

Current Investment Issues for Pension Funds

Thursday 10 November 2016
at Le Meridien, Piccadilly, London

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CPD = 6.5 hours



Programme

08.30 **Registration and coffee**

09.00 **Welcome and Opening Remarks**

FRED JAFFE, EXECUTIVE DIRECTOR, SPECIALIST PENSION SERVICES

09.10 **Global Opportunities**

MODERATOR: **DIANE WILDE**, SENIOR ADVISOR, ALLENBRIDGE

Seeking Value in Modern Global Markets

Post the financial crisis, many active Value-driven equity managers have struggled to deliver outperformance. In an environment where expensive global companies continue to be bid up to higher levels - based on sentiment and a flight to perceived 'safety', we consider the importance of investing based on company fundamentals for the long term. We will discuss our approach to 'Value' investing and why it is important to remain pragmatic, cast your net widely and invest in a broad, unconstrained, truly global manner. Finally, we will make the case for pension funds maintaining an allocation to global equities in a low growth world and demonstrate why business fundamentals are the important starting point for any long-term investment.

KNUT GEZELIUS, LEAD PORTFOLIO MANAGER SKAGEN GLOBAL, SKAGEN FUNDS

ESG as a value driver and risk insight in equity investing

Sustainability becomes increasingly important for asset managers. Almost two-thirds of institutional investors from Europe already take environmental, social and governmental (ESG) issues into consideration when it comes to portfolio construction. Crucial for a successful investment is an in-depth analysis of the potential target companies, especially regarding litigation, regulation and reputation risk. We will show how ESG research is integrated in our company and sector analysis and make the case for using ESG criteria as value driver.

MARC HELLINGRATH, HEAD OF GLOBAL EQUITIES, UNION INVESTMENT

10.25 **Coffee / Tea**

10.55 **Emerging Markets and Long Term Investment Issues**

MODERATOR: **GERALD WELLESLEY**, DIRECTOR, HR TRUSTEES

Emerging Markets: Light at the end of the tunnel

In a low yield world, where do the opportunities lie for investors? This session will look at the case for emerging market debt with a focus on the attractiveness of credit and local currency valuations. It will discuss, despite the negative news flow and perception about the region, why investors should perhaps reconsider investing in these areas and also the risks that they need to be aware of in doing so. Looking ahead, we believe EMD should continue to benefit from the global search for yield.

BRETT DIMENT, HEAD OF GLOBAL EMERGING MARKET DEBT, ABERDEEN ASSET MANAGEMENT

Long-term, very long-term, perspectives for pension funds

As pension funds implement long term strategic plans to improve funding status, we believe they should look beyond current issues and take into account more

secular trends as well. Seasoned investors know that the market can be myopic at times, with various participants bouncing between fear and greed from one data point to the next. Investors may benefit more from taking a longer term perspective to help protect portfolios from short term mistakes. The impact of demographic changes on capital markets and economies (not just on a pension fund's liabilities) and the changing nature of bond market liquidity in an environment of increasing fixed income allocations can't be ignored. What are the issues that truly long term investors should be considering and how far into the future might their impacts be felt?

DEAN STEWART, HEAD OF FIXED INCOME AND CURRENCY RESEARCH, MACQUARIE ASSET MANAGEMENT

12.10 **Drinks and Lunch**

13.30 **Further Opportunities**

MODERATOR: **MELANIE CUSACK**, CLIENT DIRECTOR, PITMANS TRUSTEES LIMITED

What do Real Assets mean for pensions?

The overall role of real assets in a pension fund portfolio; Using real assets in the context of inflationary issues; Real Asset Exposure Types: Contractual vs Empirical Inflation linkage, Domestic vs international, Core vs opportunistic Implementation: Getting the right route to exposure .

INDEESH TANGERAAS, SENIOR INVESTMENT DIRECTOR, EMEA REAL ASSETS, CAMBRIDGE ASSOCIATES

Intelligent Capital Allocation: An Overlooked Concept in Investing

This is in the context of managing a global equities portfolio and how effective capital allocation can lead to greater shareholder returns and investment performance

STEPHEN WAY, SENIOR VICE PRESIDENT AND PORTFOLIO MANAGER, AGF INVESTMENTS

14.45 **Coffee / Tea**

15.05 **Practical Session and Pension Fund Panel**

MODERATOR: **JOHN RAISIN**, INDEPENDENT ADVISOR, LONDON BOROUGH OF WALTHAM FOREST, HARINGEY, BARKING & DAGENHAM AND CHAIR OF THE MERSEYSIDE PENSION BOARD

Keynote Presentation: Looking to the Future

Institutional investors need to change the way they think about the world. Consequently institutional investors will need to decide which strategy to adopt; play to win, play for a draw, withdraw from the game or change the rules. This session will consider these issues at a high level, rather than offer prescriptive direction as to how to face the future.

PAUL SWEETING, PROFESSOR OF ACTUARIAL SCIENCE, UNIVERSITY OF KENT

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

RICHARD NUNN, TRUSTEE DIRECTOR, UNITED REFORMED CHURCH PENSIONS TRUST

ALAN PICKERING, CHAIRMAN, PLUMBING INDUSTRY PENSION SCHEME

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

Speaker bios



Brett Diment is the Head of Global Emerging Market Debt. Brett joined **Aberdeen** via the acquisition of Deutsche Asset Management's London and Philadelphia fixed income businesses in 2005, where he held the same role since 1999. Brett joined Deutsche Asset Management in 1991 as a graduate and began researching emerging markets in 1995. Brett graduated with a BSc from the London School of Economics.



Knut Gezelius, Lead Portfolio Manager, joined **SKAGEN** in May 2014. He joined from Goldman Sachs Asset Management in London where he was an Executive Director in the Global Equity team. Previously, Knut held the positions of Senior Lead Analyst at Entergy Corporation in Houston and Senior Consultant at Applied Value Group in Boston.



Marc Hellingrath joined Union Investment in August 2004 as a fixed-income portfolio manager for European banks. Since July 2016, he is Head of the Global Equities department. Prior to this, from January 2007, Marc headed the Financials Corporate Bond Team. As a Senior Portfolio Manager, he was responsible for various corporate bond funds as well as for the research process for Financials. Marc began his professional career in August 2002 at PriceWaterhouseCoopers in corporate finance consulting, where his work primarily involved appraising financial services companies. Having gained banking qualifications, from August 1998 to August 2002 he studied International Management at the University of Maastricht in the Netherlands and at the University of Sydney, Australia. Moreover Marc holds a Master of Business Administration (MBA) degree from and University of Durham Business School/ England and the European Business School Oestrich-Winkel/ Germany. He is also a CFA-charterholder.



Richard Nunn is an actuary with over 50 years' experience in dealing with UK Pension Schemes and their Trustees, sponsors, advisers, asset managers. Now 'retired', Richard joined the Board of the United Reformed Church Ministers Pension Trust Ltd over 15yrs ago and is now the Chair of that Corporate Trustee Board. He was previously Chair of its Investment Committee which oversees the funds of both the Ministers Pension Scheme, the Church's investments in The Pensions Trust which looks after the pensions for the lay staff and some ministers, and the other investable assets of the central URC itself. Richard has been involved with practical ethical issues as a member of the URC's EIAG and participated in other ecumenical gatherings. For the last nine years he was a member of the Steering Group of the Church Investors Group (which he chaired in 2011 through to the end of 2013) supporting the efforts of Christian corporate investors who are actively involved in managing assets ethically. Locally, Richard is a Trustee of St Albans Mencap which provides day support to the Learning Disabled in challenging financial conditions where local government is reducing support for the Charity sector.



Alan Pickering is Chairman of **BESTrustees** and a Trustee of a number of pension schemes. These include The Plumbing Industry Pension Scheme which he chairs and the People's Pension. Alan chairs the governance group of the Royal Mail Statutory Pension Scheme. He was a Trustee of the Kosovo Pensions Savings Trust between 2011 and 2015. Until February 2013, he chaired the financial literacy charity, Life Academy. He has served as a non-executive director of The Pensions Regulator having previously been a member of the Occupational Pensions Board. Alan is a past Chairman of the National Association of Pension Funds (NAPF), now known as the Pensions and Lifetime Savings Association (PLSA) and the European Federation for Retirement Provision (EFRP). His Government sponsored report "A Simpler Way to Better Pensions" was published in July 2002. He is a member of the Rules Committee of the British Horseracing Authority and Vice President of the Racehorse Owners Association.



Dean Stewart has managerial oversight of the rates, currency and research teams within MAM's Fixed Income and Currency division. He is also responsible for investment research and process development which combines his fixed income experience with analytical rigour to continually improve investment processes. During Dean's 20+ years at Macquarie, he has held numerous senior roles, including head of credit, head of research, and head of fixed income and currency. As head of research, Dean authored a number of research papers which have become the backbone of the investment philosophy and processes employed by the team.



Paul Sweeting is a Professor of Actuarial Science at the **University of Kent**, having held a number of roles in pensions, insurance, and investment. He was responsible for developing the longevity reinsurance strategy for Munich Reinsurance, before which he was Director of Research at Fidelity Investments' Retirement Institute. Earlier in his career he gained extensive experience as a consulting actuary advising on pensions and investment issues for a range of pension schemes and their corporate sponsors. He is affiliated to a number of professional bodies: a Fellow of the Institute of Actuaries, a Fellow of the Royal Statistical Society, a Fellow of the Securities and Investment Institute, and a CFA Charterholder. As well as having been elected to the Council of the Institute of Actuaries, he chairs the Finance and Investment Practice Executive Committee and the Global Financial Crisis Group.



Indeesh Tangeraas is a Senior Investment Director in **Cambridge Associates'** London office, leading the EMEA research capability for the global real assets research team, which covers real assets such as real estate, infrastructure and energy. Indeesh has 15 years of experience in the real estate sector. In the past she has advised UK, Dutch and Nordic pension fund investors on their global real estate investment strategy, and identified and conducted commercial due diligence of potential investments for clients. She also advised niche managers on equity raising, business planning and governance, structured sales processes for secondary disposals of LP interests in private real estate funds and structured joint ventures for institutional investors seeking specialist or bespoke real estate investment strategies. Before joining Cambridge Associates in 2013, Indeesh was an Associate Director on the Real Estate Corporate Finance team at Jones Lang LaSalle, based in London and Amsterdam. Prior to her work at Jones Lang LaSalle, Indeesh was a senior analyst and consultant at Cushman & Wakefield, starting her career in Research in 2000, formulating investment strategies for European institutional investors and then moving to Corporate Finance to advise predominantly Nordic and UK pension funds on indirect real estate investments in Europe, Asia and other emerging markets. Indeesh has a Post Graduate Certificate in Real Estate Investment and Finance from the University of Reading and a BSc Economic from the University of Surrey



Stephen Way is head of **AGF's** global equity team and has been portfolio manager of the AGF Global Core Equity Strategy since its inception in 1995. He is the architect of AGF's EVA-based investment process and philosophy and leads the global equity team, leveraging their industry experience and diverse backgrounds to uncover market opportunities. In 1991, Stephen established AGF's wholly owned subsidiary in Dublin, Ireland, running the operations as Managing Director until 1994. Stephen earned a BA in Administrative and Commercial Studies from the University of Western Ontario. He is a CFA® charterholder and a member of the Toronto CFA Society.

Conference Notes

Purpose: This conference aims to examine the key investment challenges currently facing the pension fund investment industry, looking behind the headlines to assess the solutions currently being proposed and the challenges expected to face funds in 2017.

Date: Thursday 10 November 2016 **Venue:** Le Meridien, 21 Piccadilly, London, W1J 0BH. Tel: 020 7734 8000.

Cost: £1250 plus VAT. In addition a limited number of sponsored places are available to representatives of pension funds (and other institutional investors who themselves do not offer investment management services to others) at £850 plus VAT. Please check that you are eligible. The charge includes all conference documentation, drinks, lunch, tea and coffee breaks. Payment is required before the event. A VAT receipt will be supplied on request. SPS Conferences 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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PMI Accreditation: Attendance at the conference will be given 6.5 hours of CPD with the PMI.

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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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 delegates at £850 plus VAT
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