel of client reporting experts from vendors, consultants and industry experts. It will be held in London in early November 2009. Please see our website for registration information.

Data Management Events

Geoff Edwards, ISC Partner, recently participated in an A-Team podcast on "*Servicing the Buy-Side with Pricing Data Solutions*", where he and other panellists discuss how custodians and fund administrators can support their buy-side clients with increasingly complex pricing data mandates.
Listen to the podcast here:
http://www.a-teamgroup.com/portal/listmaster/lt.php?id=ekxRUQtcXFAND05UDgwKSABTVwEBVg%3D%3D

OTC Derivative Event

Optimising OTC Derivatives Operations in Fund Management

Now in its 5th year, **Optimising OTC Derivatives Operations** is an exclusive event designed specifically for buy-side practitioners tasked with overseeing the accuracy and clarity of their company's operations. It attracts senior decision-makers, pioneering practitioners and leading innovators to address they industry's key concerns in a professional and relaxed environment. As a delegate, you will discover how the shockwaves of the credit crunch and the recession are impacting upon the industry, the positive results of the work many companies have undertaken over the last few months and how your company compares with your peers'. **Sean Sprackling** of ISC will once again be chairing the event, and you can register at : http://www.otc-derivative-ops.com/index.asp or by contacting us at sean.sprackling@iscllp.com

CONTACT INFORMATION:
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Next Editions:

In upcoming editions of the ISChronicle we will be looking at other issues in the Investment Management world, including:

- Securities Finance and Collateral Management
- Enterprise Data Management
- Liability Driven Investing

We currently have the following positions open:

- **Data Management BAs (Contract)**
- **Counterparty Credit Risk Specialists (contract)**
- **Business Analysts for a number of outsourcing projects (Contract)**
- **Senior Consultant and Consultant positions at ISC (Permanent)**

For more details on any of these roles please send your CV to: recruitment@iscllp.com

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