



Investment Strategy for Pensions: New Directions, Insights and Solutions

14 May, One Great George Street, London

This seminar provides a comprehensive update on investment in pensions and more generally for actuaries. This seminar is a concentrated opportunity for actuaries with all levels of investment experience and type of background to gain an update on salient investment topics from experts in the field.

Chair: Yally Avrahampour, London School of Economics and Political Science

08.45 - 09.10	Registration and refreshments		
09.10 - 09.15	Chair's introduction		
09.15 - 10.05	Asset Allocation and the Economic Cycle With major world economies embarking on a re-run of the desynchronised 1990s, opportunities to add value through tactical asset allocation abound. A robust approach combines macroeconomic analysis, quantitative research and investment experience with risk-conscious implementation. Speaker: Trevor Greetham, Fidelity Solutions		
10.05 - 10.55	Using Integrated Risk Modelling to Reflect Covenant Strength in Investment Strategies This session will explore how a model which incorporates employer covenant strength as a stochastic variable is essential for covenant strength, funding strength and correlation between covenant strength and investment markets to be reflected objectively in investment policy. Speakers: Paul Thornton, Gazelle Pensions Advisory and Simon Willes, Gazelle Corporate Finance		
10.55 - 11.10	Refreshments		
11.10 - 12.20	New Perspectives on Alternative Investments Panellists will reflect upon the key dynamics, challenges and opportunities in the alternative investment industry. The session will feature a selection of case studies including hedge fund solutions, renewable power and real estate. Speakers: James Mellors, Ian Kitchenham, Ted Logan, Sverker Akerblom and Axel Belorde, BlackRock		
12.20 - 13.20	Lunch		
13.20 - 14.10	The Evolution of Smart Beta Finance has evolved from the one-factor CAPM model closer to APT's multi-factor approach.		
			The speaker will explain this evolution and share recent research on various Smart Beta strategies. Speaker: Helge Kostka, Research Affiliates Guest Chair: Francis Chua, JLT
14.10 - 15.00		Risk Management – the Role of Responsible Ownership in Delivering Sustainable, Long Term Returns for Pension Fund Beneficiaries This presentation will examine how incentives of participants of the investment chain may be aligned to create long term sustainable value for beneficiaries. It will examine how risk can be managed through investor engagement with corporations and on public policy and key environment, social, governance and stewardship priorities for future investor engagement. Speaker: Leon Kamhi, Hermes Equity Ownership Services	
15.00 - 15.15		Refreshments	
15.15 - 16.05		Lessons from the Financial Crisis: Implications for Investors This session will review a number of lessons for risk taking and portfolio construction that can be drawn from the financial crisis and also from recent academic research. At its core is the message that investment strategies need to try to reflect what we know that we do not know as well as what think that we do know. This is especially relevant in trying to manage the risk of "surprisingly" poor investment performance. Speaker: Peter Stanyer, Independent Trustee	
16.05 - 16.55		Are Interest Rates an 'Unrewarded' Risk? The decision to hedge interest rate and inflation exposure has probably been the most significant investment decision for pension funds over the last decade. Yet interest rates are close to all-time lows, and many are reluctant to hedge at these levels. Proponents of hedging argue that interest rates represent 'unrewarded risk'. What is the empirical evidence for this? How do financial economists think about interest rate risk and what are the implications for pension fund hedging? Speaker: Kerrin Rosenberg, Cardano	
16.55 - 17.00		Chair's closing remarks	