

FUNDS MANAGEMENT FORUM SERIES
SPONSORED BY JANUS CAPITAL ASIA LTD.

Forum 5, 2009: Canary in the Coal Mine – What nonlinear dynamics based risk evaluation tells us about the US Mortgage Crisis and why it is now being adopted by RMBS investors - Implications for Australia

with Dr Joe Breeden, Founder and Chief Scientist of Strategic Analytics (US)

Date and Time: Friday 2nd October 2009, 12:15 for 12.30 - 2.00 pm (sandwich lunch provided)

Venue: Thomson Reuters Markets, 43/80 Collins Street, Melbourne

The Melbourne Centre for Financial Studies has invited Strategic Analytics' Founder and Chief Scientist, Dr Joe Breeden, to present an in-depth look at the use of non linear analytic techniques to provide robust CDR and CPR forecasts for RMBS issues. Dr Breeden will discuss the methodologies employed and share case study data from Strategic Analytics database of US RMBS issues. Dr Breeden will highlight the impact of a non parametric, non linear approach both at a theoretical and practical level and highlight the data requirements of this approach and why, the data accompanying RMBS issues is sufficient to adopt this approach.

Dr. Breeden is currently participating in a joint research project with the Federal Reserve Bank of Philadelphia focused on the US mortgage crisis. Prior to founding Strategic Analytics, Dr Breeden was a member of the Santa Fe Institute for several years, conducting research in the areas of chaos theory, complexity, and agent-based simulation. His work at the Santa Fe Institute led to his appointment as a Senior Scientist in the Investment Analytics Group at CASA, the Center for Adaptive Systems Applications, in Los Alamos, NM. While at CASA, Dr. Breeden used advanced modeling and simulation technologies to solve business problems, including creating a consumer lending portfolio management tool for emerging markets for Citicorp. Dr. Breeden received two BS degrees in mathematics and physics in 1987 from Indiana University. He earned a Ph.D. in physics in 1991 from the University of Illinois. His thesis work involved real-world applications of chaos theory, genetic algorithms, agent-based simulation, and complexity. Since 1987, Dr. Breeden has published more than 40 articles in various journals on subjects including portfolio forecasting, evolutionary computation, nonlinear modeling, astrophysics, and nuclear physics. He is currently on the editorial board of The Journal of Risk Model Validation and is the author of the upcoming book "Reinventing Retail Lending Analytics: Forecasting, Stress Testing, Capital, and Scoring for a World of Crises" to be published by Riskbooks later this year.

This will be the fifth for 2009 in a topical series of Funds Management Forums which the MCFS arranges with the objective of improving industry-academia contacts, identifying research projects and opportunities for research partnerships. The series is sponsored by Janus Capital Asia Ltd. and the venue sponsor is Thomson Reuters Markets.

The event is free of charge and there are a **limited number of places**. If you are interested in attending, please email info@melbournecentre.com.au with subject "Canary in the Coalmine" by **Thursday 1st October**. (If you then discover you are unavailable, please advise us so that we can offer the place to others).

Melbourne Centre for Financial Studies
Level 43, 80 Collins St
Melbourne, Victoria, Australia, 3000
W: +61 3 9613 0906 Fax: +61 3 9613 0900
www.melbournecentre.com.au

The Melbourne Centre for Financial Studies is a partnership between public and private sectors, and between industry and academe. The Centre was launched with seed funding from the Victorian Government. Members of the consortium are Melbourne, Monash and RMIT Universities, and Finsia. They have joined together to enhance Melbourne's national and international reputation for excellence in financial practice, research and education. The Centre facilitates knowledge transfer between, and builds research synergies between, industry and academe by undertaking finance research, providing consulting services, and organising research focused conferences, workshops, public lectures and other educational activities.

Janus Capital Group Inc. (Janus) enables access to a group of three specialist investment managers that offer growth, risk-managed and value investment strategies through one global organisation. Janus Capital Management LLC, Enhanced Investment Technologies and Perkins Investment Management LLC (Perkins) each adopt a distinct investment style with their sole focus on investment management. As of June 30 2009, Janus managed US\$132.6 billion in assets for more than four million shareholders, clients and institutions around the globe.

The Denver-based Janus Capital Group is made up of various entities including Janus Capital International Limited which also has offices in London, Milan, Munich, Tokyo, Hong Kong and Melbourne.

Issued in Australia by Janus Capital Asia Limited (ARBN 122 997 317), which is incorporated in Hong Kong, is exempt from the requirement to hold an Australian financial services licence and is regulated by the Securities and Futures Commission of Hong Kong under Hong Kong laws which differ from Australian laws. This document does not constitute investment advice, form part of an offer to provide discretionary or non-discretionary investment management or advisory services or an offer to sell, buy or a recommendation of any securities. For Wholesale Client Use Only – Not For Public Distribution. LC-0909(7)1009 Australia Inst