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CONFERENCES

Informing Pension Funds

Annual Bond Investment Strategies for Pension Funds

Thursday 9 January 2020
at Le Meridien Piccadilly, London

Sponsored by:

American Century Investments
Kames Capital
Neuberger Berman
Newton Investment Management
Pictet Asset Management
TwentyFour Asset Management



Media Partners:

Investment & Pensions Europe
Savvy Investor

This conference is arranged
by SPS Conferences



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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 **Session 1 – Fixed Income in the Current Environment**

MODERATOR: GILES PAYNE, PROFESSIONAL TRUSTEE, CAPITAL CRANFIELD

What does Absolute Return Fixed Income mean and why does it make sense in the current environment?

- With low rates here to stay, it is crucial for fixed income investors to find the right balance between risk and return.
- Predicting the path of markets, economics and policymakers is notoriously difficult: instead, focus on identifying long-term structural trends and identify the investment opportunities they create.

ELLA HOXHA, SENIOR INVESTMENT MANAGER, GLOBAL BONDS, PICTET ASSET MANAGEMENT

Make your Bonds work harder – how to run a multi-sector fixed income portfolio in today's market

Current market environment of ultra-low yields and heightened uncertainty creates unprecedented challenges for pension funds managing their bond portfolio. Multi-sector fixed income solutions can be effective in providing income and improving returns, but their practical implementation today requires a different approach with a particular focus on the following:

- Broaden your opportunity set to include mispriced and under discovered market segments
- Be dynamic and flexible, focus on security selection as much as sector allocation.
- Implement ESG across all parts of your portfolio, not just public corporates.

ALEX GITNIK, MANAGING DIRECTOR, CLIENT PORTFOLIO MANAGER, NEUBERGER BERMAN

10.40 **Coffee / Tea**

11.10 **Session 2 – ESG**

MODERATOR: RITA POWELL, INDEPENDENT TRUSTEE & SCHEME SECRETARY, INSIDE PENSIONS

ESG in Fixed Income

ESG is a complex and evolving subject within asset management, but at the highest level there should be two main objectives – enhancing investor returns and promoting better societal and environmental outcomes. How can you apply these principles to the fixed income investment process?

- Why you should choose ESG integration over screening models.
- The implications for performance and volatility
- The limitations of ESG investing and how it will evolve.

CHRIS BOWIE, PARTNER, TWENTYFOUR ASSET

MANAGEMENT

“Quantity and Quality” – more (Government Bond) supply and more scrutiny (of Governments and corporates)

Ultra-low bond yields, growing political influence and rising environmental concerns will all influence fixed-income markets over the next 12 months. Over the longer term, we expect growing political disruption to drive an increase in budget deficits and a rise in government issuance. Meanwhile, with sustainability moving up the agenda for many investors, we anticipate that faster implementation of ESG principles will create a greater disparity between the strong and the weak.

JON DAY, PORTFOLIO MANAGER, FIXED INCOME TEAM, NEWTON INVESTMENT MANAGEMENT

12.25 **Drinks and Lunch**

13.35 **Session 3 – EMD & Short Dated Bonds**

MODERATOR: SAMANTHA PITT, DIRECTOR, LAWDEBENTURE

Emerging Market Corporate Debt: A Hidden Gem?

EM Corporate Debt is today one of the fastest growing areas of global fixed income, and EM companies are among the most globally diversified in by revenue streams. This results in favourable volatility comparisons with similar asset classes, yet some common misconceptions by investors also give rise to excessive risk aversion. This in turn allows for an attractive return opportunity relative to comparable asset classes. Richard will discuss some of the overlooked opportunities in EM Corporate Debt while sharing American Century's proprietary insights into managing EM-specific risks, and how that should inform a portfolio approach.

RICHARD ADAMS, SENIOR INVESTMENT DIRECTOR, AMERICAN CENTURY INVESTMENTS

The Long View on Short-Dated Bonds

As DB pension schemes mature, there is a greater focus on de-risking and generating reliable cash to meet pension payments. Focusing on short-dated corporate bonds which are less than three-years from maturity can help schemes to capture attractive, consistent yield with minimal interest-rate sensitivity, low portfolio volatility and attractive levels of liquidity. Illustrating with client case studies we will explain why short-dated bonds are particularly well-suited for buy-and-maintain portfolios, where bonds are held until maturity with low turnover.

RORY SANDILANDS, INVESTMENT MANAGER, KAMES CAPITAL

Panel Session

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

ROBIN SMITH, GROUP HEAD OF PENSION FUNDING & INVESTMENT, RIO TINTO

ANDREW HARRISON, DIRECTOR, ROYAL LONDON GROUP PENSION SCHEME

15.30 **Drinks reception**

16.00 **Close of Conference**

Speaker bios



Richard Adams is a Senior Investment Director at **American Century Investments**. Richard is an experienced investment professional who has held portfolio management roles in fixed income and equities. He is based in American Century's London office, and represents the investment views and capabilities of the firm across a range of asset classes Century's London office, and represents the investment views and capabilities of the firm across a range of asset classes.



Chris Bowie is one of the Partners at **TwentyFour**, joining in September 2014 to create and manage the Outcome and Index Driven business line. This business line sits between the ABS and Unconstrained strategies and tends to have greater exposure to interest rate sensitive bonds, where the active management of duration risk is a key determinant of absolute and relative performance. Day to day, Chris is the lead manager for the Corporate Bond Fund and Absolute Return Credit Fund. He also is a member of the firm's Investment Committee. Chris has 23 years of experience across fixed income markets, having been Head of Credit at Ignis for 10 years, and Head of Rates at AEGON (now Kames). Before AEGON, Chris was a senior portfolio manager at Murray Johnstone Ltd (which was acquired by Aberdeen Asset management).



Jon Day is a global bond portfolio manager and representative for the Fixed Income team in relation to **Newton's** multi-asset strategies. He has also developed several econometric models for credit markets and other data. Jon joined the Fixed Income team at Newton in 2002, prior to which he qualified as a chartered accountant at KPMG, where he was a member of the audit department and specialised in the financial services industry. He became a CFA¹ charterholder in 2005. ¹ CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.



Alex Gitnik, PhD, Managing Director, joined **Neuberger Berman** in 2017. He is a Client Portfolio Manager on the Fixed Income team, where he represents the broad range of the firm's fixed income strategies in the institutional and intermediary marketplaces across the EMEA region. Prior to joining the firm, Alex worked at Standard Life Investments, where he was the Investment Director/Senior Global Investment Specialist for Fixed Income and Absolute Return. Before that, Alex was at Wellington Management working as a Portfolio Specialist for their Global Credit and Absolute Bond suite of strategies. He began his career in 1997, having spent time at a number of banks in a variety of Fixed Income roles. Alex earned an MBA from The Wharton School of Business and holds a PhD and MS in Economics from Saratov State Socio-Economic University.



Andrew Harrison is a Director at Law Deb Pension Trustees and currently chairs three DB pension schemes and is a trustee for a number of other schemes of varying size. He is also a trustee on a number of DC committees and sits on investment committees at a number of large schemes with financial services sponsors. Prior to becoming a professional trustee Andrew spent 30 years in investment banking and investment management. He has extensive experience of designing and managing liability driven investment (LDI) strategies having driven the LDI business at Barclays Global Investors (now BlackRock) from the early days of interest rate and inflation hedging through to dynamic multi-asset deficit reducing strategies and also income generating self-sufficiency solutions.



Ella Hoxha joined **Pictet Asset Management** in December 2018 as a Senior Investment Manager on the Global Bonds team, focusing on global rates and FX. Ella joined Pictet from Wellington Management where she was a Managing Director and Fixed Income Portfolio Manager for over 7 years focusing on absolute return strategies on their Global Bonds team. Prior to that she was at Invesco Asset Management, where she worked more than 8 years as a Senior Portfolio Manager in the Global Bonds Team, managing several global and regional portfolios including the Invesco European Bonds Fund. Ella holds a MSc in International Finance from the University of Westminster and a BA Hons degree in Business Finance from Oxford Brookes University. In addition, she is a Chartered Financial Analyst (CFA) charterholder.



Rory Sandilands is an Investment Manager within the Fixed Income team at **Kames Capital**. He co-manages short-dated investment grade, absolute return and sterling corporate bond funds. Previously, Rory was a vice president in credit sales at Goldman Sachs. In addition, he has also worked in credit sales for Morgan Stanley and in fixed income sales for Merrill Lynch. He has extensive experience working with both cash bonds and derivative products across the full ratings spectrum. Rory holds an honours degree in Law with Accountancy from the University of Edinburgh. He has 20 years' industry experience.



Robin Smith is **Rio Tinto's** Group Head of Pension Funding & Investment, based in the London head office. He is responsible for overseeing the investment and funding of the Group's largest pension plans which are situated in Canada, the UK, the US, Switzerland and Australia. Before joining Rio Tinto in 2005, he held corporate roles at GE and Amersham plc, and prior to that he was a consulting actuary for ten years.

Conference Notes

Purpose: This conference aims to examine the key issues, challenges and opportunities facing pension funds in managing their bond investments in the current climate, reviewing the prospects for both public and private bond markets, options for mature schemes, ESG requirements and practical implementation issues. We will also seek to assess a variety of approaches designed to provide income, improve returns, manage cashflows, and consider risks such as volatility and inflation.

Date: Thursday 9 January 2020 **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
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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 9 January 2020.

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 £1750 + VAT may be available. Please enquire to Belinda Walsh belinda@spsconferences.com.

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