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CONFERENCES

Informing Pension Funds

Investment Strategies For Pension Funds

A Look at Alternative & Innovative Investment Strategies

Thursday 13 September 2018
at Le Meridien, Piccadilly, London

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CPD = 6.5 hours



Programme

08.30 **Registration and coffee**

09.15 **Welcome and Opening Remarks**

TREVOR COOK, MANAGING DIRECTOR, SPECIALIST PENSION SERVICES

09.25 *Session 1: Overview: Challenges & Solutions*

Moderator: **CAROL PERRY**, DIRECTOR, INDEPENDENT TRUSTEE SERVICES

Overview from a Pension Fund Perspective

HIMANSHU CHATURVEDI, MANAGING DIRECTOR, PENSIONS PRACTICE, CAMBRIDGE ASSOCIATES

The hidden risks of negatively skewed portfolios

With equity and credit markets looking increasingly expensive, pension fund investors are understandably becoming wary of downside risks. Heightened volatility and continued overweight to traditional asset classes are making portfolios vulnerable to even small shocks and Chief Investment Officers and Trustees alike have to consider ways of protecting their portfolios against adverse market moves. This session will discuss why the skew of portfolio returns matters and how some strategies that benefit from heightened volatility and crowding can seek to improve the overall performance of pension funds by offering genuine diversification from traditional assets and downside protection.

MARK GREENWOOD, SENIOR PORTFOLIO MANAGER, OLD MUTUAL GLOBAL INVESTORS

10.40 **Coffee / Tea**

11.10 *Session 2: Risk Management Strategies*

Moderator: **HUW EVANS**, TRUSTEE EXECUTIVE AND MEMBER OF THE BOARD, BESTRUSTEES

Destination de-risked: The road to the endgame

DB pension schemes are slowly but surely heading towards their endgame. The uncertain cost of pensions continues to put pressure on sponsor companies, while trustees must adapt to new issues and techniques. Against this backdrop pension risk transfers have become more common. In this session we look at how cashflow driven strategies can target a cost effective and predictable de-risking path, blending techniques from both asset management and insurance. We'll also look at some common concerns, risks and the tools available to mitigate them.

JOHN DEWEY, HEAD OF INVESTMENT SOLUTIONS, AVIVA INVESTORS

Alternative Risk Premia: Is it as complicated as it sounds?

Structuring growth assets to provide liquid, attractive risk-adjusted returns at competitive fees is a key objective of many schemes as they continue to derisk. A well-constructed Alternative Risk Premia strategy should be able to deliver these characteristics, and offer smoother, more consistent returns over time. However, the world of Alternative Risk Premia is shrouded in jargon. In this presentation, we are going to peel back the layers of jargon and expose what is under the bonnet of an Alternative Risk Premia strategy. What is it and why do you need it? How do you use it? Are all strategies the same? What should you look for when evaluating options? We will answer all these questions and more during the session.

MATTHEW BULLOCK, INVESTMENT DIRECTOR, GLOBAL MULTI-ASSET STRATEGIES, WELLINGTON MANAGEMENT

Risk Sharing Transactions with Banks (RST's)

Cashflow driven investments from income generating notes; Uncorrelated to markets. Core European countries have SME's at the beating heart of their economy. SME debt is arguably better originated and managed by local bank branches vs foreign non-bank direct lending platforms

ANDREW ROBERTSON, PRINCIPAL & MANAGING DIRECTOR, CHRISTOFFERSON, ROBB & Co.

12.50 **Drinks and Lunch**

14.00 *Session 3: Alternative Investment Opportunities & Pension Fund Insights*

Moderator: **KEVIN CLARK**, INDEPENDENT DIRECTOR, PS INDEPENDENT TRUSTEES LTD.

Emerging Markets Small Caps

Across the emerging markets landscape, small-caps are showing attractive risk adjusted return potential, deep inefficiencies and the ability to provide access to unique investment opportunities. When choosing Emerging Market assets, many investors tend to focus on companies at the higher end of the capitalization spectrum. In doing so, they overlook the potential that small-cap companies can offer. This session will look at the unique attributes of Emerging Market Small Caps that include: 1) Lower correlations to global risk factors 2) Exposure to a growing consumer base 3) Market inefficiencies that can give active managers increased opportunity to generate alpha 4) A focus on local economies. As a result, when Emerging Market small-caps are added to an otherwise diversified portfolio, they may offer deeper opportunities for diversification and positive long-term returns.

JOSEPH DEVINE, SENIOR VICE PRESIDENT, CHIEF

INVESTMENT OFFICER – EMERGING MARKET EQUITY, MACQUARIE INVESTMENT MANAGEMENT

Aviation Leasing as a Secure Income Strategy: A real opportunity to help with a Pension Fund's Flightpath

With the need for maturing funds to set investment strategies that help meet their on-going liabilities, there is a search on for opportunities to invest in assets that will provide stable and secure cash flows. Traditionally, Real Estate has been a "go to" source of income, particularly where tenants have committed to long-term leases. In this session we will explore the opportunity to consider aircraft as another source of secure income. Drawing on KGAL's 40 years of experience in Aviation, transacting on over 700 aircraft, we will outline the growth in the industry and how it is possible to structure long term leases, on readily marketable aircraft, to generate a secure income stream that could compliment other allocations, and help provide diversification across a portfolio.

JOCHEN BALTES, MANAGING DIRECTOR, KGAL GROUP

15.15 **Coffee / Tea**

15.30 **Pension Fund Insights**

Moderator: **KEVIN CLARK**, INDEPENDENT DIRECTOR, PS INDEPENDENT TRUSTEES LTD.

A panel of pension scheme executives will talk about which alternative investment strategies they have incorporated into their investment process. Panelists:

MARK HEDGES, CHIEF INVESTMENT OFFICER, NATIONWIDE PENSION FUND TRUSTEE LTD.

MARK LYON, HEAD OF EQUITIES AND ALTERNATIVES, BORDER TO COAST PENSIONS PARTNERSHIP

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

Speaker bios



Jochen Baltes is Managing Director of **GOAL** (German Operating Aircraft Leasing GmbH & Co. KG), a joint venture between **KGAL GmbH & Co.KG** and Lufthansa Group, established in 1998. As an integral part of the KGAL, GOAL acts as the technical advisor and asset manager to KGAL's Aviation Funds, leading on the sourcing, asset management and remarketing of aircraft. Jochen joined GOAL in 2012, having spent 10 years at Swiss International Air Lines, finishing as Head of Aircraft Procurement. Prior to that, he spent 8 years working at a number of other airlines, starting at Lufthansa AG in 1993. Jochen has an MBA from La Salle University, USA and is a Licensed Engineer cat. B1 & C and an Apprentice A & C Aircraft Engineer.



Matthew Bullock is Investment Director, Global Multi-Asset Strategies at **Wellington Management**. As an Investment Director in Global Multi-Asset Strategies, Matthew is responsible for a range of investment approaches and custom solutions for clients in Europe, the Middle East and Africa (EMEA). He helps to ensure the integrity of the investment approaches by overseeing portfolio positioning, performance and risk exposures, as well as conducting analysis to inform the investment process. Prior to joining Wellington Management in 2015, Matthew was a Director and Multi-Asset Investment Strategist at BlackRock, where he was responsible for developing and maintaining an effective multi-asset product suite (2011 – 2015). Previously, he held roles in product strategy in Australia at BT Investment Management (2009 – 2010) and Ord Minnett (2006 – 2009). He began his career working for the Australian Prudential Regulation Authority in 2003. Matthew received a bachelor of economics (Hons) in 2002 and bachelor of commerce in 2003 from the University of Newcastle (Australia).



Himanshu Chaturvedi is a Managing Director at **Cambridge Associates'** Pensions and Insurance Practice based in London. He works with a variety of pension funds, insurance companies and other institutional investors on investment strategy, portfolio construction and management and research. He also leads research and client portfolio investments in several emerging, uncorrelated strategies in private and public markets. Himanshu joined Cambridge Associates in 2013 and has 18 years of experience in investment management and investment banking. His experience prior to joining Cambridge Associates spanned roles in research, structuring and trading in Europe and Asia. He started his career as an equity research analyst in Asia and subsequently gained post-MBA experience in structuring and executing complex fixed income derivative solutions and contributing to quantitative strategy research at Lehman Brothers and Barclays Capital. At Cambridge Associates, Himanshu has been leading teams for clients from \$300 million to \$100 billion in assets, being deeply engaged throughout the investment process from strategy setting to implementation and day to day oversight of client portfolios invested in a mix of traditional and alternative asset classes.



Joseph Devine joined **Macquarie Investment Management (MIM)**, which includes the former Delaware Investments, in March 2016. He is the lead portfolio manager for the firm's Emerging Markets Opportunities and Emerging Markets Small Cap strategies. Previously, he worked at UBS Asset Management from July 2007 to February 2016, first as senior portfolio manager and then as head of the Global ex-US Growth Equities team. Prior to UBS, Joseph worked at Nicholas-Applegate Capital Management from July 2005 to July 2007 as lead portfolio manager for the Emerging Markets and Pacific Rim portfolios of the International Growth team. Prior to that, he was an Asian equity analyst at Duncan-Hurst Capital Management. Joseph was also responsible for the firm's Global Emerging Markets portfolio. He previously held trading positions at Peregrine Investment Holdings in the Philippines and Singapore, and at Credit Suisse First Boston in Hong Kong and Singapore. Joseph earned a bachelor's degree at the University of Southern California and an MBA at the Marshall School of Business at the University of Southern California.



John Dewey, is responsible for designing and building investment solutions across all areas of portfolio construction, management and client delivery. Prior to joining **Aviva Investors**, John was a Managing Director at BlackRock, where he held solutions leadership roles in investment strategy, LDI, private assets, and thought leadership. Previously, John worked in both investment and actuarial consulting. John holds a first class honours degree in Mathematics from the University of Cambridge and is a Fellow of the Institute of Actuaries.



Mark Greenwood joined **Old Mutual Global Investors** in 2015. He spent the previous 10 years as a trader on the inflation desks at Barclays and RBS, latterly as managing director responsible for inflation options and exotics in all currencies. Before this Mark managed the inflation desk at Rand Merchant Bank in South Africa, from the time of the first domestic inflation bond issue in March 2000 until his relocation to the UK in 2004. Mark began his career as underwriting actuary with Swiss Re in South Africa. He holds an MSc in statistics from the University of the Witwatersrand, the FRM designation from the Global Association of Risk Professionals and is a fellow of the UK Institute of Actuaries.



Mark Lyon is Head of Equities and Alternative Investments at **Border to Coast Pensions Partnership**. Mark has 16 years' experience in investment management in the LGPS as Head of Investments for the Derbyshire and East Riding pension funds and is a CFA charterholder. He has extensive experience in a wide range of asset classes including Equities, Fixed Income, Property, and Alternatives. In 2016 he received the Institutional Investor's UK Public Pension Manager of the Year award. Prior to working in investment management, Mark worked in Corporate Finance and Audit for BDO Stoy Hayward where he qualified as a Chartered Accountant.



Andrew Robertson is Principal and Managing Director at **Christofferson, Robb & Company** (UK) LLP. He joined CRC in 2002 from Mizuho Capital Markets where he was an options trader. Prior to the merger that formed Mizuho, Andrew was Head Structured Product trader at DKB International where he worked for 3 years. He has a Ph.D. in Mathematics from Merton College, Oxford (1996) and a B.Sc. from the University of Glasgow (1988). He is based in London.

Conference Notes

Purpose: This conference aims to examine the role of alternative and innovative investment strategies in diversifying risks and improving returns. Pension funds will gain an insight into whether such strategies can be employed to help improve their funding status and/or to meet specific income requirements. We will also seek to address practical issues such as liquidity, fees, transparency and implementation.

Date: Thursday 13 September 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.

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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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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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