

Local Authority Pension Fund Investment Strategies

Thursday 15 November 2018
at Le Meridien, Piccadilly, London

Sponsored by:

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Aviva Investors
BMO Global Asset Management
Capital Group
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This conference is
arranged by SPS Conferences



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CPD = 6.5 hours



Programme

08.45 **Registration and coffee**

09.20 **Welcome and Opening Remarks**

FRED JAFFE, EXECUTIVE DIRECTOR, SPECIALIST PENSION SERVICES

09.25 **Session 1: Topical issues**

Moderator: ERIC LAMBERT, INDEPENDENT INVESTMENT ADVISOR

Accessing Private Markets:

Current Status and Progress of the Industry

This talk will look at the evolution and development of private markets investment. Covering structural evolution of the markets over time and discussing the different ways of accessing the markets in today's world.

JIM STRANG, MD, HEAD OF EUROPE, HAMILTON LANE

Artificial Intelligence: Shaping the Future of Investing?

Artificial intelligence (AI) may be the most transformative and disruptive advancement since the Industrial Revolution. We take a closer look at how AI is not an abstract future development but is happening now as we unpick its history, evolution and potential long term implications for investors. Is AI poised to fuel the next wave of innovation, providing opportunities for companies and investors in the process? Find out in this session.

STEVEN SMITH, INVESTMENT DIRECTOR, CAPITAL GROUP:

10.40 **Coffee / Tea**

11.10 **Session 2: Income from Property & Infrastructure**

Moderator: KAREN SHACKLETON, SENIOR ADVISOR, MJ HUDSON ALLENBRIDGE

Planning for Cash-Flow Negativity

With a growing number of Local Government Pension Schemes planning for cash-flow negativity, there is increased interest in generating income from real assets, particularly given the low yield environment. There are a range of benefits of implementing an income focused real asset portfolio, but investors need to understand the challenges to make the approach work for them. In this session, we will examine how the LGPS can invest in real assets. Specifically: 1) How to tailor a real assets portfolio to meet cash-flow needs. 2) What we can learn and improve from insurance companies who use a similar approach but are constrained by their regulatory environment 3) What the LGPS pools need to consider when building option for their scheme clients.

NIREN PATEL, INVESTMENT STRATEGIST, AVIVA INVESTORS

The changing role of real estate income in cashflow matching strategies

The solutions for Local Authority pension schemes needing higher yielding returns to match cash flow liabilities and help to plug any deficits in funding that may exist; Growing sustainable income streams from alternative real estate and investing in acyclical trends with traditional value investing; Investing in the benefits of property as a real asset to protect against rising bond yields. Issues affecting real estate from LGPS pooling.

IAN MASON, DIRECTOR, PORTFOLIO MANAGER, AEW UK REAL RETURN FUND

Build to Rent: Helping address the UK housing shortage whilst generating a Sustainable Income

Recent developments may provide investors with a sustainable income through the provision of affordable rental accommodation for middle income earners and key workers. We will discuss how institutional capital can help address shortages in affordable housing, allow tenants to put down roots creating sustainable communities whilst aligning interests between the Local Authority and the Pension Fund. We look at why supply/demand dynamics within the private rental sector remain favourable for LGPS investors in spite of the rise of the build to rent funds.

ANGUS HENDERSON, HEAD OF BUSINESS DEVELOPMENT, BMO REAL ESTATE PARTNERS

12.50 **Drinks and Lunch**

14.00 **Session 3: Management of Assets**

Moderator: JOHN HARRISON, ADVISOR, BORDER TO COAST PENSIONS PARTNERSHIP

Improving Cost transparency and Net Return: Big data in action!

Managing costs in asset management can help boost return and safeguard your interests as investors. This talk will look at new ways of understanding the true costs of investing (beyond TER) and consider how to achieve an extra net return in the portfolio without adding any risks or making changes to the manager mix. The Sainsbury Pension Scheme will explain how they have increased their cost efficiency.

WOLFRAM KLINGLER, MANAGING PARTNER, XTP GROUP

DEAN JOHNSON, GROUP PENSION INVESTMENTS OFFICER, J SAINSBURY PLC

Building an Investment Capability

As the LGPS pools start to manage LGPS funds, this talk will share the experience of RPMI's investment function as it transitioned from managing investments for a single scheme, to managing the investment issues of a number of different employer schemes. How have the internal operations adapted to meet the new demands and what are the lessons learned which may be relevant for both LGPS pools and their client funds?

JULIAN CRIPPS, MANAGING DIRECTOR, RPMI RAILPEN

15.15 **Coffee / Tea**

15.30 **Session 4: LGPS Perspectives**

Moderator: JOHN RAISIN, INDEPENDENT ADVISOR, LONDON BOROUGH OF WALTHAM FOREST

LGPS Current Issues

A look at topical investment and other current issues affecting the LGPS Scheme and its constituent funds.

DOUGLAS GREEN, PARTNER, HYMANS ROBERTSON

What's on the Agenda

A panel of LGPS scheme executives will talk about their pension fund's investment strategies and experiences. Panelists to include:

PHIL TRIGGS, TRI-BOROUGH DIRECTOR OF TREASURY AND PENSIONS, WESTMINSTER CITY COUNCIL

GEORGE GRAHAM, FUND DIRECTOR, SOUTH YORKSHIRE PENSION AUTHORITY

DENISE LE GAL, CHAIR, BRUNEL PENSIONS PARTNERSHIP

16.40 **Drinks reception followed by Close of Conference**

Speaker bios

Douglas Green is a Partner at **Hymans Robertson** and has consulting experience in both the public and private sectors. He advises a number of Local Government Pension Scheme Funds on most types of pension matters, including funding, bulk transfers, investment issues and accounting. Douglas also acts as an internal resource on all expensing issues for LGPS Funds, whether on UK or International (CIPFA) standards. He is also closely involved in professionalism matters internally, and the evolving regulatory regime for public sector actuarial work. He is the principal internal point of contact for issues relating to academy schools in English LGPS Funds.



capital raising and secondary transactions across Europe. Angus holds an MBA from INSEAD and an MA in Economics from The University of Edinburgh.

Angus Henderson joined **BMO Real Estate Partners** in July 2009 and leads the business development team responsible for targeting new business opportunities, working with new partners and the launch of new structures. He works across the platform focusing on the growth of the existing product range as well as new products and joint ventures and with a diverse investor base. Angus joined from AXA REIM, one of the largest real estate managers globally, where he worked as a Business Development Manager responsible for launching new products in Europe and Asia across the risk spectrum and all sectors. He worked across the group on a number of successful product launches. Prior to AXA REIM, Angus worked in the Cushman & Wakefield Indirect Investment team where he focused on real estate fund creation, fund investment, joint venture structuring,



Wolfram Klingler is co-founder and managing partner of **XTP AG**. Before XTP, Wolfram worked for a private equity group, focusing on investments in restructuring and turnaround situations, incubating new turnaround funds and building up a fund of fund focusing on this sector. Prior to that, Wolfram was a Director at GAM (Global Asset Management) where he focused on managed portfolios, hedge funds and alternative investments. Wolfram has 19 years of financial industry experience. Wolfram is a regular speaker at various conferences and seminars; he spoke at conferences of the CFA-Society, the Swiss Pensions Fund Forum and many others. He frequently publishes articles in journals and newspapers and is regularly quoted as expert on topics of cost and transparency



government, HMRC and the FCA.

Ian Mason joined **AEW** in 2015 and has 32 years industry experience. He is Portfolio Manager of AEW UK Real Return Fund, which aims to deliver better risk adjusted liability focused returns, with inflation linked cash flows and income growth central to strategy. Previously Ian was Fund Manager of Schroder's UK Property Fund, between 2008-2013, where he focused on delivering a sustainable income stream from a blend of traditional and alternative sectors (healthcare, car show rooms, student accommodation). Prior to Schroder's, Ian was at Blackrock where he devised strategies that focused on the needs of occupiers. Ian pioneered the use of indirects in a direct property strategy, together with investment in Alternatives (marinas, doctors' surgeries). He is a past Chairman of AREF (Association of Real Estate Funds) and Chair of the Regulation Committee. He is a passionate advocate of listed and unlisted funds for long term savers, leading or participating in lobbying of



Niren Patel is responsible for building outcome-oriented investment strategies for institutional clients across all areas of solutions design, management and client delivery. In particular, Niren works closely with portfolio managers in Liability Driven Investment and Alternative Income Solutions, who also form part of Global Investment Solutions. Prior to joining **Aviva Investors**, Niren was a Director within the Solutions business at BlackRock. He worked with a number of large UK DB pension funds to design, implement and evolve their investment strategies; including LDI, synthetic equity and FX overlays. Niren began his career at KPMG LLP where he worked both in investment and pension consulting. Niren holds a BSc (Hons) in Actuarial Science from Cass Business School and is a Fellow of the Institute and Faculty of Actuaries.



Steven Smith is an investment specialist at **Capital Group**. He has 15 years of investment industry experience and has been with Capital Group for 11 years. Prior to joining Capital, Steven was a member of the U.K. equity portfolio management team at UBS Global Asset Management. He holds a first-class honours degree in business management with Spanish from Royal Holloway, University of London. He also holds the Chartered Financial Analyst® designation. Steven is based in London.



Finance from the University of Cambridge, and a B.Com. in Business Administration from the University of Edinburgh. He is a member of the CFA Institute and of UKSIP.

Jim Strang is a Managing Director and Head of Europe at **Hamilton Lane**, where he is an Investment Committee member and heads the firm's London office. He focuses on investment opportunities across EMEA and primary fund investments in particular. Prior to joining Hamilton Lane in 2011, Jim was a Director and Head of Fund Investments at Dunedin Capital Partners, whose European fund investment operation he helped establish. Previously, Jim was Head of European Buyouts at Gartmore Private Equity with oversight over a broad program of fund and direct co-investments in Europe. Jim joined Gartmore from the strategic consultants Bain and Company, where he was a Consultant in the London office serving a wide range of private equity and corporate clients. Jim received a Ph.D. in Finance from the University of Edinburgh, a master's in



Phil Triggs has been Tri-Borough Director of Treasury and Pensions at **Westminster City Council** December 2017, having worked in similar roles at Surrey County Council from 2012, Warwickshire County Council from 2003 and Buckinghamshire County Council from 1999. He has worked in local government finance over his entire career, previously specialising in revenues collection and rating valuation at Havant Borough Council and qualifying as a Chartered Accountant with Chichester District Council. He is a keen cyclist, marathon runner (has completed the London, Boston, Berlin, New York and Chicago marathons) and holds a UK private pilot's licence.

Conference Notes

Purpose: At this conference we aim to examine and debate the specific investment opportunities and challenges facing local authority pension funds under the new pooled structures. We will review a range of investment strategies taking into account particular LGPS issues and concerns as well as practical matters such as legislation, accessibility, ESG criteria, transparency and cost.

Date: Thursday 15 November 2018 **Venue:** Le Meridien, 21 Piccadilly, London, W1J 0BH. Tel: 020 7734 8000.

Cost: There is no cost to you to attend this event and your conference documentation, drinks, lunch, tea and coffee breaks will all be provided free of charge. If you would like to nominate a colleague to attend please ask them to contact us so we can ensure they are eligible for a free place. SPS events are exclusively aimed at genuine pension fund executives, trustees and their advisers, who may qualify for free entry. SPS Conferences reserves the right of admission (free or paid) and our decision is final.

Amendments: SPS reserves the right to amend or cancel the conference at any time but will always attempt to give prior notice. Cancellation by SPS will result in a full refund of delegate fees paid but no other expenses incurred.

PMI Accreditation: Attendance at the conference will be given 6.5 hours of CPD with the PMI.

Data Protection: Personal data is gathered in accordance with GDPR. Your details will be shared on an attendance list with other attendees including the conference sponsors who may wish to provide you with information.

If you **do not** want to share details with other attendees please **tick the box**

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Queries: please contact: Ms Sue Golton at Specialist Pension Services Limited. Telephone +44 (0)1438 712345 Telefax +44 (0)1438 718883 Email: sue@spsconferences.com

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Booking Form

Please read the Conference Notes, then complete the details below.

Please reserve place(s) at The **SPS Local Authority Pension Fund Investment Strategies** taking place on **15 November 2018**.

Free guest places are offered to genuine pension and institutional investor attendees. Please contact us to confirm you qualify. A limited number of provider places at a cost of £1625 + VAT may be available. Please enquire to Sue Golton sue@spsconferences.com

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