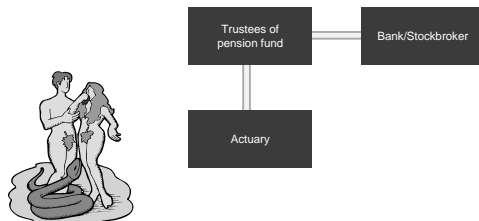


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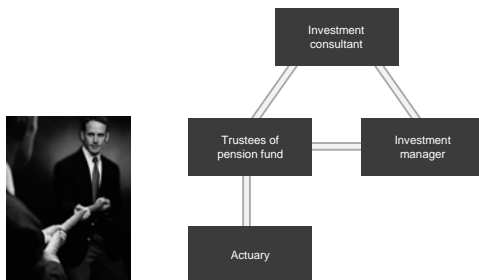
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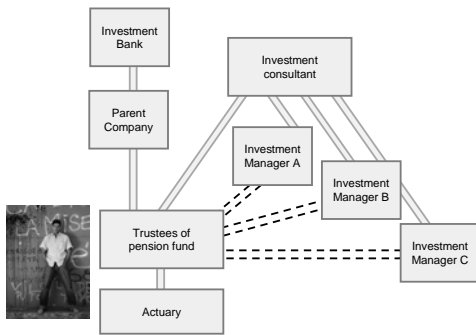
In the beginning . . .



Evolution . . .



Maturity?!



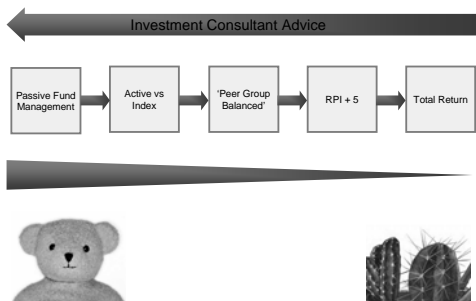
What has development brought us?

Performance measurement

- ◆ Accountability
- ◆ Micro-management
- ◆ Short-termism

Benchmark hugging

The Lewis Huggability Index



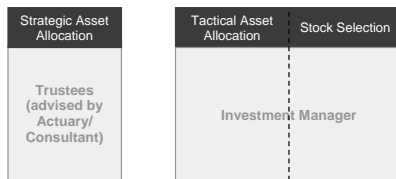
What has development brought us?

Specialisation

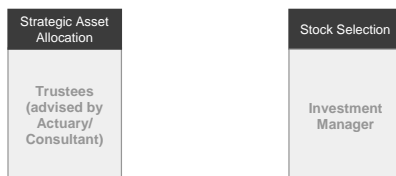
- ◆ 'Best of breed'
- ◆ Fragmentation
- ◆ Investment manager distance from client

No tactical asset allocation

The 1980s – balanced management



Today – specialist management



How can we improve?

- ♦ Realism
- ♦ Long-termism (wherever applicable)
 - Client, consultant, manager
- ♦ Tactical Asset Allocation
- ♦ Pension Scheme objectives for investment managers
 - e.g. RPI +
 - 'Practical' bond mandates
- ♦ 'New Balanced' . . .

Let's go back to the good old days?!



Diversifying sources of risk is key

