



ZEPHYR
StyleADVISOR®

CLIENT CONFERENCE 2006

Thursday & Friday, September 14-15

The Resort at Squaw Creek

Lake Tahoe, California

THURSDAY SEPTEMBER 14, 2006

7:00 – 8:00

CONTINENTAL BREAKFAST

8:00 – 8:45

A CASE STUDY USING BLACK-LITTERMAN MODEL IN ALLOCATIONADVISOR

Ali Jaffrey, Sr. Portfolio Manager, Saudi National Commercial Bank. Ali recently had 2 of their funds rated A by S&P. They are both asset allocation funds and this makes them the only funds in the Middle East to have achieved S&P rating. He fully attributes this achievement to Zephyr and the AllocationADVISOR software. He used the Black-Litterman model in AllocationADVISOR to make the best use of a constrained universe, develop a well rounded expectation model and do superior back testing. StyleADVISOR allowed him to compare the existing allocation with the proposed and alternative allocations and make meaningful decisions. Ali will present a detailed case study of his research and work on this project.

8:45 – 9:45

StyleADVISOR 7.1– PART 1

Aaron Moore, Zephyr Associates. Zephyr's development team has been working for over a year adding a number of new additions to StyleADVISOR.

- New drawdown graph and table
- Numerous new statistics added to scan, scan search and custom table including Pain Index, Pain Ratio, Omega, RAP, etc.
- Gain/Lost option added to Performance graph
- Configurable N-Tiles in manager vs. universe graph/table
- Negative weighting display in asset allocation area graph
- Greatly expanded Axes Scaling via preference based scaling
- New header/footer text capability in Print and .pdf
- Using Dynamic text to create fact sheets
- Automation Scripting

Aaron will also be discussing and demonstrating our unique Zephyr On Demand web product.

9:45 – 10:00

BREAK

10:00 – 11:00

A NEW APPROACH TO MANAGER AND FUND SELECTION AND EVALUATION

Robert L. Padgette, Founder Klein Decisions. For decades the primary methodology used for selection of managers and funds has involved screening out of candidates who don't meet all of the selected criteria and then conducting further research and due diligence on the survivors. But that methodology has three inherent shortcomings:

- All criteria used have an equal weighting
- Excellent candidates can be eliminated by failing a single criteria by an insignificant amount
- Survivors can only be sorted on one criterion at a time, not ranked on all criteria simultaneously

This session will discuss a new approach to the selection and evaluation process that allows an analysis to rapidly build a multi-factor model that takes into account the relative importance of criteria selected by the analyst and then ranks the managers or funds based on how they score on each criterion coupled with the importance of that criterion all combined into a single ranking score. The same criteria and their importance can then be carried forward for evaluation of the manager or fund in future periods.

CONCURRENT WORKSHOP

GRAPHIC EDITING WITH StyleADVISOR

Zephyr's **Bob Atkinson** will host a workshop on advanced graphic editing. This session will cover some of the more advanced methods of modifying workbooks, including tips and tricks to help achieve your own personal/corporate look and feel.

11:00 – 12:00

A MATHEMATICAL VIEW OF THE NEW STATISTICS IN StyleADVISOR

Thomas Becker, Zephyr Associates. Thomas will explain the math of the new drawdown statistics and Zephyr's new unique Pain Index and Ratio. He will also discuss the Omega and Sharpe Omega index and why they become particularly good statistics in the analysis of hedge funds.

CONCURRENT WORKSHOP

BUILDING CUSTOM REPORTS

Zephyr's **Bob Atkinson** and **Jim Morin** will demonstrate how the new features in StyleADVISOR, including dynamic text, expanded notes, extended fields, and custom tables, can be used to create custom reports and one page fact sheets.

12:00 – 1:30

LUNCH – HOSTED BY ZEPHYR ASSOCIATES

1:30 – 2:30

StyleADVISOR 7.1– PART II

AARON MOORE, ZEPHYR ASSOCIATES

2:30 – 3:15

USING ZEPHYR’S NEW SCRIPTING API MODULE

Joel Soroos, CFA of AIM Investments Product Strategy & Client Services, Systems Development and Management. Joel will discuss how AIM leverages Zephyr’s StyleADVISOR Scripting Module API to streamline competitive performance/risk/style statistical reporting for AIM’s risk management committee and Investments teams. The Scripting Module enables AIM to programmatically calculate large sets of StyleADVISOR Statistics for 70 fund-specific reports (each with different benchmarks) with flexibility to efficiently change report parameters.

CONCURRENT WORKSHOP

STATISTICS

StyleADVISOR calculates more than 100 statistics in both the manager analysis and manager search functions. **Bob Atkinson** from Zephyr has developed a non technical presentation that explains the statistics in a simple, easy-to-understand manner and most importantly, how to use them.

3:15 – 3:30

BREAK

3:30 – 4:30

INTERDEPENDENCE OF HEDGE FUNDS AND MANAGED FUTURE RISK MEASURES

Raj Gupta, Research Director of the Center for International Securities and Derivatives Markets (CISDM) at the University of Massachusetts, Amherst.

- Measuring Performance & Risk: What Works and What Doesn’t
- Classifying Risk Measures
- In-sample Performance
- Out-of-sample Performance
- Integrating Quantitative Analysis with Qualitative Review

CONCURRENT WORKSHOP

AllocationADVISOR

Don Harriman and Lauren Boismier of Zephyr will show AllocationADVISOR 6.2 enhancements, including the new Frontier Area graph and the ability to go from a Black-Litterman case to historical. Lauren will present some interesting ways to use AllocationADVISOR. Don will introduce a new concept to categorize frontier portfolios according to confidence of achieving client goals.

4:30 – 5:15

MANAGER SKILL OR DUMB LUCK? HOW TO USE StyleADVISOR TO FIND SKILLFUL MANAGERS.

Steve Hardy, President Zephyr Associates

- Are a manager's past returns helpful in predicting future returns?
- Study on performance persistence
- A good benchmark separates alpha from beta. A bad benchmark doesn't
- StyleADVISOR gives you more statistics than you need to find good managers
- Keep it simple

6:00 – 7:30

COCKTAIL RECEPTION – SPONSORED BY ZEPHYR ASSOCIATES

FRIDAY SEPTEMBER 15, 2006

7:30 – 8:30 **CONTINENTAL BREAKFAST**

8:30 – 9:30 **HOW ZEPHYR SOFTWARE CAN MAKE A BIG DIFFERENCE IN YOUR BUSINESS**

Marc Odo, CFA Zephyr Associates. Marc Odo has used StyleADVISOR and AllocationADVISOR both as a money manager and as a consultant prior to joining Zephyr. His job is to make sure that the Zephyr software is helping clients meet their goals. This can be marketing for money managers or due diligence, asset allocation and searches for sponsors and consultants. It can also involve communicating with clients, retaining client accounts and much more. Marc will give some case studies on how he has been able to help clients meet their goals utilizing StyleADVISOR .

9:30 – 10:15 **ANALYSIS BEYOND THE RUSSELL 4 CORNERS**

Richard Pawelko, Research Analyst, JMG Financial Group, Ltd.. The topic, Analysis Beyond The Russell 4 Corners, looks to improve our investment analysis through expanded and unique uses of Zephyr StyleADVISOR and AllocationADVISOR. Rich will review the importance of proper selection of style and market benchmarks and present a number of techniques and templates for use in the analysis of portfolios as a whole, as well as other asset classes including international investments, municipal bonds and ETFs. These techniques will be tied to rolling statistical analysis. By going “beyond the 4 corners”, we find that different kinds of style analysis provide greater insight in understanding investment management styles thus leading to better asset allocation and portfolio construction.

CONCURRENT WORKSHOP

USING StyleADVISOR TO LAND THE BIG ACCOUNTS

During this workshop, which will be primarily for RIA's and Consultants, Zephyr's **Marc Odo** will show how StyleADVISOR can be used as a prospecting tool to help land the large HNW clients, 401(k), and pension plans.

10:15 – 10:30 **BREAK**

10:30 – 11:30 **TIPS & TRICKS**

Zephyr's **Bob Atkinson** and **Marc Odo** will cover little known features that will help you get more out of StyleADVISOR. This session will cover everything from dynamic text, macros, chart editing and much more.

CONCURRENT WORKSHOP

MANAGER SEARCHES WITH StyleADVISOR

Zephyr's **Curtis Jordan** will show how to use StyleADVISOR to conduct a manager search. This session will cover both the scan search and the search table functions and new search filter. Curtis will demonstrate different ways to use StyleADVISOR's search tools to find superior managers and funds.

11:30 – 12:00 **CLOSING COMMENTS, QUESTIONS, SUGGESTIONS, AND OPEN DISCUSSION**

12:30 **CONFERENCE CONCLUDES**



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