

FINANCE FORUM SERIES 2008

Tales of Transition Management - A practitioner's guide *with David Foodey, Director and Head of Transition Management, Deutsche Bank Australia*

Date and Time: **Tuesday 17th June, 2008, 12.30 - 2.00 pm** (sandwich lunch provided)

Venue: **Investment Centre Victoria*, Level 46, 55 Collins Street, Melbourne**

“Transition management is a systematic, controlled process that utilizes all available sources of liquidity to simultaneously minimize the total cost while managing the overall risk of the transition.” But if done incorrectly it can be a source of risk and transaction costs which may undermine the benefit of making the transition.. David Foodey is one of Australia’s longest-serving transition managers and will explain how to avoid the potholes.

Transition managers make markets work more efficiently. They have a unique insight into the relative performance of investment styles and managers and have access to a wealth of data which may be of interest to finance academics.

Various events including acquisitions and management changes can require a portfolio to be transitioned. Typical examples would be a mutual fund has decided to liquidate a large portfolio or merge two funds into one larger fund requiring large quantities of securities to be bought and sold as the portfolio is rebalanced. Costs minimized would be commissions, market impact, bid-offer spreads, and opportunity costs.

Transition managers use a number of methods. Usually they are directly connected to multiple markets or liquidity centers. They can execute orders using algorithmic trading, and so minimize market impact. As they may be transitioning several different portfolios they can cross orders, reducing commission and exchange fees. Also, they may have specialist traders who handle illiquid securities. (*Original source: Wikipedia.*)

Our speaker: David Foodey has run Deutsche Bank’s transition business in Australia since 2002. During this period he and his team have effected some of the largest and most complex transitions in the Australian market. In total David has 16 years multi product experience in global markets having worked in both Sydney and London. Prior to Deutsche, David spent nine years at UBS. He has a Bachelor of Economics (ANU) and A.C.A.

Our event sponsor: AFM Investment Partners is an independent financial services company that represents boutique international fund managers in the Australian marketplace. *For more information:* www.aufm.com.au

Melbourne Centre arranges topical "Finance Forums" with the objective of improving industry-academia contacts, identifying research projects and opportunities for research partnerships. It is expected that those attending will be keen to participate in discussion.

*Melbourne Centre for Financial Studies gratefully acknowledges the support of the Victorian Government and thanks the Department of Innovation, Industry and Regional Development for its ongoing support and here in particular for the use of its venue for this forum.

There is a **limit on the number of attendees** but **no charge**. To attend and participate, please email info@melbournecentre.com.au with the subject header of “*Finance Forum – Transition Management*” by **noon on Monday 16th June**.

Melbourne Centre for Financial Studies,

Level 43, 80 Collins Street,
Melbourne, Victoria, Australia, 3000
W: +61 3 9666 1050 Fax: +61 3 9666 1099 www.melbournecentre.com.au

The Melbourne Centre for Financial Studies is a not-for-profit 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 organizing research focused conferences, workshops, public lectures and other educational activities.