“If I can make it there, I’ll make it anywhere” is a joyful call for confidence from the classic song *New York, New York*, and this message rings true for graduates of the Haas School’s Master’s in Financial Engineering (MFE) Program.

To make this claim a reality, the MFE Program brings together outstanding students, acclaimed professors, and a demanding curriculum in the environment of one of America’s great business schools and universities. Just add the effort to “make it here,” and you will be ready for a happy and rewarding career in financial engineering.

The MFE program is one important example of Haas’ commitment to *Leading Through Innovation*. Innovation requires knowledge, imagination and commitment. Our program provides the knowledge and stimulates the imagination. In the end, though, it is up to you to absorb the knowledge, open your imagination, and commit to your dream.

The students we accept possess the strong quantitative skills required of financial engineers. We build on this foundation through a curriculum emphasizing critical economic thinking, capital market dynamics, real-world problem definition, quantitative modeling, and innovative problem solving. With this combination, our students graduate well prepared to meet the challenges of global commerce.

Our graduates enjoy careers in insurance and investment banking, corporate strategy and risk management, asset structuring, primary and derivative securities’ valuation, quantitative asset management, hedge fund management, consulting and securities trading.

Financial engineering is taking its place alongside traditional engineering disciplines as a major driving force in the global economy. We encourage you to explore the Haas MFE program, and to apply for admission.

John O’Brien
Faculty Director, MFE Program
Adjunct Professor
Financial engineers play an increasingly integral role in investment banks, commercial banks, and other corporations. Anticipating this need has been the Master’s in Financial Engineering (MFE) Program at the Haas School of Business, ranked #1 by Global Derivatives in 2004. We are reading a new generation of professionals to apply theoretical finance and computer modeling skills to reduce risk and make informed pricing, hedging, and portfolio management decisions.

As a Berkeley MFE student, you learn to think like a financial economist and gain in-depth understanding of the mathematical framework that underlies financial markets. You benefit from the application-oriented approach of the curriculum—the only MFE curriculum developed completely by a business school. Through the program, you will launch your career having gained experience in handling structured products, such as mortgage-backed and asset-backed securities. That experience comes not only from coursework, but from a hands-on applied finance project and a ten- to twelve-week internship.

Studying at one of the nation’s top-ranked business schools also affords access to top-notch research tools, career services, and corporate contacts. We will help you to hone your job-seeking skills and will work actively to connect you with employers that can offer challenging and rewarding internships and full-time positions.

In choosing to pursue an MFE at the Haas School of Business, you choose a rigorous course of study delivered by professors who are practitioners as well as dedicated researchers. The program’s small size encourages students to learn from each other and its top academic standards allow for teaching at the highest level. Designed to keep you ahead of industry innovations, the Berkeley MFE Program positions you to apply quantitative “rocket science” to real-world financial problems.

Real-World Solutions for Financial Problems

Profile of MFE Students: Class of 2007

Admissions
Applications Received: 243
Enrolled: 59

Enrollment Profile
Countries Represented: 16
Average Age: 29
Average Post-University Work Experience: 3.78 years
Undergraduate Institutions Represented: 48
Graduate Institutions Represented: 43

Prior Degrees
Bachelor’s: 59%
Master’s: 36%
J.D: 2%

Prior Majors
Engineering: 46%
Mathematics: 20%
Finance: 19%
Computer Sciences: 7%
Natural Sciences: 3%
Business: 2%
Humanities: 2%

Prior Work Experience
Finance: 20%
Research & Development: 17%
Other: 10%
Engineering: 14%
Education: 10%
Information Systems: 10%
Consulting/Management Services: 8%
General Management: 2%
Marketing/Sales: 2%
Humanities: 2%
Project Management: 0%
The MFE Experience

An Innovative Degree
The MFE Program at the Haas School of Business prepares students for technically sophisticated jobs in investment banks, insurance companies, money management firms, hedge funds, treasury departments, diversified financial services companies, and equity/venture capital firms. The program serves students seeking comprehensive technical knowledge of arbitrage, hedging, futures and options pricing, portfolio management, trading, and dynamic investment strategies in bond, currency, options, and other financial markets.

The MFE requires only one year of study, which makes it attractive to students with strong quantitative skills and focused career interests. The MFE may also be seen as an attractive alternative to a doctoral program in finance for individuals interested in commercial rather than academic careers. The combination of skills — understanding of complex financial strategies, financial modeling ability, and computational proficiency — is in high demand, and is difficult for employers to find in graduates of standard MBA or engineering programs. As an MFE student, you will learn how to combine modern portfolio theory and computational methods with a practical knowledge of the forums in which you can employ these skills.

Quality Instruction
The MFE faculty is comprised of distinguished finance instructors from the Haas School of Business at UC Berkeley, the Anderson Graduate School of Management at UCLA, UC Irvine’s Paul Merage School of Business, and UC San Diego’s Rady School of Management. The MFE faculty performs preeminent research in quantitative finance, research that feeds directly into the MFE curriculum. Many of these scholars also have practical experience in the creation of financial instruments and software and the implementation of innovative financial strategies. Their expertise is widely recognized and respected.

Competitive Admissions
The MFE Program office expects to receive a few hundred applications for the 2007-2008 admissions cycle. The 60 students who are enrolled will have a high level of intellectual curiosity, a strong interest in finance, and strong analytical skills. Though there is no specific degree requirement, most students will have backgrounds in quantitative disciplines such as mathematics, statistics, the physical sciences, engineering, operations research, computer science, finance, or economics. It is also expected, though not required, that applicants have work or research experience in which they have applied quantitative skills creatively. In order to screen for candidates who have the ability to succeed in the program, the admissions committee carefully reviews all parts of an individual’s application, including grades, test scores, recommendations, and essays.

MFE at a Glance
- One-year intensive program
- Academic year begins every March
- Applied finance project
- Ten- to twelve-week quantitative finance internship
- Only 60 students enrolled annually
- Majority of students already hold an advanced degree
- One-quarter of students performed in the 99th percentile of the GMAT (or scored 100% on the GRE)

For more than 100 years, the top-ranked Haas School of Business has prepared outstanding individuals for leadership roles on the forefront of finance, commerce, and industry. These men and women earn a degree that opens doors around the globe—a degree from the University of California, Berkeley, one of the finest institutions of higher learning in the world. As a pioneer in offering the Master’s in Financial Engineering (MFE) degree, the Haas School is still one of only a handful of business schools to offer specialized study in this field that has reinvented financial decision making.
The MFE Curriculum

The official schedule for 2007-2008 is not finalized. Visit our web site at http://mfe.haas.berkeley.edu/curriculum.html for the most up-to-date information.

**Spring 2007: March - May 2007 (8 weeks)**
- Fundamentals of Financial Economics (3 units) Rubinstein
- Empirical Methods in Finance (2 units) Valkanov
- Introduction to Stochastic Calculus (2 units) TBA
- Financial Practice Seminars I

**Summer 2007: June - August 2007 (8 weeks)**
- Derivatives: Economic Concepts (2 units) Rubinstein
- Derivatives: Quantitative Methods (2 units) Tavella
- Fixed Income Markets (2 units) Longstaff
- Accounting and Taxation of Derivatives (1 unit) Udp

**Financial Practice Seminars II**

**Fall 2007: August - October 2007 (22 weeks)**
- Required course: Financial Risk Measurement and Management (2 units) Jonion
- Choose 5 units of electives:
  - Advanced Computational Finance (2 units) Tavella
  - Credit Risk: Measurement and Management (1 unit) Baeq
  - Options and Hedging (2 units) Lyons, Kahn

**Winter 2008: January - March 2008 (8 weeks)**
- Choose 7 units of coursework:
  - Asset-backed Security Markets (2 units) Wallace and Jaffee
  - Advanced Corporate Finance (3 units) TBA

**Note:** Not all electives are offered every year.

Tailored Curriculum

MFE courses are designed exclusively for MFE students, and are seamlessly integrated with one another. This cooperation between course material allows the mathematical, statistical, and computer science methods to be integrated with the theoretical framework and institutional settings in which they are applied. For example, macroeconomics is taught in the relevant context – in the fixed income markets course, during the discussion of term structure, and during the equity and currency markets course, in the context of exchange rate determination. Similarly, insurance concepts are introduced in the advanced derivatives courses where students can easily understand their relation to similar products – insurance and option contracts.

The MFE Program requires satisfactory completion of 28 units of coursework. In addition to coursework, the MFE educational experience includes the following:

**Financial Practice Seminars:** MFE students are encouraged to attend discussions held by finance practitioners. In the first term, individuals from different facets of the financial world discuss the kinds of jobs that will be available to graduates of the MFE Program and the skills needed to contribute to a firm’s mission. In the second term, speakers provide insights into the way the financial world is changing: new products and needs, evolving data and information systems, and similar topics.

**Applied Finance Project:** MFE students are required to complete an applied finance project that develops or uses quantitative finance tools and techniques acquired in the program or internship.

**Internship Program:** While not required for graduation, students are encouraged to have an internship after the third term. The MFE office works with the students to develop internship opportunities.

“I chose Haas for its worldwide reputation and for the MFE’s business-focused coursework in portfolio management, quantitative risk management, and dynamic investment strategies. The Haas MFE’s unique broad training in applying quantitative methods enabled me to integrate and build upon my background in finance and mathematics.”

Jim Gilliland, MFE 02
Previous degree
BS, Finance
University of British Columbia
Previous position
Chief Strategist
HSBC Asset Management Canada
Current position
Head of North American Fixed Income Investments
San Francisco

3
Student Services

Computing Services
Firms employing financial engineers often operate in dynamic, computerized environments, using the latest financial software and databases; employees work in project teams both in-house and via international links. The Haas School’s MFE labs provide students with the opportunity to learn in similar environments to those they will use in the business world. Many MFE courses require the use of complex software tools and analytical programs. Through many hours of hands-on experience, students master the skills that will be required in their future careers.

MFE Research Computing Laboratories are equipped with dual flat-panel display Dell Precision workstations. Each workstation has the latest software and tools available for research and practice. Programs such as SAS, Matlab, SPSS, EViews, and Mathematica are available in the lab and remotely through the Haas Unix research server and the Haas Windows terminal servers. Visual C++, Visual Basic, Fortran, and other software development tools are also available. The MFE Program provides students exclusive access to Datastream and Bloomberg terminals located inside the main teaching laboratory.

Throughout the year, the MFE Program offers additional classroom sessions on the use of applications and data sources. These sessions provide training and support for course projects and keep faculty and students abreast of advances in financial tools and technology.

The Haas campus and classrooms are equipped with Wi-Fi technology (802.11a/b/g) allowing MFE students with wireless laptops easy access to Haas resources and the Internet. Using wireless technology, students are assured constant connectivity when moving between different classrooms and labs. One such location is the Fong Collaboratory, a lab designed for group projects, where students can also use communication tools such as Smartboards.

Libraries
The Long Business and Economics Library supports student course assignments and faculty research. The library provides access to business databases and journal archives such as the library’s CD-ROM network, Datastream, Compustat, CRSP, Reuters Research on Demand (RRoD), Factiva, Global Financial Database, JSTOR, Business Source Premier, and Lexis-Nexis Academic. For more information, visit http://www.lib.berkeley.edu/BUSI.

Geoffrey MacDonald, MFE 06
Previous degree
BS, Computer Science
University of California, Berkeley
Previous position
Research Associate
Federal Reserve Bank of San Francisco
San Francisco
MFE internship
Intern, Fixed Income, Currency, Commodities - Sales Strategy Group
Goldman Sachs
New York
Current position
Associate, FICC, Strategies America
Special Situations Group

“The MFE Program is everything I could have hoped for. It provides an ideal blend of theoretical foundations and practical applications. The classes start with the basics and quickly progress to the cutting-edge problems facing practitioners today.”
Career Planning and Pursuit
From Barclays Global Investors to Lehman Brothers, Berkeley MFE graduates are in demand. A highly dedicated MFE Program staff works to maximize the job-seeking skills of students and employs an extensive network of contacts to secure both internships and career positions.

The MFE Program office provides presentation workshops, mock interviews, resume and proposal writing assistance, and career counseling. The office also arranges for recruiting events and on-campus interviews.

MFE students may also take advantage of services available at the Chetkovich Career Center at Haas. Students are able to attend corporate presentations and make full use of the career center’s online company research databases. MFE students may also participate in resume drops for on-campus interviewing opportunities posted on the career center web site.

Last year, 100% of MFE students secured a 10- to 12-week internship, which took place over the winter break. Having completed 75% of their coursework, the students were ready to have immediate impact in the areas of valuation, pricing, trading, risk management, project evaluation, and portfolio management decisions. Firms interested in hiring interns can submit a topic, short-term project, or skill set they need fulfilled, and qualified students will reply with a one-page work proposals and resumes. The process also introduces financial firms to those graduates who will be available for career positions in March.

Ask Dongpil Huh, MFE 07

From the Berkeley MFE Program, Dongpil Huh ’07 has opened the door to some of the most exciting jobs in the financial industry for my colleagues and me. This program is well-suited for those who want to explore opportunities in cutting-edge practice in the financial industry and to pursue a rigorous education in quantitative finance.

Ren Shi, MFE 07 (second from left)

From the Berkeley MFE Program, Ren Shi has opened the door to some of the most exciting jobs in the financial industry for my colleagues and me. This program is well-suited for those who want to explore opportunities in cutting-edge practice in the financial industry and to pursue a rigorous education in quantitative finance.

Sergey Gerasimov, MFE 07 (second from right)

From the Berkeley MFE Program, Sergey Gerasimov has opened the door to some of the most exciting jobs in the financial industry for my colleagues and me. This program is well-suited for those who want to explore opportunities in cutting-edge practice in the financial industry and to pursue a rigorous education in quantitative finance.

Serge Tchikandia, MFE 07 (right)

From the Berkeley MFE Program, Serge T chikanda has opened the door to some of the most exciting jobs in the financial industry for my colleagues and me. This program is well-suited for those who want to explore opportunities in cutting-edge practice in the financial industry and to pursue a rigorous education in quantitative finance.

Interests, Merrill Lynch

Dongpil Huh, MFE 07

Previous degrees:
BS, Molecular Biology
Seoul National University
MS, Management Science and Engineering
Stanford University
MS, Chemical Engineering
Stanford University
MFE internship:
Quantitative Research

Ren Shi, MFE 07

Previous degrees:
BS, Chemical and Nuclear Engineering
University of California at Berkeley
MS, Chemical Engineering
Caltech
MFE internship:
Interest Rate and Derivative Research

Sergey Gerasimov, MFE 07

Previous degrees:
BS, Computer Science
Riga Aviation University (Latvia)
MS, Computer Science
Riga Aviation University (Latvia)
MBA, Finance
University of California at Davis
MFE internship:
Interest Rate and Equity Linked research department

Serge Tchikandia, MFE 07

Previous degrees:
BS, Engineering Science, Mathematics
City University of New York
MS, Mechanical Engineering
Georgia Tech
Ph.D., Mechanical Engineering
Georgia Tech
MFE internship:
Interest Rate Modeling and Analytics Group

To assure a smooth transition from mechanical engineering to financial engineering, I needed a program designed to integrate seamlessly advanced quantitative methods with state-of-the-art financial strategies.
The MFE degree at the Haas School can be completed in 12 months of full-time coursework. Applications are accepted year-round, and 60 students are enrolled each year. The program begins and ends only in the spring, and is not available part-time.

The MFE Program no longer sends paper applications through the mail.

For the MFE application and detailed instructions, visit http://mfe.haas.berkeley.edu.

Graduate Division Admissions Requirements
• Valid degree from an accredited institution, comparable to the four-year bachelor’s degree from Berkeley
• Sufficient training to undertake graduate study in the chosen field
• A satisfactory scholastic average, usually a minimum of 3.0 in upper-division work

International applicants: Please refer to the website for full requirements.

MFE Admissions Requirements
• Graduate Management Admission Test (GMAT) or the Graduate Record Examinations (GRE) General Test
• A strong quantitative background including linear algebra, multivariate calculus, differential equations, numerical analysis, and advanced statistics and probability
• Prior experience in computer programming (examples: Visual Basic, Matlab, C, C++) and familiarity with computers as a computational and management tool
• Excellent writing, speaking and presentation ability in English

MFE Admissions Recommendations
• Work or research experience in a quantitative discipline
• Experience with statistical and econometric applications (examples: SAS, Gauss, RATS, S-Plus, Garch)
• Experience with mathematical tools (examples: MatLab, Mathematica, or MathCad)
• Graduate Record Examinations (GRE) Math Subject Test

In some cases, applicants may be admitted conditionally on the successful completion of one or more recommended courses before enrollment in the program.

Application Deadlines & Review Schedule
For the academic year beginning March 2008

<table>
<thead>
<tr>
<th>Completed application received by</th>
<th>Application will be reviewed by</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 17, 2007</td>
<td>March 2, 2007</td>
</tr>
<tr>
<td>March 25, 2007</td>
<td>May 25, 2007</td>
</tr>
<tr>
<td>June 22, 2007</td>
<td>September 26, 2007</td>
</tr>
<tr>
<td>October 1, 2007</td>
<td>December 3, 2007</td>
</tr>
</tbody>
</table>

GMAT or GRE: We require that applicants take either the GMAT or GRE. All GMAT and GRE scores are valid for five years and should not be older than April 1, 2003. When ordering GRE reports, applicants should use institution code 4855 and department code 4399. For GMAT, use institution code 4769. Please note that beginning January 3, 2006, GMAT will be using a new program code: N2V-PT-87.

Letters of Recommendation: We require two letters of recommendation. Letters should come from individuals who are familiar with

Andrei Ionascu, MFE 06
Financial Engineering Student Association (FESA) President

Previous degree
BA, Economics and Microbiology
University of California, Berkeley

Previous position
Consultant
Accenture
San Francisco

MFE internship
Associate, Structured Credit Products
Wachovia Securities
Charlotte, NC

Current position
Associate, Structured Credit Products (cash and synthetic CDOs)
Wachovia Securities
Charlotte, NC

“The MFE Program offers perhaps the most comprehensive immersion in the science of capital markets finance available today. The main thrust of this program comes from the fact that it prepares students to not only understand the concepts presented, but also to use programming, mathematics, statistics, and fundamental derivatives theory to actually price instruments as well as to have the capacity to engineer new exotic products.”

The MFE Program offers perhaps the most comprehensive immersion in the science of capital markets finance available today. The main thrust of this program comes from the fact that it prepares students to not only understand the concepts presented, but also to use programming, mathematics, statistics, and fundamental derivatives theory to actually price instruments as well as to have the capacity to engineer new exotic products.”
your training in quantitative methods, and their remarks should address your ability to apply your quantitative skills. Recommendation letters should be written by an individual in a position to evaluate you either professionally or academically (e.g., a supervisor, project leader, or instructor). Recommendations from co-workers, friends, or family members are inadmissible.

Personal Interviews: Interviews are conducted on an invitation-only basis. Please do not call the office to request an interview. You will be contacted by the MFE Program office if an interview is necessary to make a decision on your application.

We invite you to come to one of our group information sessions, held from 12:00 to 1:00 p.m. on the first business Monday of every month. You will be able to tour the MFE lab and ask questions of the program director and admissions officers. To participate, please register online at https://www.haas.berkeley.edu/MFEAdmissions/events/.

Credits and Transfers: The MFE Program does not accept any credits or transfers from other universities.

Work Experience: Although work experience is not a requirement, it is strongly recommended. Our 2006-2007 class had an average of four years of work experience upon enrollment.

International Applicants: You are considered an international applicant if you are not a United States citizen or US permanent resident at the time you apply to the MFE Program. Applicants from outside the United States should submit their application materials early, and take their tests no later than August 1, 2007. The Test of English as a Foreign Language (TOEFL) should also be taken no later than August 1, 2007. TOEFL scores are valid for two years and should not be older than April 1, 2006. When ordering reports, use institutional code 4833 and department code 82.

As an international applicant, you should be aware that you are not eligible for financial aid and should be prepared to provide your own financial support and healthcare coverage. After being admitted to the MFE Program, you will need to submit proof of adequate funding for your studies. US embassies will not grant a visa without this information.

Spouses on F-2 visas are not permitted to accept employment, if your accompanying spouse wishes to work, both of you should consider entering the country on J visas. For more information, please contact: Services for International Students and Scholars, International House, 3221, 2299 Piedmont Avenue, University of California, Berkeley, CA 94720-2211, phone: 510-642-2818.

e-mail: sis@ucb.berkeley.edu;

web: http://www sis.berkeley.edu/sis/ .

Please Note: All admission decisions are final, and there is no appeals process.
Full-time Employers of MFE Graduates

AXA Rosenberg Investment Management Ltd.
Barclays Global Investors
Bear Stearns
Blackrock
Bloomberg
BNP Paribas
Citigroup
Credit Derivatives Research (CDR)
Deutsche Bank Asset Management
Dow Jones
Fitch Ratings
Goldman Sachs & Co.
JP Morgan
JP Morgan Tokyo
KPMG
LaSalle Bank Corporation
Lehman Brothers
Mellon Capital Management
Merrill Lynch
Milliman
Moody’s KMV
Morgan Stanley
SAC Capital Advisors
Wachovia Securities
Wells Fargo Bank
World Bank Group (IFC International Finance Corp.)
WR Hambrecht LLC.

Employment Report

2006 Full-Time Statistics

• 98% of graduates sought employment after graduation (58/59)
• 97% of graduates who sought employment received a full-time offer within 3 months of graduation (56/58)

Base Salary
Average: $98,068
Median: $98,000

Signing / First-Year Bonuses*
Average: $54,244
Median: $54,750

First-Year Compensation
Average: $152,313
Median: $152,500

* includes guaranteed and not guaranteed bonuses

Job Functions

Commercial Banking
10%
Consulting, Investment Research/Advisory
12%
Asset Management
20%
Insurance
2%

Job Industries

Consulting
5%
Credit Risk
5%
Entrepreneur
7%
Equity Research
2%
Fixed Income
17%
Investment Banking
5%
Other
4%
Portfolio Management
5%
Risk Management
5%
Sales & Trading
2%
Strategy
17%
Structured Products/ Derivatives
17%
Trading
9%

Job Locations

East Coast
60%
West Coast
34%
Japan
4%
Midwest
2%

Program Guide.c2.3.indd   8
1/16/07   1:02:39 PM
Internships
The Haas School’s MFE internship program runs in the fall from mid-October to mid-January. During this 10-12 week period, you are encouraged to complete a challenging project in quantitative finance at a leading financial organization.

Select Internship Titles
- Applications Development Intern
- Assistant Trader
- Associate
- Financial Analyst
- Financial Quality Assurance Intern
- Hybrid Analyst Intern
- Quantitative Research Associate intern
- Senior Analyst
- Trading Assistant

Internship Job Functions
- Research: credit portfolio valuation and management, default correlation.
- Automated trading: Development of artificial intelligence trading models
- Structured finance modeling
- Rotational program – working with equity, interest rates, and credit derivatives.
- Develop strategy for relative value, long/short trading of commercial mortgage backed securities.
- Fixed income research
- Price inflation-linked securities and develop new trading strategies/ideas.
- Work with the securitization team structuring asset-backed securities and other fixed income products.
- Interest rate derivative research

Primary Internship Locations 2006
- New York - 28
- Tokyo, Japan - 5
- Bay Area, CA - 17

Internship Companies
- BNP Paribas
- Citigroup
- Duff & Phelps
- Lehman Brothers
- Mellon Capital Management
- Merrill Lynch
- Moody’s KMV
- MSCI Barra
- Shinsei Bank
- Wachovia Securities
- Babcock & Brown LP
- DRW Holdings
- Global Energy Decisions
- Prisma Capital Partners

2007 Internship Statistics
- 98% of students sought MFE internships (58/59)
- 100% of students seeking internships held internships (58/58)
- 100% of internships were paid (58/58)

Internship Salary
Average: $7,259/month
Median: $7,500/month
MFE Courses

MFE 230A – Fundamentals of Financial Economics. This course covers the basic theories of asset pricing, from standard discounted cash flow analysis to No Arbitrage Pricing technique for security valuation. Applications include fixed-income securities, derivatives, and contingent claims.

MFE 230B – Advanced Corporate Finance. This course discusses how financial innovation has been used in order to make better investment decisions, mitigate agency problems, reduce costs of financial distress, and alleviate asymmetric information and on the valuation of real options commonly embedded in investment projects, e.g. the option to expand, contract, and shutdown operations temporarily.

MFE 230C – Derivatives: Economic Concepts. This course introduces the use and pricing of derivatives. Topics include basic features of futures and options, binomial and trinomial option pricing, the Black-Scholes formula, volatility measurement, dynamic trading strategies, and exotic options. Course emphasis is economic intuition rather than detailed quantitative analysis, with techniques and arguments developed using the simplest possible mathematics.

MFE 230D – Derivatives: Quantitative Methods. This course emphasizes the pricing of derivatives in continuous time, from the formulation of the pricing problem to the implementation of computational and numerical solution techniques.

MFE 230E – Empirical Methods in Finance. This course covers the probability and statistical techniques commonly used in quantitative finance. Students use estimation application software in exercises to estimate volatility, correlations, and stability.

MFE 230F – The Design of Securities for Corporate Financing. This course explores the role capital markets play in solving financial objectives of issuers of securities and investors. Case analysis and strategic decision-making are emphasized.

MFE 230G – Equity and Currency Markets. This course covers equity and currency markets with an emphasis on modeling with historical evidence. Volatility, volume, high frequency dynamics, and dealer behavior in currency markets are considered. Practical considerations used in the implementation of various strategies are considered.

MFE 230H – Financial Risk Measurement and Management. This course examines financial risk measurement and management, including market risk, credit risk, liquidity risk, settlement risk, model risk, volatility risk, and kurtosis risk.

MFE 230I – Fixed Income Markets. This course provides a quantitative approach to fixed-income securities and bond portfolio management with a focus on fixed-income security markets, the pricing and uses for portfolio management, and hedging interest rate risk.

MFE 230J – Success and Failure in Financial Innovation. Students participate in a series of case studies including portfolio insurance, long-term capital management, mortgage-backed securitization, exchange traded funds, capital structure arbitrage, and corporate enterprise-wide risk control.

MFE 230K – Dynamic Asset Management. This course covers the strategies for achieving various investment objectives for portfolios/instruments (equity, fixed income, currency, mortgages, non-traded assets) and applications (investment funds, pension funds, insurance companies, bank investment portfolios).

MFE 230M – Asset-backed Security Markets. This course explores advanced topics in mortgage and other asset-backed securities. Students apply the latest tools in fixed-income analysis and classic economic and financial models to evaluate securitized bond markets.

For full course descriptions, visit: http://mfe.haas.berkeley.edu/curriculum.html
One very important aspect of the Haas MFE is the overall emphasis on teamwork.

Yousuf Abbasi
"In my opinion, the greatest strength of the program is the caliber of the faculty, who not only effectively communicate fundamental financial concepts but are often pioneers in the industry itself."

Each year Berkeley’s Financial Aid Office estimates the average cost for a graduate student during the academic year. This budget is the basis for determining financial aid eligibility. You may use the chart below (adjusted for a 12-month program) to estimate the cost of attending the MFE Program. As these official figures are averaged for all UC Berkeley students, actual costs, especially housing costs, may be higher.

<table>
<thead>
<tr>
<th>Tuition</th>
<th>$46,500*</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Health Insurance</td>
<td>$1,758</td>
</tr>
<tr>
<td>Housing and Utilities</td>
<td>$12,494*</td>
</tr>
<tr>
<td>Food</td>
<td>$8,921*</td>
</tr>
<tr>
<td>Books, Supplies</td>
<td>$3,750*</td>
</tr>
<tr>
<td>Personal</td>
<td>$4,347*</td>
</tr>
<tr>
<td>Transportation</td>
<td>$2,007*</td>
</tr>
<tr>
<td>Miscellaneous Fees</td>
<td>$3,065*</td>
</tr>
</tbody>
</table>

Total Estimated Expenses (12 months) $80,842*

* all costs are subject to change

Computer Costs
MFE students are required to have their own powerful laptop computer. Various manufacturers offer students discounts at the Scholar’s Workstation, the campus computer store. To contact the Scholar’s Workstation, please call 510-642-8424 or visit their web site at http://www.tsw.berkeley.edu.

Financial Aid
The MFE Program does not offer scholarships or grants. All assistance is in the form of loans which must be repaid after graduation or dropping below 6 units. Due to the nontraditional academic calendar of the MFE Program, students must file two loan applications for the full MFE Program.

MFE Spring Term 2007 and MFE Summer Term 2007:
- Students who are citizens or permanent residents of the United States should apply for federal loans via the 2006-2007 FAFSA (Free Application for Federal Student Aid) at http://www.fafsa.ed.gov no sooner than January 1, 2006.
- International students with a creditworthy US citizen or US permanent resident co-signer can apply for a private loan no sooner than 90 days before March 2007 classes begin. Information is at http://www.haas.berkeley.edu/MBA/finaid/prvtmba.html.

Federal Direct Loans
US citizens and US permanent residents can finance their education through the Federal Direct Loan Program. Up to $18,500 for every semester (equal to two MFE terms) may be borrowed. Students demonstrating financial need can borrow $8,500 of this amount as a subsidized loan (no interest is charged while the student is in school) and $10,000 in an unsubsidized loan (interest is charged while the student is in school). Those who do not demonstrate financial need can borrow the full $18,500 in an unsubsidized loan.

Eligibility is based on student status and cost of education as determined through the FAFSA process, not credit history. The interest rate is variable annually and is based on the 91-day US Treasury bill. Repayment is made over a 10- to 25-year term with no prepayment penalty. Visit http://www.ed.gov/DirectLoan/about.html for any updates.
Private Loans
All students are eligible to apply for private loans, which are offered based on creditworthiness, not financial need. You should obtain copies of and verify the accuracy of your credit reports before applying for a private loan. One option for this is http://www.annualcreditreport.com. The interest rates on these loans are usually higher, so students typically pursue this option last. Rates and fees may be credit-tiered and can be based on the Prime Rate or on the 5-month LIBOR (London Interbank Offered Rate). International students may qualify for private loans if they have a creditworthy US citizen or US permanent resident as a co-signer. Through private loans, a student may be able to borrow up to the annual cost of education, which includes living expenses and registration fees. For more information, visit the Haas Financial Aid Office, or go to http://www.haas.berkeley.edu/MBA/finaid/prrimba.html.

Haas Financial Aid Office
The Financial Aid Office provides assistance in resolving financial aid/billing problems, and obtaining personal student loan information and applications. The office is located in Room S420K of the Student Services Building. To get help from a Haas financial aid counselor, call 510-643-1183 or e-mail finaid@haas.berkeley.edu.

The Haas Financial Aid staff is your point of contact, rather than the central financial aid office.

Housing
Berkeley graduate students live in both university and off-campus housing. Housing in the Berkeley area is expensive and often in short supply, so you should plan ahead to ensure that you will have a place to live before classes begin.

If you are interested in applying for university housing, do not wait for notice of admission to seek information. For more information, visit http://www.housing.berkeley.edu/housing.

The Community Living Office
The office provides rental listings and counseling for students seeking off-campus housing. For more information, visit http://www.housing.berkeley.edu/housing or go to the Community Living Office at 2535 Channing Way. Bring your letter of admission and photo identification.

International House (I-House)
This residence and program center houses more than 600 students, many of whom are at the graduate level. You do not have to be an international student to live at the I-House, which is less than a five-minute walk to Haas. For more information, visit the International House Residence Office at 2299 Piedmont Avenue, #2320, Berkeley, CA 94720-2320 or call 510-642-9490.

University Family Student Housing
This housing is available for students who are married and/or have children. Rent for family student housing is less expensive than for comparable off-campus housing, so there is a waiting list. For more information, visit http://www.housing.berkeley.edu/livingatcal/studentsfamilies.html.

The University Child Care Program
Child care accredited by the National Academy of Early Childhood Programs, is available for children ages 3 months to 7 years old, and payment is on a sliding scale. At least one parent must be a registered UC Berkeley student. For more information, visit http://www.housing.berkeley.edu/child/families/.

Apply online:
http://mfe.haas.berkeley.edu/applications.html

Luca Barone, MFE 05
Previous degree
Masters in Economics and Finance
Luiss Guido Carli University, Rome
Current position
Exotic Credit Derivatives Sale Strategist, F.I.C.C.

“The theory we learned from Professor Mark Rubinstein and his colleagues deals with state-contingent claims, the elementary particles of nuclear financial economics.” This theory is especially useful for practitioners because it provides a production technology for duplicating the payoffs of any contingent claim by using an appropriate dynamic strategy. It can also be used to solve the inverse problem of inferring risk-neutral probabilities from the simultaneously observed prices of options and other derivatives.”
Faculty of the Master’s in Financial Engineering Program

Mukesh Bajaj, Managing Director of Finance and Damages Practice and Board of Directors, LECG, LLC. Ph.D. (finance), University of California, Berkeley. Corporate finance and financial strategy, dividend policy, capital and ownership structure, determinants of stock returns, design and pricing of securities.


Jeffrey Bohn, Managing Director, Financial Strategies Division, Shinsei Bank. Ph.D. (finance), University of California, Berkeley. Risky debt valuation, credit derivatives, banking, risk management, and global portfolio management.


Gregory Duffee, Assistant Professor. Ph.D. (economics), Harvard University. Pricing and trading credit risk (theoretical and empirical), term-structure modeling, risk management of financial institutions. Formerly a member of the Trading Risk Analysis group at the Federal Reserve Board.


Christopher A. Hennessy, Assistant Professor. Ph.D. (economics), Princeton University. Agency costs of debt finance, taxes and corporate risk management, contract theory, and investment distortions.

Dwight M. Jaffee, Willis H. Booth Professor of Banking & Finance. Ph.D. (economics), Massachusetts Institute of Technology. Loan activities of financial institutions, commercial loan and mortgage markets, credit rationing, asset-backed security markets, catastrophe insurance financing. Board of Directors Barr Rosenberg Mutual Funds; Visiting Scholar, Federal Reserve Bank of San Francisco.


Francis Longstaff, Professor, University of California, Los Angeles. Ph.D. (finance), University of Chicago. CPA, CFA. Term structure theory, fixed income derivative valuation and risk management, the impact of liquidity on the valuation of securities. Head of Fixed Income Derivative Research, Salomon Brothers Inc. from 1995 to 1998. Board of Directors, Simplex Risk Management.
Mark Rubinstein, Paul H. Stephens Professor of Applied
Investment Analysis

Mark Rubinstein is best known for his work on the binomial options pricing model (also known as the Cox-Ross-Rubinstein model) and his work on asset pricing in the 1970s. His current research interests include derivatives and asset pricing, and the history of the financial theory of investments. His most recent published papers include a spirited defense of rational financial markets and several papers on the history of various fundamental ideas in financial economics. He has received numerous prizes and awards for his research and writing, including International Financial Engineer of the Year for 1995. In 1993, he served as president of the American Finance Association. He earned his AB in economics from Harvard, an MBA in finance from Stanford, and his Ph.D. in finance from the University of California at Los Angeles.
For the full list, visit http://mfe.haas.berkeley.edu/faqs.html.

What careers has the MFE led to?
Recent graduates have found employment in risk management, fixed income, structured products derivatives, credit risk, market risk, consulting, corporate finance and financial programming. For more detailed information please visit our web site at http://mfe.haas.berkeley.edu/faq24.html.

What are the differences between the MBA Program or Ph.D. Program and the MFE Program?
Please visit our web site at http://mfe.haas.berkeley.edu/faq6.html.

Is work experience required?
Work or research experience in a quantitative field is recommended, but not required. Students in our 2006-2007 class had an average of almost four years of work experience before joining the program.

What is the academic calendar?
The official schedule for 2007-2008 is not finalized. Please visit our web site at http://mfe.haas.berkeley.edu/curriculum.html for the most up-to-date information.

When are the application deadlines for the program year 2007-2008?
The program admits students over four deadlines: January 17, 2007; March 17, 2007; June 23, 2007, and October 1, 2007. Applications received after October 1, 2007 will be reviewed on a space-available basis. Classes begin in March 2008.

How many people do you admit at each deadline?
We only admit the best candidates at each deadline. Students may be placed on hold or wait-listed at any time during the admissions process, whether or not there is still space available in the class. Because there are only 60 spots available, we admit students until we have 60 who have committed to attend.

Do you offer financial aid?
Federal financial aid in the form of loans is available for most students. See page 12 for details, or visit http://mfe.haas.berkeley.edu/faq20.html.

Do you recommend preparatory classes?
For students who have not taken math, statistics, or financial programming courses in more than three years, we do recommend our refresher courses in order to excel in the program. If you are required to take a pre-program course as part of conditional acceptance to the program, we will accept grades from any accredited college or university. We offer courses in foundation math, statistics, and financial programming at UC Berkeley and online. For details visit http://mfe.haas.berkeley.edu/preprogram.html.

Where do I order GMAT/GRE reports?
Please visit http://www.ets.org for information on taking GRE and http://www.mba.com/TakeTheGMAT for information on taking the GMAT test and ordering reports.

Is the MFE Program offered part-time?
No.

Are fellowships, scholarships, or assistantships available?
There are no fellowships, scholarships, or assistantships associated with the MFE Program. For information on UC Berkeley Graduate Division awards and fellowships visit http://www.grad.berkeley.edu/admissions/pdf/support.pdf. For updated information on financial aid, please see our website at http://mfe.haas.berkeley.edu/faid.html.

Frequently Asked Questions

MFE Steering Committee
The active participation of members from industry is essential to ensuring that graduates of the MFE Program have the requisite skills to be successful in their future careers. The MFE Steering Committee is composed of finance faculty and prominent members of the financial risk management community. The committee acts in a similar capacity as a board of trustees, focusing on the curriculum and strategic goals of the MFE Program.

2006-2007 Members
John O’Brien, MFE Faculty Director
Linda Kreitzman, MFE Executive Director
Armen Avanessians, Goldman Sachs
Terry Benzschawel, Citigroup
Gifford Fang, Gifford Fang Associates
Jim Gilliland, Barclays Global Investors
Joseph Langsam, Morgan Stanley
Chuck Lucas, AIG
David Modest, JPMorgan
Scott Pinkus
Mark Robinson, Professor, UC Berkeley
Aamer Sheikh, Merrill Lynch
Enil Hakangolu, Goldman Sachs
Richard Lyons, Professor, UC Berkeley
Victor Marsh, AIG

MFE Program Sponsors
Special thanks to these firms whose donations help maintain the MFE laboratories.

Founding Sponsors
AIG Inc.
Barclays Global Investors
BARRA Inc.
Gifford Fang Associates
Goldman Sachs
Merrill Lynch
MBIA Inc.
Morgan Stanley
Quantal International Inc.
The Dean Witter Foundation
Wachovia Securities
WR Hambrecht + Co. LLC

Sponsors
AXA Rosenberg Investment Management LLC
Bank of America Corp.
Bloomberg LP
Fair, Isaac and Company, Inc.
GW Miller Foundation
The Pinkus Foundation

16
NONDISCRIMINATION POLICY STATEMENT
The University of California, in accordance with applicable federal and state law and University policy, prohibits discrimination, including harassment, on the basis of race, color, national origin, religion, sex, physical or mental disability, medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or status as a covered veteran (special disabled veteran, Vietnam-era veteran or any other veteran who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized). This nondiscrimination policy covers admission, access, and treatment in University programs and activities.

Inquiries may be directed as follows: Sex discrimination and sexual harassment: Nancy Chu, Title IX Compliance Officer, 1-510-643-7985. Disability discrimination and access: Ed Rogers, A.D.A./504 Compliance Officer, 1-510-643-5116 (voice) or 1-510-642-3172 (TTY).

Other inquiries may be directed to the Academic Compliance Office, 200 California Hall, #1500, 1-510-642-2795.

CAMPUS SAFETY
In accordance with the Jeanne Clery Act, the University maintains a reference guide of safety information and procedures, annual campus crime statistics, and emergency-disaster preparedness information. For a copy of this report, Safety Counts, call 1-510-643-6442, or visit the Police Department Campus Safety Programs, University of California, Berkeley, Police Department, 1 Sproul Hall #1199, Berkeley, CA 94720-1199. The report is also posted on the UC Berkeley Police Department web site.

3.3.indd   17
1/16/07   1:02:47 PM

Marketing and Communications
Rich Kumory
Craig Kaufman
Design
Cuttriss & Hambleton
Photography
Jim Block
Ed Caldwell
Printer
Fong & Fong

Copyright© 2007, UC Regents.
All rights reserved.