THE SPS ANNUAL BOND INVESTMENT STRATEGIES FOR PENSION FUNDS CONFERENCE

Still On or Now Off The Rollercoaster?

THURSDAY 14 JANUARY 2010

AT LE MERIDIEN, PICCADILLY, LONDON

PROGRAMME

This conference is arranged by **SPS Conferences**

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12/01/2010

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: **David Bennett-Rees**, Independent Trustee

"The Outlook: Money and Credit Markets in a Real Economy Context"

An overview of recent global macro developments and how they will affect money and credit markets moving forward in 2010.

Michael J Oliver, Associate, Lombard Street Research

"Taming the Credit Rollercoaster: How to Achieve Consistent Fixed Income Alpha"

With credit volatility at its highest since the Great Depression most manager returns have shown sizeable drawdowns; Some risk management systems have been shown to be flawed; Can we achieve consistency using diversification? Can using multi-dimensional risk management to ensure diversification really perform throughout the crisis and beyond.

John Butler, Global Bond Strategist and **Paul Skinner**, Fixed Income Investment Director, Wellington Management

10.30 Coffee / Tea

11.00 **Looking for Return**

Moderator: **Nick Greenwood**, Pension Fund Manager, Berkshire Pension Fund

"The Search for Yield Post 2007 – 2009"

How yields catalysed the crisis yet persist today; Credit: Was it a trade or is it a strategic allocation? The spector of rising interest rates; Need for global orientation; Possible emergence of new sectors: supply and demand.

John Redding, VP, Portfolio Manager, Eaton Vance Management (International) Ltd

"High Yield Prospects in 2010 After a Record Year

What happened in 2008 & 2009; How fundamental analysis can add value; Spreads and Yields; Natural inefficiency; Outlook for 2010.

George Muzinich, President, Muzinich & Co.

12.20 **Drinks and Lunch**

13.50 **Credit Opportunities**

Moderator: **Trevor Cook**, Managing Director, Specialist Pension Services

"Is There an Alternative to Market Capitalisation- Weighted Credit Benchmarks?

Why is it still common practice for fixed income portfolios to be managed with reference to market Capitalisation-weighted benchmarks? Why should investment weighting be governed by the level of borrowing that an issuer raises in the market? If the most profligate borrower has the largest representation in the index won't this inevitably lead to disappointing results? Does poor performance often follow large increases in outstanding corporate debt? Are there better approaches to providing access to the full range of bonds issued? Should investors consider a different approach?

Jeremy Cave, Senior Client Portfolio Manager, J.P. Morgan Asset Management

"Credit Markets in the Next Stage of an Economic Recovery"

Once in a lifetime spreads have gone, where now? Opportunities in 2010 and beyond; Why surfing the wave is 'risky' - we look at what those risks are and how to insulate yourself from them.

Roger Sadewsky, Investment Director Fixed Income, Standard Life Investments

15.10 Coffee / Tea

15.40 **Emerging Markets and Panel Session**

Moderator: **Trevor Cook**, Managing Director, Specialist Pension Services

"Emerging Markets: 'The Grown-up Asset Class'"

Overview of Emerging Market Debt market; Trading opportunities and market timing; EM versus developed market debt fundamentals – The rationale behind why EM Debt should be considered a standalone asset class; What is driving the absolute performance of EM debt? What is driving the relative performance of EM debt, foreign exchange, and equity? What is driving the relative performance of EM local currencies?

Richard Walsh, Portfolio Manager, Emerging Markets Fund, BlueCrest Capital Management

"Panel Session"

A panel of pension scheme executives and trustees will talk about their experiences.

Simon Lee, Head of Investments, Lloyds TSB Group Pensions

David Bennett-Rees, Independent Trustee

17.00 **Close of Conference** & Drinks Reception

Speaker Biographies

John Butler is a global bond strategist and member of **Wellington Management**'s Global Bond Strategy Group. John contributes to the management of global fixed income portfolios for the firm's clients around the world. John also leads the development of the team's macroeconomic strategy in the UK and Europe. Prior to joining Wellington Management in 2007, John was the head of UK and European Economics at HSBC Investment Bank (2000 – 2007). Before that, John worked at the Bank of England in their Monetary Analysis Department helping to provide forecasts for the Monetary Policy Committee and contribute to the quarterly Inflation Report (1995 – 2000). John has an MSc in economics (1994) as well as a first class degree, BSc in economics (1993) both from the London School of Economics.

Jeremy Cave, Managing Director, is a senior client portfolio manager within the International Fixed Income Group at **J. P. Morgan Asset Management**. In this role, Jeremy is responsible for client management, product design and new business development in the UK Institutional market. Prior to joining the firm in September 2009, Jeremy was the Chief Investment Officer at Flagstone Capital Management, overseeing a global portfolio invested across fixed income, equities, real estate, commodities and other asset classes. Before that, he spent six years at Schroder Investment Management holding various roles including head of pan-European fixed income, head of UK fixed income and head of fixed income business development. During that period, Jeremy was responsible for £8 billion in fixed income assets, including government, aggregate and corporate bond portfolios. Prior to this, Jeremy was at Citigroup Asset Management for 16 years, serving as the head of global fixed income from 1994 to 2002. Jeremy holds a B.Sc. in Agriculture from Edinburgh University.

Simon Lee is responsible for managing the investment arrangements of the **Lloyds TSB Group Pension Schemes** within the Lloyds Banking Group. He supports the Trustees of both the DB and DC schemes in developing and implementing their investment strategies. Prior to joining Lloyds TSB in April 2008, Simon spent 13 years at telent (formerly Marconi and GEC) where he was Head of Strategy & Investment for their UK pension schemes. He previously worked in property and pensions management and is a Chartered Accountant, having qualified with Deloitte Haskins and Sells (now part of PwC). He is a graduate of the University of Southampton.

George Muzinich founded **Muzinich & Co.**, Inc. in 1988. He started his investment career in 1971 with Brown Brothers Harriman & Co., where he worked in that firm's New York and Zurich offices and later opened and managed its Paris Office. From mid-1984 through mid-1988, George was President of Hoguet, Muzinich, Keller & Co., a securities firm that was subsequently sold to a major European institution. He has a B.A. from Wesleyan University and an M.B.A. from New York University's Graduate School of Business.

Michael J Oliver is a professor of economics with 20 years experience working in financial consultancy and academia. He has held several senior appointments at universities in the US and UK and is currently Professor of Economics at ESC Rennes School of Business, France; an associate of **Lombard Street Research** and a director of Global Partnership Family Offices. He has published extensively on monetary economics, exchange rate policies and macroeconomic history. His recent book Economic Disasters of the Twentieth Century (published by Edward Elgar in 2007) has attracted widespread critical acclaim.

Roger Sadewsky is an Investment Director on **Standard Life Investments'** fixed income desk, with 23 years' investment experience. He manages various corporate bond portfolios and also engages in credit market research, including emerging markets. In addition, Roger is responsible for enlarging the company's expertise in credit derivatives. Prior to joining Standard Life Investments in 2004, Roger held the position of Vice President at JP Morgan Securities. There he specialised in investment-grade credit, latterly concentrating on sterling business and the use of derivatives. Roger holds a BA in Politics from the University of York, an MBA from Cranfield School of Management and the Investment Management Certificate.

John Redding is a Vice President and Portfolio Manager of **Eaton Vance's** senior loan funds. He has been a member of Eaton Vance's Bank Loan Team since 1998. In September 2005, John relocated to London to lead the group's entry into the European loan market. He previously focused on credit analysis for the Gaming and Movie Theater industries, asset backed transactions and stressed loan situations (having served on several steering committees for lender syndicates). Previous associations: Leveraged Loan Credit Analyst, Erste Bank and Creditanstalt-Bankverein. John earned his BS from the State University of New York at Albany and is a current Board Member of the LMA and the LSTA.

Paul Skinner is as an investment director, and coordinates product development, marketing and customization of **Wellington Management**'s fixed income capabilities for clients and prospects. He is also a member of the Global Bond Strategy Group, meeting quarterly to decide on medium- to long-term investment strategy. He has over 20 years of global fixed income investment management experience. Prior to joining the firm in 2005, Paul worked as fixed income and currency product specialist at Gartmore (2001 – 2005). Before that, he was a business developer at WestLB Asset Management (1999 – 2001), and product specialist for Asset Allocation at Barings Asset Management (1998 – 1999). Paul spent four years in Singapore working for Standard Chartered Bank and Credit Agricole Bank as head of Investment Group (1994 – 1998). He started his career with nine years as a global fixed income and currency investment manager with CSFB Investment Management, SBC Portfolio Management, and Mercury Asset Management (1985 – 1994). Paul received his MA (1988) and BA (1985) in chemical engineering from Cambridge University. He is a Member of the Securities Institute in London.

Richard Walsh joined **BlueCrest Capital Management** as a portfolio manager in 2009. From 2007-2008 Richard was a portfolio manager and senior member of the EM/Macro fund at GLG Partners. Prior to this, from 2001-2007, Richard was the head portfolio manager for EMSO, a $1.2bn hedge fund owned by Citigroup and from 1997-2000 was a member of the Salomon Brothers Proprietary Trading Desk specialising in emerging markets. Richard has also worked at Mercer Consulting and Deutsche Bank . Richard has a BSc in Acturial Science and an MSc in Finance from Cass Business School.

Conference Notes

Purpose: This conference will examine the role of bonds in pension fund portfolios, asking questions such as: Should pension funds use bonds for both liability matching and return purposes? What should pension funds do with their cash? Is there such a thing as a risk free return? Should actuaries consider different models? We will look at both mainstream and alternative strategies and consider performance, prospects and practical application issues such as credit ratings.

Date: Thursday 14 January 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 31 December 2009 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 6½ 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.

Specialist Pension Services: please visit our website: ***www.spsconferences.com*** for an update of this conference and details of the other specialist pension and investment conferences we organise.

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 for Pension Funds Conference** taking place on 14 January 2010.

❑ delegates at £865 plus VAT @ 17.5% = £1016.38

❑ delegates at £435 plus VAT @ 17.5% = £511.13 (only applicable to trustees and other representatives of pension funds who do not themselves offer investment advisory services to other institutions).

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❑ Please invoice me/my company (payment to be made before event).

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