

SPS ADDING VALUE WITH BONDS FOR PENSION FUNDS

TAKING THE OPPORTUNITIES, AVOIDING THE PITFALLS

THURSDAY 8 JULY 2010

AT LE MERIDIEN, PICCADILLY, LONDON

PROGRAMME

This conference is arranged by **SPS Conferences**

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PMI Accreditation 6 ½ hours
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Programme

08.30 **Registration and coffee**

09.00 **Welcome**

TREVOR COOK, MANAGING DIRECTOR,
SPECIALIST PENSION SERVICES

09.05 **Opening Address**

MODERATOR: PAUL AUDU, INDEPENDENT
CONSULTANT

ED BRITTON, SENIOR INVESTMENT CONSULTANT,
TOWERSWATSON

09.25 **Setting the Scene**

“Outlook for the UK Economy & Implications for Bond Investing”

What are the scenarios for rates and inflation in the UK? And what are the implications for pension fund strategy?

MIKE AMEY, HEAD OF STERLING PORTFOLIO
MANAGEMENT, PIMCO EUROPE LTD.

“With interest rates at historical lows and sovereign credit risk high what should a bond portfolio look like?”

Will a prolonged period of low base rates still keep investors interested in bonds? Has sovereign credit quality definitely deteriorated? With the 'once in a lifetime' opportunity to invest in corporate bonds now behind us will destiny be heavily influenced by government bond markets? What approach should investors take to steer through this difficult terrain? Can transparent absolute return bond strategies be constructed to add value?

PAUL BRAIN, INVESTMENT LEADER FIXED INCOME,
NEWTON INVESTMENT MANAGEMENT (BNY
MELLON)

10.45 COFFEE / TEA

11.15 **Looking for Opportunities**

MODERATOR: EDWARD DOWLER, INDEPENDENT
PENSION TRUSTEE

“Opportunities in Fixed Income”

How does a historical perspective and experience in similar environments provide an insight into the current market? How to hunt for value in corporate bonds on a global basis? Where are the opportunities for fixed-income investors? How does an investor capture inefficiencies in today's ever-changing market?

TIM HAARMANN, VICE PRESIDENT – CLIENT
PORTFOLIO MANAGER, LOOMIS, SAYLES &
COMPANY (NATIXIS GLOBAL ASSOCIATES)

“Opportunities: Non Agency RMBS”

What is the impact of the downgrading of about 77% of U.S. RMBS transactions issued between 2005 and 2007 with an original 'AAA' class rating? The dollar amount of these original 'AAA' bonds that now have ratings of CCC or lower is approximately \$1.1trillion. Does this massive distressed opportunity set offer compelling investment characteristics? Can you really find bonds offering high expected returns with strong downside protection?

CARL D BELL, MANAGING DIRECTOR, TEAM
LEADER, STRUCTURED CREDIT INVESTMENT
MANAGEMENT, PUTNAM INVESTMENTS

12.35 **Drinks and Lunch**

14.00 **Further Opportunities & Panel Session**

MODERATOR: PEDRO PARDO, INDEPENDENT
CONSULTANT

“The role of derivatives in modern bond portfolio management”

What is available amongst the wide range of derivatives used by many managers today in fixed income portfolios and how are they used? Are they the leveraged root of all evil or can they be used to actually reduce risk?

FABIO CASTALDI, SENIOR VOLATILITY PORTFOLIO
MANAGER, AMUNDI ASSET MANAGEMENT

“Coping with inflation risk in bond portfolios”

Rising inflation is a major headache for bond investors as it reduces real returns, can lead to higher interest rates and so lower bond prices. With economic recovery underway, admittedly at varying speeds around the world, the inflation elephant may already be in the room. Should index-linked form a long-term part overall strategic asset allocations? And is there a case for investing in global linkers when the problem is usually a domestic one?

ANDY HOWSE, INVESTMENT DIRECTOR, UK
INSTITUTIONAL FIXED INCOME, FIDELITY
INTERNATIONAL

“Panel Session”

A pension fund panel will talk about their experiences of adding value by investing in Bonds.

RICHARD NUNN, TRUSTEE DIRECTOR, UNITED
REFORMED CHURCH PENSION TRUST

HOWARD MARCHANT, TRUSTEE, BT PENSION
SCHEME TRUSTEE LTD

16.00 COFFEE / TEA and networking opportunity

16.30 **Close of Conference**

Speaker Biographies



Mike Amey is an executive vice president and a portfolio manager in **PIMCO's** London office responsible for sterling portfolios. Prior to joining PIMCO in 2003, he was head of UK fixed income at Rothschild Asset Management and after their merger, at Insight Investment. Prior to joining Rothschild in 1994, Mike Amey spent two years tutoring in the Department of Economics at the University of Durham. He has 16 years of investment experience and holds undergraduate and master's degrees in corporate and international finance from the University of Durham. Mike is also a member of the UK Society of Investment Professionals.



Carl D. Bell is a Managing Director and Team Leader of the Structured Credit group at **Putnam Investments**. In this role, he oversees security selection within Structured Credit sectors (ABS, CMBS, non-agency RMBS, Index Tranches) across institutional and mutual fund portfolios. Carl is also a Portfolio Manager of Putnam Absolute Return 100 Fund, Putnam Absolute Return 300 Fund, and Putnam Income Fund. Previously, as a Mortgage Specialist, he was responsible for investment strategies in commercial mortgage-backed securities and non-real-estate asset-backed securities. Carl, a CFA charterholder, joined Putnam in 1998 and is a member of the Executive Committee. He has been in the investment industry since 1991.



Paul Brain is Investment leader - fixed income at **Newton Investment Management**. Paul came to the investment industry in 1984 and now has 24 years experience managing complex fixed income portfolios. He has held a number of senior fixed income positions within the industry which gives him a wide breadth of knowledge and experience in managing fixed income portfolios. His early career was spent investing in high grade bonds with Credit Suisse and Barings. As head of retail fixed income at Investec Guinness Flight, Paul led the team that won the International Money Marketing "Fixed Interest Manager of the Year" in 2000. Paul is Investment Leader of the Fixed Income Team and joined Newton

in 2004.

Fabio Castaldi has been working as a Senior Volatility Portfolio Manager in **Amundi** Paris since September 2008. He recently relocated to London to establish a multi-asset class volatility overlay within the Absolute Return and Global Fixed Income Funds of Amundi London Branch. He started his career in 1993 as a Fixed-Income Option Trader at Sanpaolo IMI after graduating from Bocconi University in Milan. Fabio has been working for the Credit Agricole Group in various roles since 1999.



Tim Haarmann is a vice president of **Loomis, Sayles & Company** (Natixis) As global client portfolio manager for the full discretion fixed income strategies, Tim works closely with the management team and represents Loomis Sayles to both institutional and mutual fund clients. He previously worked as managing director and head of fixed income sales, trading, syndication and research at Natwest Capital Markets. Prior to that, Tim held several roles at Kidder, Peabody & Company, including principal and member of the fixed income management committee, head of fixed income for the New England region, and co-head of fixed income national sales. Tim earned a BA from the University of Massachusetts.



Andy Howse is Investment Director, UK Institutional, Fixed Income at **Fidelity International**. Andy began his investment career at Lombard Odier in 1987 as an Analyst and then Portfolio Manager. In 1991, he moved to a client servicing and business development role specialising in fixed income and worked for five years to build Lombard Odier's bond business. After 18 months with Foreign and Colonial as Director of Marketing, he joined Fidelity in London in 1998 where he worked as a Relationship Director for UK institutional clients, Head of Product Management and now Investment Director for fixed income. As such he is responsible for contact with the fixed income client base, matching the fund management efforts to client needs and developing the institutional fixed income business in the UK. Fidelity International's fixed income group manages £22.5 billion of client assets across global credit and government bond markets. Andy is aged 44 and holds a BSc from Exeter University.

Conference Notes

Purpose: This conference will look at various strategies for making pension fund fixed income assets work harder. We will consider the current Outlook and the prospects of both mainstream and other areas that were only recently regarded as alternative strategies. Areas covered will include: global, sovereign, credit, distressed bonds, emerging market bonds, convertible bonds and high yield and will look at how incorporating such strategies into an overall portfolio could improve returns without substantially impacting overall risk levels. We will also examine various derivative based strategies and whether such strategies can make a significant difference to return expectations.

Date: Thursday 8 July 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 28 June 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 Adding Value with Bonds for Pension Funds Conference** taking place on 8 July 2010.

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