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CONFERENCES

Informing Pension Funds

Credit & Private Debt Investing for Pension Funds

Thursday 30 August 2018
at Le Meridien, Piccadilly, London

Sponsored by:

Aon

Cambridge Associates

GAM

Hermes

Kames Capital

Muzinich & Co.

Vanguard Asset Management



Media Partners:

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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**

09.15 **Welcome and Opening Remarks**

TREVOR COOK, MANAGING DIRECTOR, SPECIALIST PENSION SERVICES

09.25 *Session 1: Looking for Cash Flow*

Moderator: GRAHAM WARDLE, TRUSTEE EXECUTIVE, BESTRUSTEES

Are you being compensated for fixed income risk?

This session will explore the role of credit within defined benefit and defined contribution investment portfolios and the most efficient way to access credit in public markets.

KUNAL MEHTA, SENIOR PRODUCT SPECIALIST, FIXED INCOME, VANGUARD ASSET MANAGEMENT

Secure and Stable Income from Investment in Loans

In this session we look at a credit strategy that delivers a series of secure and stable cash-flows to investors: senior secured loans. These investments have a form of collateral backing the loan, are floating rate in nature and they generate a higher level of income than is available in sub-investment grade credit. This makes Syndicated Loans an attractive investment to DB pension funds which are (or will become) cash-flow negative and which require protection from rising interest rates or inflation.

TORBEN RONBERG, HEAD OF SYNDICATED LOANS, MUZINICH & CO.

The ABC of ABS

Most pension schemes have extensive allocations to government and corporate bonds. Relatively few have exposure to consumer credit, an attractive sub-sector of the global fixed income market. Asset-Backed Securities (ABS) offer exposure to a diverse range of collateral secured by consumer mortgages, auto loans and credit card receivables. This session will discuss the opportunities for pension schemes offered by ABS.

FRANK MEIJER, HEAD OF EUROPEAN ABS AND MORTGAGES, AEGON ASSET MANAGEMENT

11.00 **Coffee / Tea**

11.30 *Session 2: The Benefits of Diversification*

Moderator: WENDY MAYALL, CHAIR OF FUNDING COMMITTEE, TPT RETIREMENT SOLUTIONS

Broader Access to Credit through MAC portfolios

With many traditional lenders restricted by factors such as regulation, this session will discuss opportunities to capture superior risk adjusted returns by looking beyond traditional credit for those investors who can access illiquidity, complexity and scarcity premia.

We will explain the role of MAC funds and tailored mandates in finding superior relative value across the full credit spectrum.

ANDREW JACKSON, HEAD OF FIXED INCOME, HERMES INVESTMENT MANAGEMENT

Commercial Real Estate Debt

Characteristics of Commercial Real Estate Debt Income yield and downside protection – how is this achieved? What's creating the opportunity?

Market outlook

JON RICKERT, HEAD OF REAL ESTATE DEBT FINANCE, GAM

12.45 **Drinks and Lunch**

14.00 *Session 3: Looking Ahead*

Moderator: TO BE CONFIRMED

Pro forma EBITDA: Phantom Value

EBITDA adjustments and add-backs are a common way for borrowers and financial sponsors to inflate earnings in order to support a greater debt burden. Market participants believe that the use of these adjustments is at an all-time high and that direct lenders focused on financing LBOs are at the center of this trend. We will discuss how private equity sponsors and borrowers influence the definition of earnings, and what it means for direct lenders funding leveraged transactions and other corporate financings.

FILIPPO PETRUCCI, INVESTMENT DIRECTOR, CREDIT INVESTMENTS, CAMBRIDGE ASSOCIATES

Where should Pension Funds invest now?

The low yielding, low return environment of the past few years have been challenging for pension funds trying to balance the need for return and income from their portfolios but could the next few years pose even bigger challenges as bond yields increase and bond prices fall?

OLIVER HAMILTON, PRINCIPAL MANAGER RESEARCHER, AON

15.15 *Session 4: Pension Fund Perspectives*

Moderator: TO BE CONFIRMED

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

CHETAN GHOSH, CHIEF INVESTMENT OFFICER, CENTRICA

ROBIN SMITH, GROUP HEAD OF PENSION FUNDING & INVESTMENT, RIO TINTO

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

Speaker bios



Business School and studied Physics with Theoretical Physics at Imperial College.

Oliver Hamilton is a Principal Real Estate manager researcher for **Aon** based in London. He covers a range of traditional and alternative real estate asset classes including core property, residential, commercial real estate debt and illiquid secure income funds. Before joining Aon, Oliver was Head of Manager Research at Redington Limited, a London based UK consultancy firm. Oliver has substantial investment consulting experience providing investment advice to large UK pension schemes and continues to work as an investment consultant to a major UK financial institution. He started his career at PwC and holds an MBA from the Cambridge University Judge



assets across the spectrum of global credit and fixed income. He was previously vice president within the European credit structuring team at Bank of America and has held roles with Fitch Ratings and PricewaterhouseCoopers. Andrew holds a BSc degree in Mathematics & Theoretical Physics from Kings College London.

Andrew Jackson joined **Hermes** in April 2017 as Head of Fixed Income. He is responsible for leading the strategic development of Hermes' credit and direct lending investment teams, and developing a multi-asset credit offering capable of accessing all areas of the global credit markets for pension funds and other long-term institutional investors. Andrew joined from Cairn Capital, where he was CIO. In this role, Andrew was responsible for the development of the asset management business, which included designing new products and managing the investment teams, including strategy, portfolio management and research. He has managed



analyst in the private wealth division. He holds a bachelor's degree in banking, finance and management from Loughborough University and is a CFA charterholder.

Kunal Mehta joined **Vanguard's** Portfolio Review Department in 2017 and is a Senior Product Specialist focusing on Fixed Income within the Product Management team in Europe. He joined from Wells Fargo Asset Management where he spent 2 years in a similar role focused on credit strategies. Prior to Wells Fargo, Kunal was an Executive Director within the Goldman Sachs Asset Management Fixed Income investment management team where he had a focus on a broad set of active strategies for institutions and private wealth clients. Kunal began his investment career over a decade ago, joining Morgan Stanley where he served as a fixed income



Frank Meijer, PhD joined **Aegon Asset Management** in 2005. Frank is head of the European ABS and Mortgages team. He is also a member of the Asset Liability Committee of Aegon Bank and a permanent guest lecturer at the Amsterdam VU University. Prior to his current role, he was also responsible for the Quant Group and has set up the Structured Credit Desk. Before joining Aegon Asset Management, Frank worked at ABN AMRO in the Credit Risk Modelling & Product department. Frank holds an MSc in Physics, cum laude, from University of Groningen and a PhD in Physics from Delft University of Technology.



and corporate development. Previously at Golding Capital, a private equity FoF manager, he worked on corporate development, and sourced and evaluated primary fund investment opportunities in Europe and North America. Filippo also interned with PE manager Permira where he assessed direct private equity investment opportunities. Prior to business school, he was a management consultant with Zeb Associates advising financial institutions on strategy and operations.

Filippo Petrucci is an Investment Director specialising in private credit investments and co-investments. As part of **Cambridge Associates'** Credit Investment Group, he performs due diligence on investment opportunities in structured equity, credit, and distressed markets, as well as monitoring investment firms and portfolio companies. He is also responsible for sourcing, and evaluating discrete co-investment opportunities across private equity and private credit in Europe, and advises clients on co-investment portfolio construction. Before joining Cambridge Associates in 2015, Filippo was a manager with US biotech firm Natera working on business



to joining JP Morgan in 1997, he worked for various property companies originating, executing and managing real estate developments and investments focusing primarily on the office, retail and lodging sectors. Jon Rickert holds a Bachelor of Arts degree in Economics from Vanderbilt University and a Juris Doctor degree from the University of Louisville Brandeis School of Law. He is based in London.

Jon Rickert is an Investment Director and a member of **GAM's** Real Estate Debt Finance Investment Team. He is responsible for managing the investment team and developing and executing real estate finance strategies. He joined GAM in October 2015 from Renshaw Bay, an alternative asset management and advisory firm, where he was head of real estate finance and managing partner. Prior to that he was one of the original members of JP Morgan's direct loan origination team within its US CMBS business and was head of JP Morgan's real estate structured finance business in Europe, the Middle East and Africa. He was also responsible for its European real



Torben Ronberg joined **Muzinich** in 2016. He is a portfolio manager focusing on syndicated loans. Prior to joining Muzinich, Torben was with ECM Asset Management Limited, a Wells Fargo company, where he was Head of Sub-Investment Grade responsible for overseeing all loan and high yield investments in asset class specific portfolios, as well as across ECM's multi asset class portfolios. Previously, he was at Danske Bank Group in Copenhagen and London. Torben has more than 20 years of experience in corporate banking and the leveraged finance market in particular. He holds an Executive M.B.A. from London Business School.

Conference Notes

Purpose: Pension funds are under increasing pressure to improve returns, generate cash flows and reduce volatility despite generally reduced yields. Against this background, this conference aims to consider a range of credit and private debt strategies to enable pension funds and their trustees to determine which might best help them to achieve their specific goals.

Date: Thursday 30 August 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 Credit & Private Debt Investing for Pension Funds** taking place on **30 August 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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