

# Securitized Products and Rates Research Seminars

**September 19, 2008**

The Pierre Hotel  
New York City

|           |  |               |   |
|-----------|--|---------------|---|
| 8:00 a.m. | <b>Continental Breakfast and Registration</b>  |               | <b>Grand Ballroom Foyer, Second Floor</b>   |
|           | <b>CLO/CMBS/Non-Mortgage ABS</b><br><i>Grand Ballroom, Second Floor</i>  |               | <b>Rates Research Seminar</b><br><i>Wedgewood, Lobby</i>  |
| 9:05      | <p><b>CDO Resilience</b><br/><b>Douglas Lucas</b>, Head of CDO Research, UBS</p> <ul style="list-style-type: none"> <li>• Resistance to collateral loan defaults and loan recoveries</li> <li>• The benefit from low cost collateral</li> <li>• The puzzling effects of loan downgrades</li> </ul> <p><b>Opportunities in this Challenging Market Environment</b><br/><b>Steve Antczak</b>, Global Credit Strategy, UBS Investment Bank</p> <ul style="list-style-type: none"> <li>• How bad is the fundamental backdrop?<br/>But don't forget, a significant amount of "bad news" is priced in and the markets are forward looking.</li> <li>• What to do? Shy away from market directional trades near-term, add packages that have asymmetric payoff profiles.</li> </ul> | 9:05 a.m.     | <p><b>U.S. Economy: No Quick End to Weakness</b><br/><b>Jim O'Sullivan</b>, US Economist, UBS</p> <ul style="list-style-type: none"> <li>• Macro Impact of GESs takeover will depend critically on extent mortgage rates decline</li> <li>• Takeover should reduce risk of a severe recession, but spillover effects from housing are multiplying and broad economy is unlikely to turn around quickly</li> <li>• Inflation pressures are likely to fade as unemployment moves up further</li> </ul>  |
| 9:50      | <b>Coffee Break</b>  |               | <b>Grand Ballroom Foyer, Second Floor</b>   |
| 10:30     | <p><b>Impact of the Stealth Recession on Consumer Credit</b><br/><b>Mary Beth Fisher</b>, ABS/MBS Analyst, UBS</p> <ul style="list-style-type: none"> <li>• The consumer debt burden eases slightly as credit conditions tighten</li> <li>• Trends in delinquencies, defaults and bankruptcies</li> <li>• Signposts for recovery still a long way off</li> </ul> <p><b>David Stauber</b>, ABS, UBS</p> <ul style="list-style-type: none"> <li>• Business Perspective</li> </ul>  | 10:00 - 10:25 | <p><b>Foreign Flows: A Sea Change or a Blip?</b><br/><b>William O'Donnell</b>, Head of US Rates Strategy, UBS</p> <ul style="list-style-type: none"> <li>• Brief Overview of Rates Market Conditions</li> <li>• Discussion of Recent Compositional Shifts in Foreign Buying</li> <li>• Implications and Outlook</li> </ul> <p><b>Agency Thoughts from the Trenches</b><br/><b>Ivan Hrazdira</b>, Co-Head of US Agency Desk, UBS</p> <ul style="list-style-type: none"> <li>• Overview of liquidity conditions and flows</li> <li>• Outlook for Agency Sr. debt</li> </ul> |
| 10:50     | <b>Coffee Break</b>  |               | <b>Grand Ballroom Foyer, Second Floor</b>   |

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|---|--|--|--|
| 11:00   | <b>CMBS: Does this Market have a future?</b><br><b>Mark Green</b> , Head of U.S. CMBS Capital Markets, UBS<br><b>Trevor Murray</b> , CMBS Research Analyst, UBS<br><b>Chris Reilly</b> , Head of Large Loan Group, UBS <ul style="list-style-type: none"> <li>• Is the level of potential defaults implied by current spreads realistic?</li> <li>• How are broker/dealers, banks and portfolio lenders adapting to the new landscape?</li> <li>• How will the GSE conservatorship impact multifamily CMBS?</li> <li>• What other distribution channels are available to commercial real estate lenders?</li> <li>• Did the b-piece buyers overly reply upon the CDO takeout?</li> </ul> | 11:00 - 11:25  | <b>The Dollar and Foreign Flows</b><br><b>Benedikt Germanier</b> , Currency Strategist, UBS <ul style="list-style-type: none"> <li>• Review of our US Dollar Outlook</li> <li>• Outlook for Agency Sr. debt</li> </ul>   |
|   |  | 11:30-11:50  | <b>The Optimal Hedge: Cash or Futures</b><br><b>Eric Liverance</b> , Head Derivates Strategy, UBS <ul style="list-style-type: none"> <li>• Overview of Recent Work on the Cash-Futures relationship</li> <li>• The Futures Contract Embedded Option and Convexity</li> <li>• Using the Futures Contract For Hedging</li> </ul> |
| 12:00 p.m.  | <b>Lunch Buffet</b>  |  | <b>Cotillion, Lobby</b>  |
| <b>Securitized Products Research Seminar</b><br><i>Grand Ballroom, Second Floor</i> |  |  |  |
| 1:00 p.m.   | <b>MBS the Crisis Continues</b><br><b>Laurie Goodman</b> , Global Head Fixed Income Research, UBS<br>Further home price declines are inevitable, with mortgage availability restricted, swelling foreclosure buckets and a weakening economy <ul style="list-style-type: none"> <li>• Even building this in, non-agency pricing is very attractive in some sectors</li> <li>• While the bulk of the mark-to-market losses has been taken, the accrual phase of this crises has a long way to run</li> <li>• Maintain an up-in-coupon bias in agencies</li> </ul>   |  |  |
| 2:15  | <b>Inconsistencies in Pricing Across markets</b><br><b>Jack McCleary</b> , Head of ABS Trading, UBS  |  |  |
| 2:30  | <b>Outlook for Housing &amp; Mortgage Credit</b><br><b>Thomas Zimmerman</b> , Head of ABS & Mortgage Credit Research, UBS <ul style="list-style-type: none"> <li>• Mortgage performance continues to deteriorate</li> <li>• Impact of GSE takeover</li> <li>• What would signal a recovery</li> </ul>  |  |  |
| 3:15  | <b>Coffee Break</b>  |  | <b>Grand Ballroom Foyer, Second Floor</b>  |

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## Concurrent Sessions

*Grand Ballroom, Second Floor*

*Wedgewood, Lobby*

3:30

### **Non-agency Performance and Outlook**

**Rei Shinozuka**, ABS Analyst, UBS

**Lidan Yang**, ABS Credit and Quantitative Analyst, UBS

- Overview of non-agency performance
- HPA Impact and ABX valuation
- Jumbo credit trends

### **Current Prepayment Environment & Its Implications for Agency MBS**

**Jeana Curro**, MBS Analyst, UBS

**Sarah Hu**, ABS Analyst, UBS

- The Prepayment speed is conducted *adagio*
- Increasing credit cost impact on prepayment
- Relative Valuations in Specified Pools
- Relative Valuations in GNMA Pass-Throughs
- Mortgage Derivatives: IIOs are the trade for this environment

4:30 p.m.

**Conference Concludes**

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