Dear Executive,

Anticipated regulatory action has created the most uncertainty in the directed brokerage and soft dollar industry in over two decades. IIR’s 11th Annual Directed Brokerage and Soft Dollar Practices Forum will provide you with the information you need to sort through this increasingly complicated industry.

This year’s forum will bring together financial, legal, compliance and regulatory experts to guide you through the complex guidelines that will affect all programs making use of soft dollars and directed brokerage, including hedge funds, mutual funds, nonequity assets, and state-sponsored pension funds. By the end of this conference, you will be able to:

- Understand the SEC’s role in developing new soft dollar regulations as dictated by Congress
- Learn how the SEC conducts its audit and inspection process to prepare comprehensive compliance documentation
- Maximize the use of 12b-1 fees to facilitate distribution and direct commissions for mutual funds
- Use commissions for hedge fund research and expenses
- Discover if the bundling of services at full service brokerage houses will always deliver best execution
- Learn how to keep the IRS from prying into your soft dollar and directed brokerage programs by using proper tax and accounting techniques

Plus, be sure not to miss, in his first US conference appearance:

- Michael McKee, Executive Director of the British Bankers Association, who will explain new soft dollar regulations the Financial Services Authority is mulling over. These new regulations have the potential to force changes in the way multinational institutions conduct business and could pave the way for increased SEC oversight in the US.

Attend this conference to learn the most up to date techniques for establishing effective directed brokerage and soft dollar practices. Call 888-670-8200 or simply fill out the registration on the back of this brochure and fax it to 941-365-2507. You can also visit the conference Web site at www.iirusa.com/softdollar.

Sincerely,

Frank Musero
Event Director, Finance
Institute for International Research

PS: Attend this event to learn how increased hedge fund oversight and regulation will affect how funds use soft dollars!
The 11th Annual Directed Brokerage and Soft Dollar Practices Forum

Registration Form

Five Easy Ways to Register

Fax: (941) 365-2507
Call: (888) 670-8200
Mail: Institute for International Research, NY
P.O. Box 3685
Boston, MA 02241-3685
E-Mail: register@iirusa.com
Internet: www.iirusa.com/softdollar

Yes! Please register the following individual(s) for The 11th Annual Directed Brokerage and Soft Dollar Practices Forum

Please check the appropriate box:

conference and workshop (U1912B) $2195/$1395*
conference only (U1912) $1695/$1095*
*plan sponsor rate - Subject to IIR approval

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I have enclosed my payment
I will register now and pay later**

Please charge my credit card:
Visa  MasterCard  American Express  Diner’s Club

Credit Card No.__________________________Exp. Date__________________________
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**Payment must be received by February 16, 2004.

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If you are receiving multiple mailings, have updated information or would like to be removed from our database, please contact Natalie Small at (212) 661-3500 ext. 3193 or fax this page to her attention at (419) 781-6036. Please keep in mind that amendments can take up to 6 weeks.

PLEASE DO NOT REMOVE MAILING LABEL

The 11th Annual Directed Brokerage and Soft Dollar Practices Forum

March 1-2, 2004 • Marriott East Side • New York, NY

“As always…Great insights into the ever-changing marketplace that we operate in!”
—Keith Dorney, BNY Brokerage
The 11th Annual

Directed Brokerage and Soft Dollar Practices Forum

March 1-2, 2004 • Marriott East Side • New York, NY

Methods to Manage Directed Brokerage and Soft Dollar Programs in an Uncertain Regulatory Environment

Obtain the latest information from leading legal and financial experts as they sort through today’s complex regulatory guidelines to help you:

- Unearth Tax and Accounting Strategies for Soft Dollar and Directed Brokerage Programs
- Prepare for the potential US impact of the FSA’s CP 176 in the United Kingdom
- Discover how increased oversight/regulation will affect soft dollar use for hedge funds
- Employ safe harbors correctly to avoid Rule 17e-1 violations as it pertains to additional compensation within mutual funds
- Analyze permissible procedures for dealing with “riskless principal trades”
- Figure out the economics of bundling to know what your soft dollars are really paying for
- Understand the soft dollar clauses of the Mutual Funds Integrity and Fee Transparency Act of 2003

A US Speaker Debut!
Financial institutions in the United States are carefully watching regulatory developments in the UK.

Michael McKee, Executive Director of the British Bankers Association, will explain the new soft dollar regulations the Financial Services Authority is mulling over, which could pave the way for increased SEC oversight in the US.

Plus: Don’t miss the post-conference workshop on Advanced Applications of Soft Dollar and Directed Brokerage Programs. This workshop will provide an in-depth analysis of the regulations and guidelines that govern your soft dollar and directed brokerage programs and offer solutions on how to overcome common obstacles you might encounter.
Main Conference

Day 1: March 1, 2004

8:00  Registration and Morning Coffee

8:30  Opening Remarks by Conference Co-chairs

Richard Marshall, Partner
Kirkpatrick & Lockhart LLP

Marianne Smythe, Partner
Wilmer Cutler & Pickering LLP

Analyzing Soft Dollar Programs in Today’s Regulatory Environment

8:45  Part 1: Regulatory Action in the United States

- Assessing the non-legislative regulations the SEC is considering
- Will increased transparency lead to more SEC scrutiny?
- Understanding the soft dollar clauses of the Mutual Funds Integrity and Fee Transparency Act of 2003
- Examining industry acceptance of AIMR standards

Jay Baris, Partner
Kramer Levin Naftalis
Joseph Corcoran, Special Counsel, Division of Market Regulation
Securities & Exchange Commission

9:45  Part 2: How Recent International Actions Could Impact the US

- Comprehending the FSA’s CP 176 in the UK
- What soft commission practices in the UK might be abolished?
- Determining the perception of soft commission practices in the UK
- What are the EU and other global regulators doing in anticipation of the FSA’s findings?

Keith Dorney, Vice President
BNY Brokerage

Michael McKee, Executive Director
British Bankers Association

10:45 Mid-Morning Networking Break

11:00 Avoid Noncompliance Penalties By Knowing the Obligations of Brokers and Money Managers

- Executing soft dollar self-policing tactics for money managers and brokers
- Learn exactly what the SEC is looking for when it conducts its audit and inspection process
- Understanding the potential impact of new regulations on brokers and money managers
- Effectively using soft dollar arrangements in compliance with safe harbor allowances under Rule 28e

Lawrence Lafer, Managing Director
Bear Stearns Asset Management Inc.

11:45 Assessing Plan Compliance in Accordance to ERISA Guidelines

- Discerning the plans that are subject to ERISA compliance
- Understanding the fiduciary obligations plan sponsors face
- Comprehending the importance of Rule 28e compliance
- Learn how to obtain proper documentation from investment managers for directed brokerage programs

Catherine Bardsey, Partner
Kirkpatrick & Lockhart LLP

12:30 Luncheon for Speakers and Delegates

1:45 Using Soft Dollars in Hedge Funds While Under the Public Microscope

- Will increased hedge fund oversight/regulation affect how funds use soft dollars?
- Ensuring proper disclosure when using commissions for research and fund expenses
- Using commissions to deal with fund balances as they spinoff, merge, or change management
- Comprehending the secondary uses of commissions

Elizabeth M. Knoblock, Counsel
Dechert LLP

2:30 Using Commissions for Mutual Fund Marketing and Distribution

- Using commissions to facilitate distribution
- Managing the 12b-1 fee cap
- Implementing criteria within NASD Rule 2830(k) to increase commissions
- Avoiding Rule 17e-1 violations as it pertains to additional compensation
- Managing board reporting and other internal controls

Robert Wands, First Vice President
Capital Institutional Services

3:30 Mid-Afternoon Networking Break

3:45 Expanding Applications of Soft Dollar Programs to Non-traditional Assets

- Analyzing permissible procedures for dealing with riskless principal trades
- Using soft dollar arrangements with NASDAQ and OTC equities
- Implementing commission recapture programs in non-equity assets such as options, foreign exchange, futures, and fixed income

Joseph McGill, Chief Compliance Officer
UBS

Terrance O’Malley, Partner
LeBoeuf, Lamb, Greene & MacRae LLP

4:15 Assessing the Latest Developments in Directed Brokerage for Maximum Investor Benefit

- Using step-outs and introducing broker arrangements to meet directed brokerage mandates
- Identifying and implementing controls in the reconciliation process

Lawrence Lafer, Managing Director
Bear Stearns Asset Management Inc.
Managing the soft dollar/directed brokerage relationship
Growing use of mutual funds directing a fund’s brokerage for its benefit
Understanding the plan sponsor’s directive when making directed brokerage arrangements
Richard Kos, VP Institutional Sales
Fleet Institutional Trading Services

5:00 End of Day 1

Main Conference

Day 2: March 2, 2004

8:00 Registration and Morning Coffee

8:30 Recap of Day 1 by Conference Co-chairs

8:45 Ensure Optimal Use of Soft Dollars Through Accurate Measurement of Best Execution

Weighing the choice of executing trades via a full service or introducing broker
Managing conflicts of interest when paying commissions for trades
Understanding what your soft dollars are really paying for
Breaking down the costs of soft dollars to the penny to ascertain best execution price
Margaret Paradis, Of Counsel
Orrick, Herrington & Sutcliffe LLP
Wayne Wagner, Chairman
Plexus Group

9:30 The Effect of New Regulatory Initiatives (SEC, FSA, Congressional Action) on Soft Dollar Practices

Defining what is considered research for soft dollar usage
New disclosure requirements with respect to Soft Dollar Arrangements

10:15 Mid-Morning Networking Break

10:30 Capitalizing on Electronic Innovations in Soft Dollar and Directed Brokerage

How has the proliferation of e-trading changed the use of soft dollars?
Evaluating increased competition from ECNs and ECN aggregators against traditional brokers
Controlling soft dollar use via flexible commission rates
Successfully managing net execution costs with soft dollar practices
Managing the payment process for electronic research
Using order management systems as a liaison between broker-dealers and investment managers to facilitate trades
William Karsh, President and Senior Managing Director
UNX Inc.

11:30 Revealing Tax and Accounting Strategies for Soft Dollar and Directed Brokerage Programs

The potential for increased regulatory oversight, disclosure, and conflicts of interest has created numerous tax implications for plans that utilize and benefit from direct brokerage and soft dollars. This session has been designed to address the complexities surrounding the taxation, accounting and business issues for such plans.
Joel Press, Sector Leader
Ernst & Young Global Hedge Fund Practice
Steven J. Fredman, Partner
Schulte Roth & Zabel LLP

12:15 End of Main Conference

Luncheon for Workshop Attendees

1:30 Workshop Registration

1:45 Workshop:

This workshop has been designed as a check-up for your soft dollar and directed brokerage programs. Build upon the information obtained throughout the conference and learn how to effectively work within the guidelines to ensure your programs are at maximum compliance.

Make adjustments to your programs in anticipation of proposed regulations
Conduct an in-depth analysis of Rule 28e to maximize the potential of your commission programs

Richard Marshall, Partner
Kirkpatrick & Lockhart LLP
Micahel Butowsky, Partner
Mayer, Brown, Rowe & Maw LLP

* There will be a 15 minute Networking Break at 3:15

4:45 Workshop Ends
Seven reasons not to miss this year’s forum:

- Understand the SEC’s role in developing new soft dollar regulations as dictated by Congress
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ADMINISTRATIVE DETAILS

5 Easy Ways to Register

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- FAX: 941.365.2507
- CALL: 888.670.8200 or 941.951.7885
- MAIL: IIR NY, P.O. Box 3685, Boston, MA 02241-3685
- EMAIL: register@iirusa.com
- WEB: http://www.iirusa.com/softdollar

Group Discounts Available. Please contact Aloycia Bellilie at (212) 661-3500 ext. 3052 for details.

Fee The standard fee for attending IIR’s 11th Annual Directed Brokerage and Soft Dollar Practices Forum is outlined on the registration form. This includes the luncheon and refreshments, and the conference documentation and materials submitted by the speakers. You may enclose payment with your registration or we will send an invoice. Payments can be made by check, VISA, MasterCard, Diners Club or American Express. Please make checks payable to the “Institute for International Research, Inc.” and write the name of the conference delegate(s) on the face of the check as well as our reference U1912. Payments must be made by February 16, 2004, to ensure seating at the conference and inclusion on the delegate list.

Dates and Venue
March 1-2, 2004
New York Marriott East Side
525 Lexington Avenue
New York, NY 10017
Telephone: 212-755-4000*

*This # is for general hotel information only. Hotel will not accept individual calls for room reservations at IIR’s negotiated group rate.

Accommodations A block of rooms will be held for a limited period of time at the New York Marriott East Side. All hotel bookings must be made through The Global Executive’s Internet booking site. Please visit www.globalexec.com/ir to make your reservation. If you do not have web access, or need additional assistance, please call The Global Executive at (800) 516-4265 or (203) 431-8950. You can also send them an email at conf@globalexec.com or fax them at (203) 431-8305. The hotel will not accept individual calls for room reservations at the IIR negotiated group rate.

Substitutions and Cancellations Should you be unable to attend for any reason, please inform us IN WRITING prior to February 16, 2004, and a credit voucher for the full amount will be issued. If you prefer, a full refund less a $195 non-refundable deposit will be issued. No refunds or credits will be given for cancellations received on or after February 16, 2004. Substitutions of enrolled delegates may be made at any time. Please indicate upon registration whether you are eligible for a discount. No two discounts can be combined. If, for any reason, IIR decides to cancel this conference, IIR does not accept responsibility for covering airfare, hotel or other costs incurred by registrants. Program content subject to change without notice.

Documentation Order If you are unable to attend the program, or would simply like to order additional sets of documentation for your colleagues, they are available for $395 per set, including taxes, postage and shipping in the U.S. Please fill out the order form on the back of the brochure. The documentation is available for shipment two weeks after the conference takes place. CREDIT CARD PAYMENT ONLY.

Any disabled individual desiring an auxiliary aid for this conference should notify IIR at least 3 weeks prior to the conference in writing by faxing (212) 661-6045.

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This program offers 10 CLE/CPE credits for the conference and 13 for conference and workshop. Registered with the National Association of State Boards of Accountancy as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses. Complaints regarding sponsors may be addressed to NASBA, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417, (615) 880-4200.

The Institute for International Research has been certified by the New York State Continuing Legal Education Board as an Accredited Provider of continuing legal education in the State of New York through June 30, 2003. Application for renewal of Accredited Provider status is currently pending. CLE credits are available for most other states and may vary depending on your state’s rules and regulations. For more information on IIR’s financial hardship policy, call Kimberly Johnson at (212) 661-3500 x 3052.

This program is accredited for 12 CPE credits by the Association of Continuing Professional Education (CPA). It is also approved for 12 CPE credits by the State Board of Accountancy of New York. It is available for 12 CPE credits in the State of New York through June 30, 2003. Application for renewal of Accredited Provider status is currently pending. CLE credits are available for most other states and may vary depending on your state’s rules and regulations. For more information on IIR’s financial hardship policy, call Kimberly Johnson at (212) 661-3500 x 3052.

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