



Society Programs

TEL 415-259-0765 EMAIL INFO@SASF.ORG WEBSITE WWW.SASF.ORG JUNE 2004

New Starts – Robert B. Thompson, CFA, President

When I wrote last September, I urged you to congratulate, celebrate, volunteer, and communicate. In return, I laid out some basic Board goals: Increase transparency, find a permanent downtown San Francisco location for SASF, and make financial literacy for high school students a permanent part of our Society.

As the new fiscal year approaches and I prepare to turn the reins over to Keith McWilliams, I'd like to give you a report card, of sorts. The congratulating, celebrating, volunteering, and communicating ... well, those were up to you -- I'll have to let you grade yourselves.

As for the Board goals, I'd give us a "B".

We have made great strides at increasing transparency -- particularly through the web site (www.sasf.org). If you search around, you will see a number of improvements ... and many more are in the works.

Governance is improved: note the fine work (under the direction of last year's President, Kristin Bradbury) that resulted in the recommended By-laws revision. If you have ideas as to how to improve transparency and governance (we want to represent the standards in those areas), please let us know!

The Financial Literacy Committee is up and running under the direction of Bill Smith (with a lot of thanks to another past-President, John Hyland, who spearheaded this effort over the last four years). Look for more initiatives in addition to the Classroom Editions of the WSJ that we (you) are already providing to most high schools throughout the Bay Area. A disappointment -- no permanent location (yet) in downtown San Francisco. But the Board spent a tremendous amount of energy pursuing this vision and learned a great deal in the process. I suspect the foundation for future developments has been put in place.

Beyond SASF there is also much to look forward to at the "mother ship", the newly-renamed CFA Institute (nee: AIMR). The last two years have seen a dramatic change in its transparency, governance, and focus. There have been a number of initiatives that (among other things) have resulted in a new Board of Governors nominating process and a statement of CFA Institute's relationship with its local societies (e.g., SASF). Some results: Governors who are open, engaged, and committed; a new name; and (I am really excited about this) a newly-appointed CEO: Jeff Diermeier. As an accomplished and successful practitioner, society volunteer, and sitting Governor, Jeff provides us with unique qualities to lead the CFA Institute and will serve as a beacon for its societies and members. We are lucky to have him; I am sure he will lead and serve us well.

A final, sincere note: thank you. You have honored me by allowing me to serve you. It was my honor to do so. As Ted Aronson (the CFA Institute Chair) often says: Excelsior!

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SASF Social Event at SF Bubble Lounge June 24th



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Webcast: Insights into Institutional Equity Trading

June 9, 2004

Speaker: Brian Pears (recorded)
Chair: Rebecca Gao, Ph.D., CFA

In this webcast, Brian Pears discusses:

- Definition of an institutional equity trader
- Evolution of institutional equity trading: past, present, and future
- What caused institutional trading to change?
- Four major themes of the future of equity trading
- Shaping the role of the professional trader in the future

Wednesday, June 9th, 2004, 12:00 to 1:30 PM, Bloomberg Training Center, 345 California Street, 35th Floor, San Francisco. No charge for SASF members, \$20 for non members. Lunch will be served on a first-come basis.

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As a participant of the AIMR® Approved Provider Program, SASF has determined that this event qualifies for professional development credit for the AIMR® Professional Development Program. Eligible for 1 credit hour.

Convertible Bond Arbitrage Methods and Strategies Joint meeting with Global Association of Risk Professionals

June 10, 2004

Speaker: Deepak Gulrajani, President, Descartes Capital
Chair: Todd Folle, CFA

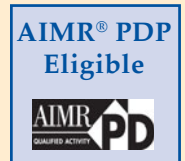
Convertible bonds are unique in they require knowledge of both the debt and equity valuations. Mr. Gulrajani will be discussing arbitraging the risk premium found across debt and equity markets expressed primarily through convertible bond and capital structure arbitrage strategies. Mr. Gulrajani will discuss these arb strategies utilizing Descartes' research combined with quantitative valuation of convertible bonds, equities and high yield bonds in determining its 25-40 hedge fund security positions. Also discussed will be how Descartes Capital's investment discipline focuses on fundamental primary and secondary research into sectors and companies to assess equity and credit valuation.

Deepak Gulrajani is the founder and chief investment officer of Descartes Capital, based in San Rafael, CA. Descartes Capital is a hedge fund management company founded in 2003 that specializes in corporate securities arbitrage. From 1997 to 2003 Deepak ran the fixed income arbitrage group at Symphony Asset Management in San Francisco. His prior professional positions included three years as Chief Investment Strategist, Fixed Income at Barclays Global Investors and six years with Barra, first as a quantitative analyst and then as manager of the fixed income research and finally as Director, Fixed Income Strategies. Deepak has an MBA in Finance from New York University and a B.Tech. in Computer Science from the Indian Institute of Technology, Bombay.

Thursday, June 10th, 2004, 3:00 to 4:30 PM, Omni Hotel, 500 California Street, San Francisco. No charge for SASF or GARP members, \$20 for non-members. Cancellations must be received by noon on June 8th to receive a refund.

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How to Start a Hedge Fund

June 17, 2004

Speakers: A.J. Marazza and Rich Talley, PFPC; Rimmo Jolly, Citigroup Prime Broker; T.J. Theodorsen, CFA, Merrill Lynch
Chair: Michael Gandy, CFA

This discussion will focus on how to launch a hedge fund. It will include: planning for a launch - important issues and questions faced when launching a fund, fund structures, financial guidelines for management company and fund operating budgets, breakeven points, and servicing components needed to operate a hedge fund.

A.J. Marazza is a Vice President with PFPC. He works with entrepreneurs, separately managed account firms, hedge fund managers, and regional financial institutions who are interested in launching new products. Prior to joining PFPC, Mr. Marazza was a research analyst with Berens Capital, a hedge fund of funds, and before that he was a founding partner of QED Capital, a series of long/short equity hedge funds. Upon completion of his M.B.A. at Carnegie Mellon, Mr. Marazza spent several years as an investment banking associate with Legg Mason Wood Walker.

Richard P. Talley, Jr. is a Vice President with PFPC. He works with domestic and offshore alternative investments managers. His clients include private equity, hedge fund and structured fund managers. Prior to joining PFPC, Mr. Talley was a director with an internet direct trading operation. Mr. Talley also spent 8 years with Standard & Poors.

Rimmo Jolly works with Citigroup's hedge fund clientele initiating transactions in both financing and trading. Before joining Citigroup in 2002, Rimmo worked in the Equity Structured Products group at Deutsche Bank. His area of expertise was working with hedge funds selling synthetic financing, derivatives and prime brokerage. Prior to working at Deutsche Bank, Rimmo was an analyst with Westinghouse's Treasury Group. Rimmo graduated with honors from the University of Pittsburgh with a degree in Accounting. He earned his MBA from Carnegie Mellon.

T.J. Theodorsen, CFA, is a portfolio manager on Merrill's proprietary Hedge Fund investment team specializing in equity hedge funds, he joined Merrill in April, 2004. Prior to Merrill he was with K2 Advisors, Senior Analyst on a \$2 Billion Fund of Funds from Aug 2000- through April 2004. Morgan Stanley Asset Management from July 1996-August 2000. T.J. is a graduate of Carnegie Mellon University with both a BS and MBA.



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Thursday, June 17th, 2004, 3:00 to 5:00 PM, Omni Hotel, 500 California Street, San Francisco. No charge for SASF members, \$20 for non-members. Please let us know by noon on June 15th if you need to cancel your reservation. Program will be followed by Social Hour hosted by PFPC.

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The Opportunities and Pitfalls of Investing in Chinese Public Companies

June 22, 2004

Speaker: Richard Lawrence, Jr., Founder and Managing Director, Overlook Investments
Chair: Evelyn Lawson, CFA

Mr. Lawrence will share his insights about investing in Chinese public companies, gleaned from his decade long first hand experience investing in equities across Asia. He will describe the range of opportunities available, from state owned enterprises to raw material suppliers. Mr. Lawrence will discuss the unique attractions and pitfalls of the different opportunities

This presentation will be of interest to anyone considering expanding their portfolios to China, and is an ideal opportunity for financial services practitioners in general to keep current in the industry.

Richard H. Lawrence, Jr. is the founder and managing director of Overlook Investments, a fund management group headquartered in Hong Kong. Richard established Overlook Investments in 1991 to invest in high quality listed equities that sell at bargain valuations across Asia, excluding Japan. Since inception Overlook has managed a single fund, The Overlook Partners Fund L.P.

Richard graduated from South Kent School in 1974 and Brown University in 1978 with a degree in Economics. From 1978 to 1981 Richard lived in South America and was a financial analyst for the Organizacion Diego Cisneros, a conglomerate based in Caracas, Venezuela. From 1981 to 1984, Richard was vice president with responsibility for equity research for J. Bush & Company, Inc., a NYSE member firm. Richard moved to Asia in 1984 and was a founding vice president of First Pacific Special Assets, a Hong Kong Stock Exchange-listed company that invested in undervalued assets throughout Asia/Pacific. In 1986, he became one of the first Chartered Financial Analysts in Asia.



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Tuesday, June 22nd, 2004, 12:30 to 2:00 PM, Omni Hotel, 500 California Street, San Francisco. \$25 for SASF members, \$45 for non-members. Please let us know by noon on June 19th if you need to cancel your reservation.

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PROFESSIONAL DEVELOPMENT PROGRAMS

Webcast: What Investment-Grade Managers Need to Know About High Yield Bond Analysis

June 24, 2004

Speaker: Martin Fridson, CFA, CEO of FridsonVision LLC (recorded)
Chair: Andrew Greenberg, CFA

In this webcast presentation, Martin Fridson discusses:

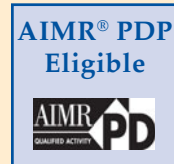
- Credit Analysis in different credit market environments
- Lessons learned from high-yield analysis
- Best tools and models available for credit analysis and valuation
- Enhancing the credit and strategic research provided by Wall Street

Martin S. Fridson, CFA, is former managing director of global high-yield strategy at Merrill Lynch & Company, Inc. He is the youngest person ever inducted into the Fixed Income Analysts Society Hall of Fame, and he was elected to the Institutional Investor's All-America Research Team. Mr. Fridson has been a guest lecturer at numerous graduate business schools and is the author of How To Be A Billionaire, It Was A Very Good Year, and Investment Illusions. He holds a BA in history from Harvard University and an MBA from Harvard Business School.

Thursday, June 24th, 2004, 3:00 to 4:30 PM, Bloomberg Training Center, 345 California Street, 35th Floor, San Francisco. No charge for SASF members, \$20 for non-members.

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Webcast: The Ticking Time Bomb of Pension Fund Deficits

July 8, 2004

Speaker: David M. Blitzer, Standard & Poor's (recorded)
Chair: Rebecca Gao, Ph.D., CFA

In this webcast presentation, David M. Blitzer discusses:

- The impact of underfunded pension funds on financial statements and cash flow today and in the future
- Potential changes in pension accounting practices that will affect core earnings, cash flow, and the balance sheet

Thursday, July 8th, 2004, 12:00 to 1:30 PM, Bloomberg Training Center, 345 California Street, 35th Floor, San Francisco. No charge for SASF members, \$20 for non-members.

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UPCOMING PROGRAMS

Updating Audit and Compliance Reporting for Investment Advisors Monday, July 19, 3-5 PM, Palace Hotel

How to Start a Venture Capital or Private Equity Fund Thursday, September 30, 3-5 PM, location TBA

Annual Charity Wine Tasting Thursday, October 7, 5-7:30 PM, Franciscan Ballroom, Argent Hotel

Watch for details to be posted soon on www.sasf.org!



Society Calendar

M	Tu	W	Th	F
June	<p>8</p> <ul style="list-style-type: none"> • Board Meeting, 12:30-2:00 PM, Palace Hotel • Annual Meeting, 2:00-2:15 PM, Palace Hotel 	<p>9</p> <ul style="list-style-type: none"> • PD Program: <i>Webcast: Insights into Institutional Equity Trading</i>, 12:00 - 1:30 PM, Bloomberg 	<p>10</p> <ul style="list-style-type: none"> • PD Program: <i>Convertible Bond Arbitrage Methods & Strategies</i>, 3:00 - 4:30 PM, Omni Hotel 	
			<p>17</p> <ul style="list-style-type: none"> • PD Program: <i>How to Start a Hedge Fund</i>, 3:00 -5:00 PM, Omni Hotel. Program will be followed by Social Hour hosted by PFPC 	
	<p>22</p> <ul style="list-style-type: none"> • PD Program: <i>The Opportunities & Pitfalls of Investing in Chinese Public Companies</i>, 12:30 - 2:00 PM, Palace Hotel 		<p>24</p> <ul style="list-style-type: none"> • PD Program: <i>Webcast: What Investment-Grade Managers Need to Know About High Yield Bond Analysis</i>, 3:00 - 4:30 PM, Bloomberg • Social Event -<i>Networking Reception at Bubble Lounge</i>, 5:00 - 7:30 PM 	
July	<p>8</p> <ul style="list-style-type: none"> • PD Program: <i>Webcast: The Ticking Time Bomb of Pension Fund Deficits</i>, 12:00 - 1:30 PM, Bloomberg 			
				<p>19</p> <ul style="list-style-type: none"> • PD Program: <i>Updating Audit and Compliance Reporting for Investment Advisors</i>, 3:00 - 5:00 PM, Palace Hotel

SASF Contact Information

Mailing address:

41 Sutter Street, Suite 1192, San Francisco CA 94104

Telephone: 415-259-0765 Fax: 415-651-9469

Email: info@sasf.org (Jane White)

director@sasf.org (Tina Myers)

Contact your elected leaders!

president@sasf.org board@sasf.org