



RESUME

Vision:

At this stage in my career I believe that numerous organizations can benefit from my assistance on various activities where the years and breadth of my experiences, education and skills can add value.

Objectives:

- a) To add value to companies through independent advice drawing on my experience and expertise. I also believe benefits can be obtained via mentoring and capability transfer.
- b) To provide Superannuation Trustee Boards and Investment Committees, or company Boards added value from my broad experience in the financial and investment markets. I will provide additional viewpoints to discussions, challenge conventional wisdom and ensure a high standard of contribution in these roles.

Précis of Professional Experience

My experience in the Finance industry extends over three different areas:

- specific financial advisory projects
- investment management and
- post graduate education.

Across these areas I have analysed key business drivers & business scenarios, assessed material risks & capital requirements, and communicated with senior management & boards. A summary of some areas follows; more detailed examples are attached or available upon request.

- **Assess Financial Results:** I have analysed and advised on key drivers of P&L and balance sheet risks for a range of financial companies and activities, and then developed or implemented strategies to manage these. Examples include an insurance company running a tight solvency buffer, a government sponsored home lending program and a corporate protecting their credit rating.
- **Company Research and valuations:** The research and analysis in the previous point has been extended and applied to derive fundamental valuations for stock picking and portfolio management of Australian equities where I have added value over my time in this role.
- **Communication at High Levels:** Communication with boards, investment committees and senior management required the ability to distill findings to understandable practical core components.
- **Insurance Companies:** I delivered a number of projects for insurance companies, most focused on the assessment of balance sheet risk and interaction with investment strategies and sometimes re-insurance. This experience has proved invaluable when stock picking.
- **Insurance Company Modeling:** One major global asset consultant utilised my insurance modeling expertise to further develop and check their in-house capability.
- **Housing Transactions:** I have a range of experiences in housing related structures including a complex government sponsored home lending program, a privately funded government program and assisting a State treasury corporation in their review of a government sponsored scheme. Some of these activities also focused on operational and agency risk matters.
- **LifeStages Investing:** I developed a life stages investment strategy for a life company. I subsequently extended my models from first pay check to end of retirement with feedback mechanisms and came to some conclusions that will challenge conventional wisdom.
- **Education:** My educational experience has covered lecturing post-graduate courses in investments, financial risk management and derivatives (understanding, pricing and hedging). The delivery of the content in these topics benefits from my practical experience and visa versa.



Employment (in Finance industry)

- Associate Director, Dominguez Barry Samuel Montagu Limited (1988 - 1990)
- Consultant, Westpac Investment Management (1990-1992)
- Director, Condell Vann & Co. Australia Limited (1992 - 1996)
- Head Structured Investments Group, County Investment Management (1996-1999)
- Head Investment Research, Constellation Capital Management (2000 - 2012)
- Honorary Fellow, Applied Finance Centre, Macquarie University (2005 – present)

Employment (prior to joining the Finance industry)

- Tutor, Dept of Maths, University of Queensland (1974-1980)
- Lecturer (part time), Dept of Maths, Mt Gravatt CAE (1980)
- NH & MRC Research Officer, University of Wollongong (1981)
Ovum transport in the Fallopian tube
- ARGC Research Associate, University of Queensland (1982)
Drug elimination in the liver
- Consultant (part time), University of Queensland (1982)
Modeling a hearing device
- Senior Scientific Officer, Oncology, Royal North Shore Hospital (1983)
Computing and statistical support for clinical trials
- Head Clinical Computing Group, Royal North Shore Hospital (1984-1987)

Education

- Matriculation, Brisbane Boys Grammar School
- Bachelor of Science (Qld)
- Master of Scientific Studies (Qld)
Major in Applied Mathematical Modeling
- Doctorate of Philosophy (Qld)
The Mechanics of Blood Flow in Very Narrow Capillaries and some Applications
- Structured Analysis, Queensland Institute of Technology

Professional Affiliations

- President & Founder, Institute for Quantitative Research in Finance (Q Group Australia) (1990 - Dec 1995), Committee member thereafter
- Member, Course Advisory Committee for Bachelor of Mathematics & Finance, University of Technology (1990 - 1992)
- Chairman, School Advisory Committee, School of Finance and Economics, University of Technology (1992 - 1996)
- Member, Task Force for the Diploma course in Applied Portfolio Management, Securities Institute of Australia (1989 - 2005) including Principal Lecturer (1997 – 2005)
- Associate Editor, "Journal of Investing", a quarterly US financial journal (1991 - present)
- Fellow Finsia (elected by SIA National Council in 2001 for contributions to the Institute)
- Review Board Member, "Journal of Indexes" (2002-present)
- Visiting Fellow, Applied Finance Centre, Macquarie University (2005 – 2011)
Honorary Fellow thereafter
- Member, Policy Committee, FINSIA (2009 – present)



Financial Markets and Investment Management Experience

	Industry	Years	Firm(s)	Role
1987-1999	Inv Mgt	2 ¼	DBSM	Investment Research Fixed Interest, Passive Management and Index Construction
1990-1992	Inv Mgt	2 ¼	Westpac Inv Mgt	Risk management Passive and Active Fixed Interest and Equities (domestic and international). Protection Strategies
1992-1996	Finance	4	Condell Vann & Co.	Financial modeling Risk analysis, Balance Sheet analysis, Capital Adequacy, investment research (inflation linked bonds)
1996-2000	Inv Mgt	3 ½	County Inv Mgt	Head Structured Investment Group Passive and Active fixed interest & equities, Quant strategies, and Protection and Asset Allocation Overlays
2000 – 2012	Inv Mgt	12 ½	Constellation Capital Management	<ul style="list-style-type: none">Investment Research and Investment AnalystAustralian Stocks and International Strategies

Features

- Extensive experience in dealing with CEO and other senior executives of financial services corporations to understand their business and in numerous cases assist with implementation of strategies to meet specified capital adequacy goals. A key feature of this work is the ability to distill somewhat complex topics down to easily understood components at a practical level.
- In-depth experience in identifying key P&L and balance sheet drivers, understanding and quantifying risks, followed with financial projections and scenarios to determine P&L and capital adequacy for wide range of insurers and other financial related entities and structures. This included analysis and projections of expected and adverse outcomes in revenue, expenses, profit margins and impact of operating and financial leverage. This experience has been useful for:
 - companies understanding and managing their business
 - managing risk management investment overlays to meet specific financial objectives
 - stock picking



Details of relevant experience

• Insurance related

- CIC Insurance
 - Impact of AASB 1023 on business
 - P&L projections and subsequent risk assessment worked with CFO, CEO, external actuary and liaised with investment manager and re-insurance division
 - Provided understanding of key inputs which drove profit sensitivities
 - Risk reduction and profit enhancement opportunities
 - Periodic revisit of analysis
- AMP General Insurance
 - Similar to initial CIC analysis
 - Started to work towards packaging the analysis with a US liability advisor
- SGIC (WA)
 - Similar to initial CIC analysis
 - Specifically helped the company understand the relative importance of various balance sheet risks from various business units which varied significantly in size
- Boral captive insurance
 - Similar to initial CIC analysis
 - Assisted the assessment and management of their re-insurance and investment strategies
- Lumley General Insurance
 - A higher level P&L and balance sheet and risk assessment study to assess aspects of their balance sheet management strategy
- CBA General Insurance
 - A small study relating to P&L and solvency to assist understand their risk exposures
- AMP Life
 - No 1 Stat fund P&L projections
 - Assess adequacy of reserves independently to internal actuarial assessments
 - Analyse impact of changes to strategies for crediting rates, termination conditions etc

• Financial related entities etc

- Queensland Treasure Corporation (QTC)
 - Developed an asset-liability forecasting framework to manage interest rate exposures whilst aiming to deliver a required profitability
- NSW Govt HomeFund
 - Wrote sections of Auditor General's Special Audit Assessment of (1) a Financial projection model used for HomeFund, (2) capital adequacy estimates and (3) numerous other aspects of the scheme
- NSW Treasury
 - Further work on the HomeFund program including developing an independent and more detailed financial model for P&L projections and risk assessment
 - Assess valuation of Mortgage Backed Securities
 - Review mortgage arrears management and role in costs
 - Assessment adequacy of capital requirements of the program and possible cost to the State due to, inter alia, the unique scheme structure



- Advise the Government on the proposed restructure of HomeFund
- Valuations of the Mortgage Backed Securities used to fund the program
- Educate various stakeholders in key features of HomeFund
- Compare and contrast arrears management of HomeFund with another State based mortgage scheme
- QTC
 - Assist with specialist aspects of QTC's review of an entity managing government supported lending activities and community service obligations, and advise on how performance is measured and monitored
 - Development of a yield curve estimation system for security valuation and trading activities
- Tasmanian Public Financing Authority (TASCorp)
 - Provided detailed financial analysis for the purpose of assessing their ability to meet required ROE targets for GTEs
 - Provided advice and assessment of business structures, asset-liability management, risk exposures suitable for achieving required profitability/risk
 - Subsequently chaired a one-day strategy session for senior management discussing strategies to meet inter alia their ROE objectives
- NSW Government, Department of Housing
 - Undertook independent financial analysis of a privately funded public housing program to certify the ability and processes to meet various requirements in the program
- A major global asset consultant
 - Provided the detailed framework for forecasting and risk assessment of a General Insurance company's financials (P&L and balance sheet) based on assumptions of key business drivers
 - Provided a generic model that they used to test the model they independently developed from the framework I provided
- Investment Research – AWE, Inflation, asset class returns
 - Understanding the difference between real yields based on AWE inflation, CPI inflation, historical analysis and future expectations based on continuing productivity benefits
 - Analysing the decomposition of AWE into age groups, understanding the age dependent growth rates of wages, and then determining the likely age dependent characteristics for the medium term. Application of these results in an analysis of interaction of savings rates, AWE and CPI inflation, equity returns and retirement affordability
- Life-stages investing
 - Develop a life-stages based investment strategy for a large life office to optimize retirement savings utilising core investment competencies of the life office
 - Participate in external market research of the product concepts
 - Distal the product to pragmatic features and discuss with groups of financial planners
- Institute of Actuaries
 - Invited to provide a seminar on the financial projection approach to assessing capital adequacy adopted the above projects; they was seen as a different approach to assessing risks and adequacy of capital at that time



- Joint seminar with Trowbridge Consulting
 - John Trowbridge saw the potential to educate insurers on the benefits of the results which can be obtained from a financial projection approach for insurance companies when assessing risks, capital adequacy etc. John and Peter delivered the seminar. These seminars challenged people's view of risk free assets!
- **Investment Overlays for "capital adequacy" considerations**
 - Insurance Company Solvency Protection
 - Initially assessed and discussed with The Board a range of investment strategy alternatives for the company to manage the impact of investment markets on a tight solvency buffer. Based on this advice and subsequent discussions with their investment advisors and the CFO, they choose to implement a dynamic protection strategy aiming to minimize the risk of breaching solvency
 - Solvency Protection
Structured a dynamic forecasting model used to estimate future capital adequacy based on their forecasts of business activity and a dynamic investment strategy which responded to the emergence of their actual insurance and investment results. This model formed to basis for my team who managed a protection mandate which aimed to increase their solvency buffer whilst minimizing the risk of breaching minimum solvency requirements
 - AWB Capital Protection
 - Asset-Liability mandate
Objective was to ensure a minimum capital position at corporatisation date to gain a desired credit rating. Worked closely with the Treasurer and discussed the strategy with their investment committee.
Worked closely with the team to design the capital position (balance sheet) forecasting analysis which incorporated assessment of future business activities and then incorporated updates to those as each month became reality. Led the team who implemented the asset-liability protection mandate.

November 2012