

Absolute Return Strategies Conference

Diversification & Unconstrained Investing for Pension Funds

Thursday 20 April 2017
at Le Meridien Piccadilly, London

Sponsored by:

Allianz Global Investors
Aviva Investors
Franklin Templeton
La Française/Alger
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CPD = 6.5 hours



Programme

08.30 **Registration and coffee**

09.00 **Welcome and Opening Remarks**

TREVOR COOK, MANAGING DIRECTOR,
SPECIALIST PENSION SERVICES

09.10 **Setting the Scene**

MODERATOR: NICOLA RALSTON, DIRECTOR, PIRHO
INVESTMENT CONSULTING

Importance of Risk and Portfolio Construction in an Uncertain World

Investor perception of 2016 is that the year was dominated by risk events. Is 2017 to be a re-run? Faced with ever heightening political risk and tighter valuations, but an apparently more robust global economy, investors are questioning how they should position their portfolios. What are some of the risk events that markets have to navigate during the course of the year? What are the challenges of delivering investor outcomes irrespective of market conditions, and how can the construction of multi-strategy portfolios serve to limit downside risk?

JEROME NUNAN, INVESTMENT DIRECTOR,
MULTI-ASSET, AVIVA INVESTORS

Asset allocation decisions in a big data world

In the age of information overload, managing a multi asset strategy presents investment teams with an ever increasing number of decisions. While technology can help, ultimately pension funds invested in multi asset strategies are reliant on portfolio managers (humans!) to decide how to optimally allocate across investment opportunities. How can you acknowledge the human factor and ensure asset allocation decisions are less impacted by behavioural biases? Can a behavioural finance lens help to more efficiently and effectively translate those views into a portfolio.

STEFAN LÖWENTHAL, CHIEF INVESTMENT OFFICER,
PORTFOLIO MANAGER, MACQUARIE ASSET
MANAGEMENT

10.25 **Coffee / Tea**

10.55 **A Review of FI Strategies**

MODERATOR: RITA POWELL, FOUNDING DIRECTOR,
INSIDE PENSIONS AND INDEPENDENT TRUSTEE

Non Benchmark Strategies as a replacement for Investment Grade Credit

Why a benchmark doesn't work at this stage of the cycle: Duration? Fundamental? Why a non-benchmark strategy is suitable as an investment grade alternative? What components make sense in a low volatility strategy? The importance of asset allocation in deciding weighting. Pitfalls and solutions in implementing a global multi asset credit strategy.

DAVID NEWMAN, HEAD OF GLOBAL HIGH YIELD, ROGGE
GLOBAL PARTNERS (ALLIANZ GLOBAL INVESTORS)

Absolute Return Fixed Income, a potential solution to the zero yield environment

Fixed Income exposure remains a « must » for Institutional Investors. Meeting ALM and return requirements is now much harder in the low-yield environment. How can Asset Managers provide, within the Fixed Income space, a risk-reward profile similar to that of a 'pre-crisis' 10-year bond? One possible solution is to construct an absolute return fixed income portfolio

with a flexible, quasi-unconstrained approach. The ability to implement long and short duration positions under this approach is also a key potential performance driver.

JEAN-LUC HIVERT, CIO FIXED INCOME AND CROSS
ASSET, LA FRANÇAISE ASSET MANAGEMENT

Reaching the Areas Other EMD Strategies Don't Reach

Emerging Markets Debt attracts investors for its relatively high potential returns and diversification, so it's important that a manager has the flexibility to exploit these qualities to the fullest extent. In this Masterclass we will show how a non-benchmark oriented blend of hard and local currency, sovereign and corporate debt can make the most of a risk budget – and how it leads us to some opportunities rarely exploited in other EMD strategies.

NICHOLAS HARDINGHAM, PORTFOLIO MANAGER,
FRANKLIN TEMPLETON

Drinks and Lunch

Looking for the Best Outcome

Moderator: NEIL MCPHERSON, MANAGING
DIRECTOR, CAPITAL CRANFIELD

How to be on the "Write" Side of the Trade

Investors employ equity options to pursue a variety of investment objectives: speculation, hedging, income generation, asset-liability management or arbitrage. Consequently, option markets are in the 'business' of earning premiums to provide investors with defined investment outcomes and routinely assume risks investors are willing to overpay to mitigate. Hence, the most profitable option strategies tend to be on the sell side of the option markets today. This presentation will explore how writing fully collateralized put options using a systematic process can lower volatility, improve drawdown and increase risk-return efficiency for investors' portfolios.

DEREK DEVENS, MANAGING DIRECTOR & SENIOR
PORTFOLIO MANAGER, NEUBERGER BERMAN

Practical Solutions for Pension Schemes

When is it more important not to lose money than to see return? Can volatile markets be your friend rather than a danger? What are the essential differences between an Absolute Return Fund and a Diversified Growth Fund and when should you focus on one strategy rather than another? Can you be too diversified and should you put constraints on a manager? How much diversification do you really need?

KEVIN FRISBY, PARTNER, LANE, CLARK & PEACOCK

The Practical Session

Moderator: NEIL MCPHERSON, MANAGING
DIRECTOR, CAPITAL CRANFIELD

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

PETER VOS, TRUSTEE, INVENSYS PENSION SCHEME
LIAM O'KEEFE, TRUSTEE AND MANAGING DIRECTOR,
CREDIT AGRICOLE CORPORATE & INVESTMENT BANK
TRUSTEES

Drinks reception followed by Close of Conference

12.45

14.00

15.15

16.00

Speaker bios



Derek Devens, CFA, joined **Neuberger Berman** in 2016 as a Managing Director and Senior Portfolio Manager of the Options Writing Team. Prior to Neuberger Berman, Derek was responsible for both Research and Portfolio Management at Horizon Kinetics. Derek was member of the Investment Committee and responsible for co-managing the Kinetics Alternative Income Fund and various separate account strategies. Prior to Horizon Kinetics, Derek was a Vice President with Goldman Sachs' Global Manager Strategies Group where he was responsible for conducting investment manager research. Previously, Derek was a fixed income portfolio manager at both Fischer Francis Trees & Watts as well as Bond Logistics. He received a BS in Civil Engineering from Princeton University and an MBA from New York University. Derek is a CFA charter holder.



Kevin Frisby is a partner in **Lane Clark & Peacock's** investment practice. He joined LCP's Winchester office in July 2008. His main responsibilities include a portfolio of both Trustee and Corporate pension clients, as well as research responsibilities focusing on alternative asset classes. He is recognised as a leading expert in multi-asset investing including "diversified growth", and is a regular conference speaker on this and other topics. He leads LCP's asset class project – a quarterly reassessment of market opportunities and is also working on a number of innovative derivative based solutions with both clients and fund managers. Prior to LCP Kevin spent eight years with another firm of investment consultants as an investment director, and before that Kevin gained six years of pensions investment consulting and Treasury function experience at IBM. He is a Chartered Accountant and is IMC qualified.



Nicholas Hardingham is a portfolio manager and analyst within the EMD Opportunities strategy group at **Franklin Templeton**. Previously Mr. Hardingham worked as quantitative research analyst within Franklin Templeton's global fixed income group. Prior to joining Franklin Templeton in 2002, he worked as a performance analyst at T. Rowe Price International. Mr. Hardingham is a Chartered Financial Analyst (CFA) charterholder and earned a B.Sc. in pure mathematics from Imperial College, London.



Jean-Luc Hivert is CIO – Fixed Income & Cross Asset at **La Française AM**. Jean-Luc Hivert has nineteen years of professional experience beginning in 1997 with Vega Finance as fund manager prior to moving on to Cyril Finance as Convertible Bonds Manager. Jean-Luc has been with La Française AM since 2001 where he has occupied different positions including Head of Convertibles and Credit and Head of Fixed Income, before being appointed to his current position. Jean-Luc Hivert holds a MASS (graduate degree) in applied mathematics and social sciences (1993), a MIAGE (Méthodes Informatiques appliquées à la Gestion d'Enterprise) – Master's degree in business data processing (1995) and a DESS (post graduate qualification) in Finance from the University of Paris VI (1996).



Stefan Löwenthal is the Chief Investment Officer of **Macquarie's** Global Multi-asset team, based in Vienna. He chairs the investment policy committee and the portfolio management team. He began his career at Macquarie in 2008 as a portfolio manager. He holds a Master of Management Science from Vienna University of Economics and Business and is a CFA Charterholder.



Jerome Nunan is an investment specialist focusing on Aviva's multi-asset capabilities. He works closely with portfolio managers to articulate their investment process, portfolio positioning and investment performance to clients and consultants around the world. Prior to joining **Aviva Investors** in 2009, Jerome worked at Deutsche Bank in Global Prime Finance. He began his career in the investment industry in relationship management. Before this Jerome spent ten years in the British Army serving with the Royal Tank Regiment. Jerome holds a BA (Hons) in Modern Languages from the University of East Anglia and an MBA from Cranfield University School of Management.



David Newman manages Global High Yield and Multi Asset Credit strategies at **Rogge Global Partners***. David has 27 years' experience across the credit markets and has held senior research and trading roles at UBS and Citi prior to joining Rogge in 2009. He has received numerous number one rankings for high yield research and strategy from Euromoney and Credit magazines. David has an MBA from CASS Business School, London and a BA (Hons) from University College London. *Rogge Global Partners was acquired by Allianz Global Investors GmbH on the 1st of June 2016.



Peter Vos retired from Parker Hannifin Corporation in 2012 where he had worked for 31 years. He is a Chartered Accountant and held a variety of senior financial roles until moving into general management to head up SSD Drives Europe in the engineering sector. Before the Parker acquisition in 2005 he worked as CFO at Baan, a software company, in the Netherlands. As a Member-Nominated Trustee of the **Invensys Pension Scheme** since February 2013, he brings substantial pension experience, having been a trustee of many of the schemes of his former employers. He is also a trustee of several charities.

Conference Notes

Purpose: This conference aims to consider the rationale for and the benefits of pursuing various diversified, non-benchmarked and other non-traditional investment strategies and to look at a selection of opportunities available to pension funds. As well as talks on a variety of diversified and non-benchmarked strategies, we aim to also compare strategies and explore what different approaches can offer investors and to consider practical issues such as risk management, liquidity management, hedging, due diligence and fees.

Date: Thursday 20 April 2017 **Venue:** Le Meridien Piccadilly Hotel, London W1J 0BH T: 020 7734 8000

Cost: £1590 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 £1190 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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