

SPS ALTERNATIVE INVESTMENT STRATEGIES FOR PENSION FUNDS

MAKING DIVERSIFICATION WORK!

THURSDAY 11 FEBRUARY 2010

AT LE MERIDIEN, PICCADILLY, LONDON

PROGRAMME

This conference is arranged by **SPS Conferences**

Sponsored by:

AMP CAPITAL INVESTORS

BNY MELLON ASSET MANAGEMENT

CREDIT SUISSE SECURITIES

GAM LONDON LIMITED

MORGAN STANLEY INVESTMENT MANAGEMENT

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Programme

08.30 **Registration and coffee**

09.00 **Welcome**

TREVOR COOK, MANAGING DIRECTOR, SPECIALIST PENSION SERVICES

09.10 **Setting the Scene**

The Place of Alternatives in Pension Fund Portfolios in 2010

Where are we now? How to decide what is right for your fund? Which Alternatives make sense? Can Alternatives really provide diversification?

SIMON MARTIN, PRINCIPAL, INVESTMENT CONSULTING PRACTICE, AON CONSULTING

“Adding Value to Infrastructure Portfolios”

Introduction to infrastructure; Expected risk and return profiles from infrastructure sectors and assets; Hard lessons from the last few years; Four key value add drivers.

RICHARD SHIELDS, MANAGING DIRECTOR, AMP CAPITAL INVESTORS

“Currency Risk Management from a UK pension (sterling based) Perspective”

What is currency risk and how does it add to the over all portfolio risk? Examples of how it might have effected a sterling based investor in 2009; - What are the approaches to managing it: Leave unhedged, partial hedge/fully hedged, active hedging? The rationale for the different approaches and the evidence to support active hedging.

MICHAEL SHILLING, CHIEF EXECUTIVE OFFICER, PARETO INVESTMENT MANAGEMENT LTD, SPECIALIST ASSET MANAGER OF BNY MELLON ASSET MANAGEMENT

10.50 COFFEE / TEA

11.10 **Looking for Opportunities**

“Putting Hedge Funds in their Place”

Characteristics of the different hedge fund strategies; The use of Trading strategies for non-directional absolute return; Improving efficiencies of equity portfolios; Opportunities in Arbitrage: investing in Event Driven.

NICK SPENCER, HEAD OF INSTITUTIONAL UK, GAM

“Private Equity Investing in a New Era”

Anomalous debt markets have corrected, leverage is scarce, mega-cap buyouts are dead, and distressed opportunities appear to be in abundance; but where do the private equity opportunities really lie in the post-financial-crisis world, and how can investors take advantage of them?

NEIL HARPER, EXECUTIVE DIRECTOR, MORGAN STANLEY ALTERNATIVE INVESTMENT PARTNERS

12.30 **Drinks and Lunch**

14.10 **Further Opportunities**

MODERATOR: MARK TAPLEY, ADVISOR, LLOYD'S REGISTER SUPERANNUATION FUND ASSOCIATION

“Longevity Related Investments”

Financial innovations in life settlements have spurred significant interest and inquiry as well as returns. Securitized life insurance policies, a tradable index and ratings criteria have all evolved to support the unique opportunity presented within this emerging asset class.

ANDREW REID, DIRECTOR, LIFE FINANCE GROUP, CREDIT SUISSE

“Distressed Investing Across the Liquidity Spectrum”

The economic slowdown coupled with aggressive lending standards over the last several years has increased the potential supply of distressed credits globally. How can investors with different liquidity profiles benefit from this significant opportunity set?

JOSEPH MALICK, MANAGING DIRECTOR & **JEFF MAJIT**, SENIOR VICE PRESIDENT, NEUBERGER BERMAN

15.30 COFFEE / TEA

15.50 **Practical Issues**

MODERATOR: NANCY MARSHALL, ASSOCIATE, INSIDE PENSIONS

“Transparency and Risk Management of Alternative Investments”

Transparency and risk management is a major concern for all fund managers and their pension fund investors. The gap between what fund managers are comfortable providing, and what investors want to see can widen during times of market stress. After the biggest financial crisis since the great depression, the need for greater control & access to data to allow pension funds to take control of their investments and risks is absolute, especially where there is a desire to increase exposures to alternative investments.

JONATHAN MARTIN, BOARD MEMBER, & **ALEX LOWE**, CHIEF ADVISOR, SRL

“Panel Session”

A pension fund panel will talk about their experiences of investing in Alternative Assets. Panelists include:

DAVID HALL, TRUSTEE, PEARSON PLC PENSION SCHEME

ANTHONY STERN, DIRECTOR, INTERCONTINENTAL HOTELS UK PENSION TRUST

17.00 **Close of Conference** & drinks reception.

Speaker Biographies



Neil Harper is a portfolio manager for the Private Equity Fund of Funds group at **Morgan Stanley**. He joined AIP in January 2007 to lead investment activities in the London office. He has 19 years of relevant industry experience. Prior to joining AIP, he was a partner at McKinsey & Company in Europe, North America and Asia providing consulting services to corporate and private equity clients on strategy, performance improvement, mergers and acquisitions and corporate finance. Previously, he worked for Arthur Andersen providing audit, corporate finance and financial advisory services. Neil received an M.A. with first class honours in economics and accounting from the University of Edinburgh and an M.B.A. with honours in finance and strategy from the University of Chicago. He is a member of the Institute of Chartered Accountants of Scotland and holds the Chartered Alternative Investment Analyst (CAIA) designation.

Alex Lowe is Chief Advisor at **SRL**. Previously he was Chief Executive of Man Global Strategies leading a team of 65 people running up to \$18bn predominantly in managed accounts for the retail and structured products of Man Investments. Negotiated agreements with and seeded a number of early stage managers and substantially restructured the business to manage conflicts and allow the construction of portfolios suitable for both institutional and retail clients and represented those portfolios to the clients through some of the most challenging markets in the recent era. Member of Man Group Management Committee.



Jeff Majit, CFA, Senior Vice President, joined **Neuberger Berman** in 2000. He is the Head of European Investments and also serves as the Head of Event Driven & Relative Value Strategy Research on the NB Funds of Hedge Funds Investment team. Prior to joining the firm, Jeff worked in Investment Banking for Lehman Brothers' Global Power and Project Finance group where he worked on M&A advisories as well as Capital Markets Financings. Jeff graduated Phi Beta Kappa from Amherst College, earning a BA with concentrations in Economics and Asian Languages & Civilizations. Jeff has been awarded the Chartered Financial Analyst designation.



Joseph A. Malick, Managing Director, joined **Neuberger Berman** in 2000. He is Head of the Private Equity Fund of Funds group in Europe and a member of the Fund of Funds Investment Committee. Prior to joining the firm, Joseph was an attorney at the law firm of Akin, Gump, Strauss, Hauer & Feld, L.L.P., where he was engaged in a broad-based corporate and securities law practice. Joseph received a BSE in Electrical Engineering from Duke University as well as a JD and MBA from Southern Methodist University, where he was a citation editor of *The International Lawyer*. Joseph is a member of the State Bar of Texas.



Jonathan Martin is Strategist at **SRL**. From 2002 to 2009 he worked at BlueCrest Capital as a Principal and Head Of Risk, serving on the capital allocation, valuation and operating committees. Prior to joining BlueCrest Jonathan spent seven years at JPMorgan as salesman, structurer and strategist in derivatives.



Simon Martin is an Investment Principal at **Aon Consulting**. He is an actuary and has been working in the pensions industry for nearly 30 years. He was the Head of Aon's Technical and Research Department before joining their Investment Practice in 2003, and is Aon's UK expert on Alternative Investments, especially Hedge Funds. Prior to joining Aon in 1996, Simon has had a varied career in pensions. He started work in the AVC Department at the Equitable Life, moved on to being a Scheme Actuary at Mercer and then spent 4 years in the 1990s working as a Staff Actuary at the Institute of Actuaries, training students to pass their exams and qualified actuaries to gain their CPD. Simon regularly speaks at seminars and has been involved in various actuarial committees.



Andrew Reid is a director in the UK team of **Credit Suisse's** Life Finance Group. The Group trades and structures products related to mortality risk. Andrew is responsible for the Group's European hedging business, its European regional structuring team and its relationships with consultants globally. Andrew joined Credit Suisse in 2008, after 17 years at Watson Wyatt, latterly as head of corporate consulting in its pensions consultancy practice. Andrew holds an MA (Hons) from the University of Oxford.



Richard Shields, BEc (Hons), ASIA, Managing Director, **AMP Capital UK and Europe**. Richard heads up AMP Capital's UK office. He was appointed to this role in March 2008. Prior to this, Richard was Executive Director of AMP Capital Redding Investors, where he was responsible for managing business development and strategic relationships across the company's global property securities business. In his time at AMP Capital, Richard has also been Manager of Institutional Product Development and Senior Investment Specialist, Property. He also served as Fund Manager for the Development Australia Fund, an Australian Private Equity Fund of Funds. Richard joined AMP Capital in 1993 in the Client Servicing Division, where he was responsible for wholesale business development, servicing major institutional superannuation funds and investment management for general insurance clients. Before joining AMP Capital, Richard had several positions in Australian financial markets, including General Manager of Financial Markets for Australian Bank and as an Executive Manager in the Commonwealth Bank's Capital Markets division.



Michael Shilling joined **Pareto** in September 1998 as Director, Portfolio Services. In this role he took responsibility for client service and day-to-day delivery of all Pareto's products. Having spent some time in Pareto's New York affiliate, Mike returned to London to assume the position of Chief Executive Officer in October 2004. He was previously employed as Director of Portfolio Management at Record Treasury Management, a UK based firm specialising in currency risk management and treasury consultancy. Mike has spent over 20 years in Currency Management advising clients on a wide range of treasury and risk management issues and has been responsible for devising and implementing currency overlay programs for international investors and corporations. He has made numerous contributions to professional publications and has been a speaker at several industry conferences and seminars. Mike is an associate member of the Association of Corporate Treasurers. Mike holds a BA in Philosophy, Politics and Economics from University College, Oxford.



Nick Spencer is Head of Institutional, UK. Prior to joining **GAM** in April 2009, Nick was head of European consultant relations and a member of the Alternative Investment Solutions team at Lehman Brothers Asset Management. Nick started his career at Bacon & Woodrow (now Hewitt Associates) as a senior investment consultant working with UK and European pension funds, family offices and sovereign wealth funds before joining Putnam Investments as a consultant relations manager for the UK and Europe. Nick is a Fellow of the Institute of Actuaries and holds a first class degree in mathematics from Cambridge University.



Anthony Stern is a Director of **InterContinental Hotels (IHG) UK Pension Trust**. He has considerable experience in banking, finance and consumer-related industries. He was Director of Treasury for Bass and InterContinental Hotels from 1988 to 2003, where he managed investments and organised financing for mergers and acquisitions. For fifteen years he was a member of the investment committee and then a trustee of the group's pension fund. Prior to that he worked for Dixons, Marks & Spencer and Chase Manhattan Bank. He was educated at Oxford University and Manchester Business School. In 2001 and 2002 he was President of the Association of Corporate Treasurers. He has written for the Economist Intelligence Unit on aspects of financial markets. During 2008/9 he worked for one of the TUJ Group PLC pension schemes, also helping to establish and chairing a new group Common Investment Fund. He is a member of the UK Competition Commission, investigating anti-trust issues, currently reviewing a potential merger in the on-line genealogy market.

Conference Notes

Purpose: This conference will examine the role of alternative Investments in diversifying risks and improving the returns of pension fund portfolios. In doing so, we will consider the issues currently facing pension funds and look at why and how alternative strategies are being employed to address these. As well as examining some of the more established alternative strategies, we will seek to find out if there is a next generation of alternative investments.

Date: Thursday 11 February 2010.

Venue: Le Meridien, 21 Piccadilly, London, W1J 0BH. Tel: 020 7734 8000.

Cost: £865 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 £435 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.

Cancellation: prior to 1 February 2010 subject to a fee of £60.00. No refunds can be made if cancellation is after this date but delegates may be substituted at any time.

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.

PMI Accreditation: Attendance at the conference will be given 6 ½ hours of CPD with the PMI.

Data Protection: Personal data is gathered in accordance with the Data Protection Act 1998. Your details may be passed to other companies including the conference sponsors who may wish to provide you with offers or other information related to your business activities. If you do not want to receive such information please tick the box in the booking form below.

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Booking Form

Please read the Conference Notes, then complete the details below.

Please reserve place(s) at The **SPS Alternative Investment Strategies for Pension Funds Conference** taking place on 11 February 2010.

- complimentary
- delegates at £865 plus VAT @ 17.5% = £1016.38
- delegates at £435 plus VAT @ 17.5% = £511.13
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