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Special Chi-Stat Attendee Rate!



HEDGING AIRLINE INVESTMENT EXPOSURE



Airline risk assessment experts from Lehman, Fimat USA, Airclaims and others will face off with hedging specialists from the Chicago Board of Options Exchange, New York Mercantile Exchange, RESIDCO, Residual Value Insurance Group, Collateral Guaranty, DePaul University and others.



WEDNESDAY JUNE 16, 2004

7:30 am to 4:30 pm

University of Chicago Gleacher Center

450 North Cityfront Plaza Drive

Downtown Chicago



Overview

RESIDCO, a transportation equipment asset management group, presents a special program to evaluate the Commercial Airline Industry from the perspective of protecting against airline default risk and aircraft value loss. The program's objective is to develop an understanding of the utility of hedging approaches using both private and exchange traded derivatives.



Who Should Attend?

The conference is primarily targeted at investors in commercial aircraft: lessors, lessees, lenders, equipment trust certificate investors, portfolio managers, chief credit officers, hedge fund managers, fixed income investors and others with airline investment responsibilities and allied professionals who advise industry investors.



HEDGING AIRLINE INVESTMENT EXPOSURE CONFERENCE AGENDA

7:30am - 8:30am: Registration, Continental Breakfast & Networking.

8:30 am - Lunch: Understanding Airline Industry Investment Risk

The first part of the program will address current matters critical to assessing airline investment exposure.

I. Focus Address and Welcome: Vincent A. Kolber, President of RESIDCO

II. Re-Structuring the Network Carriers: The central question remains: Can the Network carriers be restructured inside or outside of Chapter 11 and compete long-term against low cost and regional airline proliferation? Labor costs as high as 50% of an airline's operation. A key risk for airline investment is labor behavior. Is it rational or predictable? Vaughn Cordle, CEO Airline Forecasts LLC will present.

III. Airline Industry Under Fiscal Siege: What might we see in the way of tactics and strategy changes or amplifications of existing tactics from airlines as recovery driven traffic accelerates in a flaccid revenue environment? What are the implications for investors in the debt and equity capital structures of airlines? John Pincavage, President of Pincavage & Associates, LLC will present.

IV. Fuel and Energy: Fuel is the second largest expense category in any airline operation. Are we in a sustained period of high petroleum prices? What is different this time from previous periods of high energy prices? Is the futures market creating an environment of high energy price expectations? John Kilduff, Senior Vice President of Fimat USA will present.

V. Equity Analyst Perspective: Equity research on the airline industry is prolific. What unique insights do these analysts bring to understanding volatility of the various investment asset classes for airline industry? Gary Chase of Lehman will present.

VI. Understanding Commercial Aircraft Value Volatility, Commercial Aircraft Returns, Airline Equity Returns and Returns of Alternative Investment Classes: Is it smarter to invest in commercial aircraft or airline equities? How do these compare to other traditional and non-traditional investment classes? Vincent Kolber will present a unique and as yet unpublished research which addresses these questions.

VII. Forecasting Aircraft Values in a Data Starved Marketplace: Before we can hedge aircraft values we need to evaluate what state of the art forecasting methods are available. What insights do the key drivers of aircraft value forecasting models give us about the risks embedded in an aircraft lease? Which simulation technique provides the optimal approach to understanding aircraft value volatility. Eddie Pieniazek, Director of Consultancy and Information Services of Airclaims will present.

Lunch & Networking

Lunch - 4:30pm: Managing the Risk

The second part of the Conference will address the opportunities available to hedge airline investment exposure.

I. Private Options: Residual Value Insurance is the primary product available to hedge against loss of aircraft value. How does it work? What are its benefits and limitations? John O'Bryan, Vice President of RVI Group will present.

II. Residual Value Insurance State of the Market: What drives capacity in this market? How are providers likely to respond to increased demand? What contract provisions constrain market capacity? Are premiums reasonable? Tom Orofino, Managing Partner of Collateral Guaranty will present.

III. Exchange Traded Derivatives: What are the use of futures for investment and risk management purposes? Contract mechanics; rights and obligations will be explored, along with examples of various options strategies, including covered calls and protective puts. David Gray of the Chicago Board Options Exchange will present.

IV. Using Derivatives to Hedge Airline Investment Exposure: Scenarios, strategies, and fundamentals of exchange-traded derivatives and the use of futures for investment and risk management purposes will be explored. Carl Luft of DePaul University will present.

V. Fuel and Energy Futures as a Means of Hedging Airline Investment Exposure: Fuel is the second largest expense category in any airline operation. Is there an opportunity to hedge airline investment exposure using petroleum futures? Joe Raia of New York Mercantile Exchange will present.

*Conference proceeds will be contributed to not-for-profit organizations
or foundations involved in education for the underprivileged.*

HEDGING AIRLINE INVESTMENT EXPOSURE

Wednesday, June 16, 2004 7:30am – 4:30pm
University of Chicago Gleacher Center, Downtown Chicago
450 N. Cityfront Plaza, Room 200

CONFERENCE REGISTRATION FORM

Name

Title

Company

Address 1

Address 2

City/State/Postal Code

Country

Email

Phone

Fax

REGISTRATION FEE

Please select:

- \$600 Standard Registration Fee
 \$400 Chi-Stat Attendee

METHOD OF PAYMENT

- I have enclosed my payment
 Please invoice my company
 Please charge my credit card:
 Visa MasterCard

Credit Card No. _____

Expiration Date _____

Signature _____

Please complete the registration form, and return by fax or mail to:



RESIDCO

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Suite 2080
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Or telephone Neil Dixon Smith at 1-800-273-1600 or 312-726-6086