Investment Strategies in a Risk Framework for Pension Funds

Facing the Challenges

Thursday 13 May 2010

at Le Meridien, Piccadilly, London

Programme

This conference is arranged by **SPS Conferences**

Sponsored by:

Aegon Asset Management

Hymans Robertson

ING Clarion Real Estate Securities

Janus Capital Group

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PMI Accreditation 6½ hours

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12/05/2010

Programme

08.30 **Registration and coffee**

09.00 **Welcome and Opening Remarks**

Trevor Cook, Managing Director, Specialist Pension Services

09.10 **Controlling Risk**

Moderator: Judy Saunders, Chief Investment Officer, West Midlands Metropolitan Authorities Pension Fund

"A Risk Based Approach to Long Term Strategy"

Making the case for adopting a risk based approach to setting the long term investment strategy and a dynamic approach to asset allocation. Ensuring proper consideration of both the actuarial valuation and investment strategy in combination and developing a proper risk management plan.

John Dickson, Head of Investment Consultancy, Hymans Robertson

"Generating True Asset Asymmetry"

Investing is a cyclical business - the challenge of investing through the cycle. Examining how the perception of what happens can change as a result of your viewpoint and whether it is possible to force oneself to look from different angles. Accepting that discipline will be required to ensure greed doesn't dominate.

Olaf van den Heuvel, Head of Strategy, AEGON Asset Management, The Hague

10.30 Coffee / Tea

11.00 **Risk and Reward**

Moderator: Andrew Elliott, Senior Investment Consultant, Hymans Robertson

"Slicing your Portfolio Risks and Constructing Robust Solutions"

Assessing your portfolio across traditional and new risk metrics. Looking at Alternative Investments; Capturing opportunities and understanding the risks. Reviewing funding levels and the implications for the return seeking portfolio.

Joseph McDonnell, Head of Portfolio Solutions in EMEA, Senior Portfolio Manager for Diversified Alternatives, Alternative Investment Partners, Morgan Stanley Investment Management

"An Analyst's Perspective on Risk and Research"

Why talking to management is not research. Considering how tools such as proprietary surveys can help identify emerging trends before they are widely recognized; Considering why risk is a key consideration for an effective analyst; Can a fixed Income perspective help inform risk/reward decisions in the equity world?

Wahid Chammas, Managing Director, Equity Research, Janus Capital Group

12.20 **Drinks and Lunch**

13.50 **Practical Solutions: Using Diversification**

Moderator: Trevor Cook, Managing Director, Specialist Pension Services

"Real Estate Diversification"

Reviewing the reasons for investing in real estate in a multi asset portfolio; Considering opportunities within the asset class and whether they can work together to provide a compelling investment opportunity; Looking at the means of diversifying by approach, country, sector and return profile; The case for Real Estate; Local or Global exposure; How to get that exposure - Unlisted v Listed.

Guy Seaborn, Senior Vice President, European Marketing and Client Service, ING Clarion Real Estate Securities

"Communicating Trustee Responsibilities: An Outsider Looking at the UK"

How can trustees best ensure that they know what is happening to their fund and are seen to stay in control of investment policy and fund strategy? How does UK trustee education stack up against education in other European countries? How can communication between trustees and suppliers be improved? Using External Advisers to best effect.

Peter Kraneveld, Secretary, A-ERE

"Panel Session"

Pension scheme executives will discuss their funds' strategies and experiences and in particular how their funds are coping with current challenges.

Roy Gillson, Chief Executive, Aerion Fund Management Ltd.(National Grid UK Pension Scheme)

Ian McKnight, Investment Strategy Manager, Royal Mail Pensions Trustees Limited

16.00 **Close of Conference** & Drinks Reception

Speaker Biographies

Wahid Pierre Chammas joined **Janus Capital Group** in January 2005, and in 2008 established Janus' investment presence in Europe. He is Co-head of the Janus European research team and an equity securities analyst, primarily responsible for Janus Capital's investments in leisure, media publishing, tobacco and food sectors globally, as well as consumer companies in Europe. In addition to his investment responsibilities, Wahid is a member of Janus Capital Group's management committee. Prior to joining Janus, Wahid spent eight years at Goldman, Sachs, & Co., where he was a Vice President and Equity Securities Analyst, covering the media and broadcasting sectors. Wahid joined Goldman Sachs' Investment Research Division in 2002 from Goldman Sachs Asset Management (GSAM), and was promoted to Vice President later that year. At GSAM, he served as the Chief-of-Staff for the U.S. distribution group, supporting the senior leadership in day-to-day strategic planning and management activities across the Asset Management Division. Prior to that, he worked in the U.S. institutional sales group and built new business relationships with institutional clients. From 1997-1999, Wahid worked as a member of the fixed income product management team, with a specialization in high yield debt. Wahid was one of the youngest professionals ever to serve as an inter-divisional Chief-of-Staff and one of the youngest to be promoted to Vice President. He received his bachelor of arts degree in biology from Amherst College in 1997, where he graduated with highest distinction honors, Phi Beta Kappa and summa cum laude. Wahid also conducted research and spent time at the University of Michigan Medical School and Harvard University. He was awarded two Howard Hughes Fellowships and the James R. Elster Award for outstanding achievement in Biology.

John Dickson is Head of Investment Consultancy for **Hymans Robertson LLP** and an owning member of the Firm. He has overall responsibility for investment research and advice to clients. John works with several larger clients in both the public and private sectors. After graduating, he joined Abbey National, where he latterly spent four years as Head of Structured Products. John is a Fellow of the Faculty of Actuaries. He is a member of the Council of the Faculty of Actuaries and the Joint Council of the Faculty and Institute, as well as the Pensions Consultations Group within the Actuarial Profession.

Roy Gillson is Chief Executive of **Aerion Fund Management**, the in-house investment team for the National Grid UK Pension Scheme. The Scheme has assets of £13bn., includes many deferred members from the original British Gas Scheme and is a mature scheme with less than 10% of active members. Over the last two years it has moved from a primarily in-house model to a more distributed blend, now using sixteen direct mandates with external managers which represent about 50% of the risk assets. Roy has a long and varied career in fund management, including over fifteen years with Hill Samuel and Lloyds TSB in the UK and US. He was formerly CIO of AXA Investment Managers in the UK. He has been involved with managing pension fund assets throughout his career, seeing the issue through the perspectives of insurance company provider, retail provider, institutional fund provider and now in-house resource.

Olaf van den Heuvel has been head of Investment Strategy at **AEGON**, Hague since January 2007. Investment Strategy is responsible for tactical asset allocation, strategic views on asset classes and has an important role in creating the AEGON economic forecasts. Prior to becoming head of Investment Strategy, he worked at AEGON as a portfolio manager Pacific Equities since 2003 and a strategist since 2000. Mr van den Heuvel is a graduate in economics at Tilburg University, is a Chartered Financial Analyst and is registered with the Dutch Securities Institute as a senior asset manager (DSI III-B).

Peter Kraneveld is the Secretary at **A-ERE (Association for European Retirement Education).** An economist by training, he has a long history of working with pension funds and other institutional shareholders. He recently completed an eight year stint working with Dutch pension fund PGGM, a public pension fund for the healthcare sector in the Netherlands, and one of the largest pension funds in Europe. Prior to his work with PGGM, Peter worked with the Organisation for Economic Co-operation and Development (OECD) and the Dutch Ministry of Economic Affairs. He serves as an advisor to SBTK on issues such as corporate governance, shareholder rights and activism and how these fit into the interests of the firm's large international client base of pension funds and other institutional investors.

Joseph McDonnell is head of portfolio solutions in EMEA & senior portfolio manager for Diversified Alternatives, Alternative Investment Partners. He joined **Morgan Stanley** in 2008 and has 14 years of Investment Experience. Prior to joining Morgan Stanley, Joe was senior investment manager (pensions) at Shell International Limited. Before this, he was head of fixed income at IBM Retirement Funds EMEA. Joe received an M.A. in economics and finance from the University of Sheffield, and a B.A. in economics and history from the University College Dublin. He holds the Chartered Financial Analyst designation and is a Trustee Director of the Morgan Stanley Pension Fund (UK).

Ian McKnight is investment strategy manager for **Royal Mail Pensions Trustees Limited**. He has over 10 years' experience advising pension schemes on their investment arrangements and has previously worked at Watson Wyatt, Lane Clark & Peacock, Morgan Stanley and KPMG.

Guy Seaborn joined **ING Clarion Real Estate** Securities in September 2007 as Senior Vice President and Head of European Marketing. He has been involved in investment since 1989 and began his career with BWD Rensburg as an assistant portfolio manager and then joined Greig Middleton as a portfolio manager in 1992. In recent years he has been involved with Risk Reporting, a joint venture between BARRA and Russell Mellon CAPS and Fidelity International where he was employed as an Investment Director. He is a fellow of the Securities Institute.

Conference Notes

Purpose This conference will help pension funds to review their investment strategy and to understand the risks associated with different approaches and how these can be managed and controlled. We will consider the benefits of diversification for the more mainstream asset classes such as bonds and equities as well as looking at applications for alternative investment and sustainable investing strategies and how incorporating such strategies into an overall portfolio can improve a funds risk management

Date: Thursday 13 May 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 3 April 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.

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Booking Form

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Please reserve .... place(s) at The **SPS Investment Strategies in a Risk Framework for Pension Funds Conference** taking place on 13 May 2010.

❑ complimentary

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

❑ delegates at £435 plus VAT @ 17.5% = £511.13
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