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CONFERENCES

Informing Pension Funds

Annual Bond Investment Strategies for Pension Funds

Thursday 10 January 2019
at Le Meridien Piccadilly, London

Sponsored by:

**Capital Group
CQS**

**Kames Capital
Muzinich & Co.**

**Newton Investment Management
TwentyFour Asset Management**



Media Partners:

Investment & Pensions Europe
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This conference is arranged
by SPS Conferences



www.spsconferences.com
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 **Setting the Scene**

MODERATOR: GILES PAYNE, PROFESSIONAL TRUSTEE, CAPITAL CRANFIELD

Rising dispersion in credit markets: capturing opportunities in Multi Asset Credit

Credit

We believe portfolios should be structured and positioned to reflect the growing levels of dispersion which have been a key recent theme in financial markets. The forces driving this are evident in leading macroeconomic indicators across a variety of geographies, as well as at the micro level, where more idiosyncratic economic cycles are at play. Diverging monetary and fiscal policies will exaggerate this dispersion and introduce new technical risks, such as capital flows, which need to be anticipated and managed, as do systematic risks from the reduction in the trading balance sheet of banks and the rise of daily liquidity funds. We believe this dispersion and volatility presents an opportunity for long-term investors as well as a risk. However, with parts of the credit markets experiencing a compression in risk premiums, driven in part by the move in the risk-free rate and US monetary tightening, we believe investors need to be both nimble and highly selective with respect to asset specific and geographic investments. Finally, while geopolitical risk and its influence on markets, including the populist movements and the impact of terrorism, have abated somewhat, portfolio managers must continue to be mindful of these risks.

CRAIG SCORDELLIS, HEAD OF LONG-ONLY MULTI ASSET CREDIT, CQS

Opportunities in European Asset Backed Securities

Income is hard to come by these days. Ultra-low interest rates have meant that previous sources of income have become increasingly elusive. That is why asset backed securities (ABS) – once shunned in the wake of the financial crisis – are now back in favour. They are one of the few types of bonds which are able to deliver an attractive return today. This session will cover an overview of the Euro ABS market, fundamentals and technicals driving the market and how ABS can fit into a fixed income portfolio.

BEN HAYWARD, PARTNER, PORTFOLIO MANAGER TWENTYFOUR ASSET MANAGEMENT

10.40 **Coffee / Tea**

11.10 **Income and Liquidity**

MODERATOR: BOB HYMAS, TRUSTEE EXECUTIVE, BESTRUSTEES

Don't be Frozen Out by Illiquid Bonds Markets

Compared to a decade ago there is significantly less liquidity in global bond markets. What are the reasons for the decline in market liquidity? Why this is likely to persist and what are the implications for pension schemes and asset managers? The session will examine what this means for investor expectations, pricing, capacity management, and the prospects for active investment strategies such as absolute return bond funds.

STEPHEN SNOWDEN, CO-HEAD OF FIXED INCOME, KAMES CAPITAL

The Power of Income: The role of higher yielding, liquid fixed income in a derisking portfolio

As pension funds move cashflow negative and derisk, they need to consider income and liquidity alongside the traditional metrics of risk and return. Liquid, higher yielding fixed income – in particular Corporate high yield and Emerging market debt – can have an interesting role to play in this context. Given the turbulence in those markets, why do we think they should be a strategic allocation in a portfolio?

JEREMY CUNNINGHAM, INVESTMENT SPECIALIST, CAPITAL GROUP

12.25 **Drinks and Lunch**

13.35 **ESG and Late Cycle Investing**

MODERATOR: GEORG INDERST, INDEPENDENT CONSULTANT

Outcome Orientated Investing – Using Fixed Income for Sustainable Goals

The period of extremely loose monetary policy is coming to an end and bond yields are on the rise once more. The investment cycle over the next couple of years may continue to be challenging for bond investors, so using historical data as our framework, we will attempt to guide investors. We will also reveal the important role that themes play in our investment process, and how we use them to enhance our fixed income investments. A growing area of influence is the integration of Environmental, Social and Governance (ESG) analysis into our bond-selection process, which we believe can have a significant positive impact. The importance of adding ESG considerations to the fixed-income investment process will, in our view, become increasingly apparent over the coming years and we will aim to demonstrate how a sustainable approach to bond investing can add value.

PAUL BRAIN, INVESTMENT LEADER, FIXED INCOME TEAM, NEWTON INVESTMENT MANAGEMENT

Multi Asset Credit and Late Cycle Investing

SPEAKER TO BE CONFIRMED, MUZINICH & CO.

14.50 **Coffee / Tea**

15.10 **Practical Issues**

MODERATOR: TO BE CONFIRMED

Putting it all together

With such a lot going on in the economy and so many investment opportunities apparently available at the moment, how do pension fund trustees choose? Today's presentations demonstrate the extent of the opportunities in fixed income alone but how should trustees choose which are the most appropriate opportunities for their fund and how can you best combine opportunities to enhance return and reduce risk?

SPEAKER TO BE CONFIRMED

A panel of pension scheme executives and trustees will talk about their pension fund's fixed income investment strategies and experiences. Panellists to be confirmed.

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

Speaker bios



Paul Brain is Investment Leader of the Fixed Income team. He joined Newton in 2004, and manages a range of global bond portfolios. He is also the lead manager of Newton Global Dynamic Bond strategy. Paul is chairman of the bond/ FX strategy group, and a member of the global strategy group and the investment committee. Paul has held a number of senior fixed income positions within the industry at MSG & Partners, Investec and Credit Suisse.



Jeremy J.W. Cunningham is an Investment Specialist at **Capital Group**. He has 31 years of industry experience and has been with Capital Group for two years. Prior to joining Capital, Jeremy worked as head of EMEA fixed income business development at Alliance Bernstein. Before that he was head of product management at Schroders. Earlier in his career he was a fixed income portfolio manager at INVESCO, J.P. Morgan Fleming and Merrill Lynch. He holds the Chartered Financial Analyst® designation. Jeremy is based in London.



Ben Hayward is one of the founding partners of **TwentyFour** and a Portfolio Manager. He is a member of the firm's Executive Committee which has the overall responsibility for the day to day running of the business. Ben's main responsibility is managing the ABS business, having launched the Monument Bond Fund, TwentyFour Income Fund, UK Mortgages Ltd and more recently Monument European ABS, as well as managing a number of institutional mandates. He is a member of the Investment, Risk and Product Committees. Ben has 20 years fixed income portfolio management experience, having spent 9 years at Citigroup Alternative Investments where he was responsible for managing four vehicles that invested \$100bn across asset-backed securities and credit.



Craig Scordellis Craig is CQS' Head of Long-Only Multi-Asset Credit, responsible for the firm's long-only multi-asset credit business. Prior to this role he headed global loans and was responsible for managing the firm's loan mandates, including those in a variety of multi-asset credit funds and collateralised loan obligations (CLOs). Craig chairs the Asset Advisory Committee for the CQS Credit Multi Asset Fund and is a Partner of CQS (UK) LLP. Prior to joining CQS in 2008, Craig was a Senior Investment Analyst and Assistant Portfolio Manager at New Amsterdam Capital Management, a credit hedge fund. Before this, he was an Associate at the Royal Bank of Scotland where he structured leverage finance and high yield bond transactions. Prior to RBS, Craig was on the Deutsche Bank Investment Banking graduate program. Craig holds a BSc (First Class Hons) in Business Administration from the University of Bath.



Stephen Snowden is Co-Head of Fixed Income at **Kames Capital**. He specialises in investment grade credit and co-manages two investment grade bond funds and an absolute return bond fund. He re-joined Kames Capital in July 2011 from Old Mutual Asset Management where he managed a corporate bond fund. Stephen started his career with us in 1994, initially focusing on equities before moving to the fixed income team to manage corporate bond funds. He has a first class honours degree BSc Finance and an MSc Finance from Queens University Belfast. He has 24 years' industry experience.

Conference Notes

Purpose: This conference aims to examine a range of the more important and pertinent issues, challenges and opportunities facing pension funds in managing their bond investments in the current environment. We will look to include consideration of the prospects for bond markets and to take into account practical implementation issues whilst also assessing the various options for improving returns and managing volatility and other risks.

Date: Thursday 10 January 2019 **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 Annual Bond Investment Strategies Conference** taking place on 10 January 2019.

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 £1650 + VAT may be available. Please enquire to Sue Golton sue@spsconferences.com.

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