

11th

February 16, 17 & 18, 2010, Toronto

Fund Manager Selection & Oversight

Fund manager hiring & monitoring strategies to help you navigate through uncertain economic times

Participating organizations

AON CONSULTING INC.
BFINANCE CANADA INC.
BLAKE, CASSELS & GRAYDON LLP
CANADIAN FORCES PERSONNEL SUPPORT AGENCY
CANADIAN MEDICAL PROTECTIVE ASSOCIATION
FINANCIAL SERVICES COMMISSION OF ONTARIO
GUARDIAN CAPITAL LP
NORTHLEAF CAPITAL PARTNERS
MANULIFE FINANCIAL

MARRET ASSET MANAGEMENT INC.
MERCER INVESTMENT CONSULTING
MFC GLOBAL INVESTMENT MANAGEMENT
MORNEAU SOBECO
QUADREXX ASSET MANAGEMENT INC.
RUSSELL INVESTMENT GROUP
STIKEMAN ELLIOTT LLP
STYLE RESEARCH LIMITED

Conference highlights

- Selecting your manager and the importance of good governance following the painful market downturn
- Hear key strategies and approaches to transition management
- Learn about active hedge fund indexing
- Best practices in risk monitoring
- Identify key style-based techniques for manager selection & oversight
- Discover how to pursue alpha strategies
- Best practices for terminating fund managers
- Assess the cost and benefit of potential fund manager change
- Understand proper governance and the impact on manager selection

Optional workshops

INTEGRATING FUND MANAGER REVIEW INTO SOUND PLAN GOVERNANCE

Jeff Parent, Associate Portfolio Manager and Officer, **Quadrex Asset Management Inc.**

NAVIGATING THROUGH THE COMPLEXITIES OF FUND INVESTMENT

Deron Waldock, Partner, **Blake, Cassels & Graydon LLP**

"10/10"

"I think the conference was an excellent source of information for individuals on both sides of the equation."

"The sessions answered several questions that no one in a relationship is comfortable asking the other party."

"As a plan sponsor, very interesting to have the investment manager's perspective on what they are looking for in terms of a relationship with the plan sponsors."

"Gained a better understanding of the industry and where it is going in the future."

"Provided ideas that I can take back to my organization to improve the pension governance process."

Dear Colleague,

Success or failure of your investment strategy depends in large part on the fund managers you hire to invest for you.

The impact that the dramatic downturn in the markets has had on pension investment returns and potential funding shortfalls have shaken institutional investor confidence. In these troubled economic times, what steps have you taken to comprehensively reexamine the fit between your pension plan's investment policy and your fund manager's investment practices and performance?

The skill and ability to pick the right fund managers, harness fund manager style and undertake an effective monitoring strategy will go a long way to ensure your survival during unexpected and dramatic financial downturns.

The Federated Press Fund Manager Selection & Oversight conference uncovers what plan sponsors are looking for in fund managers following the painful market downturn and provides a reassessment of asset mix, risk and return. Gain timely and practical information on fund manager selection decision making and active strategies and techniques for monitoring, measuring and evaluating fund manager performance.

At this three-day event, you will get the latest on how the largest plan sponsors in Canada have increased the rigor of fund manager oversight and how they are making fund manager selection decisions.

- Establishing key qualitative and quantitative measures of fund manager performance
- Conducting a comprehensive review to measure your fund manager's performance
- Predicting the impact of fund manager change
- Effective due diligence and risk monitoring techniques
- Determining whether your fund manager is managing the style that they were selected to manage
- Key strategies and approaches to transition management
- Clarifying roles and responsibilities for manager selection
- Current status of National Instrument 31-103: registration requirements

Join these companies for an in-depth look at how they are assessing, selecting, monitoring - and yes, if need be - firing fund managers: Aon Consulting Inc., bfinance Canada Inc., Blake, Cassels & Graydon LLP, Canadian Forces Personnel Support Agency, Canadian Medical Protective Association, Financial Services Commission of Ontario, Guardian Capital LP, Northleaf Capital Partners, Manulife Financial, Marret Asset Management Inc., Mercer Investment Consulting, MFC Global Investment Management, Morneau Sobeco, Quadrex Asset Management Inc., Russell Investment Group, Stikeman Elliott LLP, Style Research Limited.

With the level of practical experience and insight, this is one event you cannot afford to miss. Register now by calling (416) 665-6868 or 1-800-363-0722.

Do not miss the optional workshops on integrating fund manager review into sound plan governance and navigating through the complexities of fund investment.

Who should attend

Plan sponsors and trustees of pension plan funds, university and hospital endowment funds, foundation and association investment funds and union institutional investment funds, as well as chief investment officers, pension & benefits directors, asset management executives, investment dealers and managers, pension consultants and actuaries, chief financial officers and lawyers in the pension and investment field

**Audio/Video segments clickable slide by slide
Papers and overheads also included
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Maximize your company's visibility in front of key decision-makers in your target market! Federated Press events are attended by those with the seniority and authority to change the way their organizations operate. For sponsors this means an unparalleled opportunity to raise your profile before a manageable group of senior decision makers. There are a wide range of sponsorship packages, which can be customized to fit your budget and marketing objectives. Contact Nayla Costandi at: 1-800-363-0722 ext.244 for more information.

SESSION 1

Tuesday, February 16th

SELECTING YOUR MANAGER

Brian White, Vice-President & Head, Investment Consulting Practice,
Aon Consulting Inc.

9:00-9:45

A CASE STUDY PERSPECTIVE TO CONDUCTING PENSION MANAGER SEARCHES AT CFPSA

*Bob Smith, Chief Financial Officer,
Canadian Forces Personnel Support Agency*

How do you know when it is time to change managers? What steps should the pension fund committee take to engage a new manager? How does the process change in an environment of economic turmoil? This discussion details how the Canadian Forces Personnel Support Agency answered these questions.

- Learn how CFPSA analyzed portfolio performance and benchmarks
- Governance issues and investment policy requirements
- Identifying and screening potential managers
- Assessing the cost and potential benefit of fund manager change
- Defining new pension fund manager selection criteria at CFPSA

9:45-10:30

SELECTING & MONITORING MULTI-MANAGER STRUCTURES

*Bruce B. Curwood, Director, Investment Strategy,
Russell Investment Group*

Recently there has been a growing interest in multi-manager investing, as investors recognize the important risk reduction that can result from diversifying a portfolio across a range of investment managers. In this session, Bruce Curwood will outline some of the key fund governance issues that detract from investment performance and outline best practices to address the problems in selecting and monitoring multi-manager structures.

- Unique aspects of multi-manager investing in a complex investment environment and their effect on manager selection process
- The impact of individual indicators of motivation, needs and attitude on the “knowing-doing” gap and on ultimate fund performance
- How to avoid typical group behaviour pitfalls such as groupthink that detract from fund performance
- How monitoring for behavioural and cultural factors in the organization can bridge the gap and translate knowledge into action and into fund performance

10:30-10:45 NETWORKING BREAK

10:45-11:30

PURSUING ALPHA STRATEGIES: WHAT YOU NEED TO KNOW WHEN SELECTING FUND MANAGERS

*Dominic Blais, CMA, Portfolio Manager, Public Assets,
Canadian Medical Protective Association*

Investment managers pursuing alpha strategies should protect capital in rough markets and earn excess returns in good markets. However, identifying managers who consistently earn solid returns in the market conditions that we find ourselves in today is a key challenge. This discussion will detail how to choose alpha managers and review key items related to institutional money management in the context of finding alpha.

- Where efforts have traditionally been deployed and where they should be focussed going forward
- Overview of portable alpha structure: what are the risks of portable alpha
- Criteria for selecting alpha managers for a portable alpha mandate: how do we find outperforming managers?
- Finding alpha: where is alpha hiding?
- Choosing the optimal combination of alpha managers
- Building a robust alpha portfolio in the context of the total portfolio

11:30-12:30

FUNDAMENTALS OF FUND MANAGER SELECTION

*Brian White, Vice-President & Head, Investment Consulting Practice,
Aon Consulting Inc.*

In these troubled economic times, what steps have you taken to comprehensively reexamine the fit between your fund’s investment policy and your fund manager’s investment practices and performance? The skill and ability to pick the right fund managers, harness fund manager style and undertake an effective monitoring strategy will go a long way to determining the success of your investment strategy. This session will examine best practices for fund manager selection and oversight.

- Establishing a process for selecting your manager
- Clarifying roles and responsibilities for manager selection
- Defining your investment objectives for successful manager selection
- Identifying the key style characteristics of fund managers

12:30-1:30 LUNCH

COMPARING DIFFERENT MANAGERS - ALPHA STRATEGIES

SESSION 2

Tuesday, February 16th

MONITORING YOUR MANAGER

Nurez H. Jiwani, Director, Regulatory Coordination,
Financial Services Commission of Ontario

1:30-2:15

BEST PRACTICES IN PENSION PLAN GOVERNANCE

*Nurez H. Jiwani, Director, Regulatory Coordination,
Financial Services Commission of Ontario*

The need for continuous assessment and revision of a pension plan's governance is critical. The current economic environment makes this requirement all the more crucial. The plan administrator should establish performance measures and performance monitoring for anyone with decision-making authority in the governance process. This session will examine how to assess the effectiveness of your existing governance structure and its role in manager oversight.

- Establishing decision-maker performance measures
- Measuring effectiveness of governance structure against accepted benchmarks
- Assessing compliance, documentation, quality and knowledge, proper delegation, monitoring and reporting and ongoing supervision
- Establishing review mechanisms and identifying gaps
- Keeping up with new governance regulations and guidelines

2:15-3:00

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS) AND MANAGER OVERSIGHT

*Garvin Deokiesingh, Vice-President, Investment Audit Services,
Manulife Financial*

The Global Investment Performance Standards put out by the Chartered Financial Analyst Institute have become the global "gold" standard used by investment managers for creating performance presentations that ensure fair representation and full disclosure of investment performance results. Though only voluntary, many leading investment firms have adopted them as best practices. This session will get you up to date with the evolving Global Investment Performance Standards and how it can be applied to manager oversight and review.

- Recent regulatory findings in the U.S. and Canada concerning marketing practices
- Adopting the Global Investment Performance Standards (GIPS) as a best practice and way to avoid marketing regulatory deficiencies
- GIPS: the basic concepts and how to get started
- Steps to the implementation of the process and how to determine critical parameters such as frequency and depth of the review

3:00-3:15 NETWORKING BREAK

3:15-4:00

THE PRACTICAL APPLICATION OF STYLE-BASED TECHNIQUES FOR MANAGER OVERSIGHT

Ian Nisbet, Chief Operating Officer, Style Research Limited

Style analysis continues to evolve as managers position themselves across more refined style categories and manage more adventurously within their mandates. While earlier methods of style analysis struggle to keep up, new techniques have developed to give fund investors more sensitive and comprehensive analysis, offering managers the opportunity to raise the standard for professional funds investment. This session examines how returns-based and holdings-based style analysis and risk & performance attribution analysis can be used to review, assess, select and monitor funds.

- Techniques for identifying manager style
- A day in the life of a funds investors
- Returns-based vs. holding-based style analysis
- Using risk and return attribution in funds appraisals
- Combining funds
- Monitoring funds for style consistency/drift
- Future directions for style and style analysis

4:00-4:45

WHAT MANAGERS LOOK FOR

Brian Holland, Senior Vice-President, Guardian Capital LP

While the client clearly holds the upper hand in the hiring process, a successful hiring requires a good fit between the investment manager and the client. Like any business, investment management firms weigh the cost/benefit of any new client relationship. To help clients understand their manager, this presentation will focus on the "Top Ten" items investment managers look for in a mutually productive relationship.

- Does the new mandate fit into their strategic plan?
- Does the mandate fit into the manager's core competency?
- Will the client ultimately get the results they want?
- Is the client request for a customized mandate reasonable?

GOVERNANCE STRATEGIES - MANAGER TERMINATION

SESSION 3

Wednesday, February 17th

PERFORMANCE GOALS & EXPECTATIONS

Hosen Marjaee CFA, MBA, Vice-President, Senior Portfolio Manager,
MFC Global Investment Management

9:00-9:45

PERFORMANCE & COMPLIANCE: POST-SELECTION MONITORING

*Hosen Marjaee, CFA, MBA, Vice-President, Senior Portfolio Manager,
MFC Global Investment Management*

As rigorous as the fund manager screening and selection process may be, a clearly articulated post-selection monitoring process of fund manager performance has never been more vital. This presentation will discuss the critical elements of monitoring fund manager performance and compliance.

- Qualitative and quantitative factors to be monitored
- Issues that should be covered in a monitoring report
- Ensuring compliance with mandate and style
- Outlining common risk limits and their triggers
- Aligning expectations through written contracts
- Outsourcing portfolio monitoring to a third party

9:45-10:30

DIFFERENCES IN SELECTING & MONITORING A FUND MANAGER IN DEFINED BENEFIT VS. DEFINED CONTRIBUTION PLANS

*Sofia S. Assaf, Senior Associate, & Jillian Kennedy, Senior Associate,
Mercer Investment Consulting*

When choosing fund managers for a pension plan there are vast differences between the process for a defined benefit plan and a defined contribution plan. Unlike most DB pension schemes, DC plans require frequent valuations of net asset value, transaction reporting to participants, switch opportunities and other retail-type services. These differences impact the selection and measurement processes. With the widespread movement from DB plans to DC plans in recent years, plan sponsors are feeling the pressure to reexamine plan design, investment structure and the intermediary/fund manager selection. This session will outline:

- DC vs. DB manager selection and monitoring: differences in approach
- Risk management in DC vs. DB situations
- Diverging approaches to performance evaluation
- Criteria for DC vs. DB plan fund manager selection: reviewing plan design, investment structure and policy objectives
- Monitoring and assessing investment performance according to mandates
- How to define DC manager mandates
- Improving member communications

10:30-10:45 NETWORKING BREAK

10:45-11:30

DUE DILIGENCE IN FUND MANAGER SELECTION & OVERSIGHT: PROCESS, PITFALLS AND POINTERS

Jeff Pentland, Principal, Northleaf Capital Partners

This presentation addresses both selection and oversight relating to the investment process and to the operational process. As well, plan sponsors will gain a solid understanding of the due diligence process to select and oversee hedge fund managers, with an emphasis on best practices.

- The bottom-up process of manager selection: assessing the investment manager, the strategy and the product
- Minimum criteria for manager selection, with an emphasis on quantitative and qualitative analysis
- Operational due diligence of the fund manager's business infrastructure and operations
- Ongoing risk monitoring and risk management of fund managers
- The pitfalls and pointers to consider when selecting and monitoring fund managers

11:30-12:15

MANAGER OVERSIGHT IN A CREDIT CRISIS

Darin Renton, Partner, Stikeman Elliott LLP

The recent and on-going credit crisis culminated in an unprecedented impairment of liquidity and even the insolvency of financial intermediaries such as Lehman Brothers Holdings Inc. These events greatly affected Canadian fund managers like Salida, a Toronto-based hedge fund manager with assets of about C\$900 million that halted redemptions on three of its funds after the Lehman Brothers bankruptcy. What if you can't get your money out when you expected to? Manager oversight during a financial crisis includes an appreciation of strategies fund managers may employ to address these external shocks, bankruptcy and insolvency issues and the potential for fund manager liability. This presentation addresses:

- Fund manager responses to distressed markets using hedge funds as a case study
- Issues under the Securities Transfer Act and Bankruptcy and Insolvency Act
- A review of IIROC Dealer member rules
- Treatment of credit balances in an account and proposals, arrangements and stay provisions under insolvency legislation
- Protection of customer assets in investment dealer and trust company insolvency

12:15-1:15 LUNCH

PROTECTING THE FUTURE - ASSESSING MANAGER RISK

SESSION 4

Wednesday, February 17th

PREPARING FOR THE FUTURE

Barry Allan, President,
Marret Asset Management Inc.

1:15-2:00

PROTECTING YOUR FUTURE: WHEN IS IT TIME TO FIND A NEW MANAGER?

Joe Connolly, Investment Consultant, Morneau Sobeco

One of the toughest decisions to make regarding a fund manager is determining whether or not to terminate the relationship. The timing of such a decision will affect future performance either way; the key is to minimize the short and long term damage. If you are too fast, you can find yourself in a costly manager search, but if you are too slow and the manager is ineffective, future revenue will suffer. This session will discuss how to go about making the big decision.

- How to recognize that there is an issue
- Issues to focus on in considering termination: bad performance, confidence issues, style and market cycles
- Best practices for evaluating the fund manager's performance
- Key considerations in the timing of your decision

2:00-2:45

COMPARING HEDGE FUND VS. TRADITIONAL MANAGERS

Barry Allan, President, Marret Asset Management Inc.

With the changing environment and risk appetite of pension fund investors, special considerations are needed for evaluating and selecting fund managers for traditional and non-traditional vehicles. This discussion details:

- Key criteria used when assessing a manager during the selection process
- Key mistakes to avoid in preparing for the manager search and selecting managers
- Differences between hedge fund and traditional investment due diligence
- Fund of funds or direct investment?

2:45-3:00 NETWORKING BREAK

3:00-3:45

BEST PRACTICES IN FUND MANAGER TERMINATION

Tom Gunn, Consultant & Business Advisor

As an investment professional whose livelihood depends on performance, you know all too well that fund manager under-performance is a common occurrence that cannot be allowed to continue indefinitely. Knowing when and how to let your manager go requires a good mix of HR know-how and investment savvy, as well as a solid understanding of the impact that the switch will have on your portfolio.

- Best practices for terminating fund managers
- Conducting a comprehensive review to measure your fund manager's performance
- The impact of replacing a manager on portfolio performance
- Predicting the impact of fund manager change: making sure the changeover does not do more harm than good
- What does transition really cost?

3:45-4:30

THE CHANGING LANDSCAPE OF FUND MANAGER SELECTION

Peter Wright, MBA, CAIA, Director, bfinance Canada Inc.

What has been driving the need for specialists focusing on fund manager selection and oversight? This international investment specialist will share with you their experience with European sponsors. This discussion will focus on recent trends affecting the manager selection process, as well as examples of some of the quantitative and qualitative analyses used. This session will conclude with presenting some empirical evidence of predictors of future performance.

- Expanding manager universe: increased governance and investor sophistication as drivers
- Case study of a European pension fund and a recent fund of hedge funds (FoHFs) search
- Stress period analyses: FoHFs and global bond examples
- Correlation and "Beta Bull/Bear" for FoHFs
- Attribution analysis for fixed income
- Dynamic Fama-French (style-based) and portfolio optimization analyses
- Measuring the value-added of your manager selection

OPTIONAL WORKSHOP A

Thursday, February 18th - 9:00-noon

INTEGRATING FUND MANAGER REVIEW INTO SOUND PLAN GOVERNANCE

Jeff Parent, Associate Portfolio Manager and Officer, Quadrex Asset Management Inc.

Increasingly pension plan governance dominates investment headlines. With the arrival of the Capital Accumulation Plan Guidelines, what steps has your organization taken to protect itself? As part of adequate governance, what continuous review processes are necessary? How do you ensure your managers are the most effective choice for your plan? This workshop will assist you in developing strategies to enhance the protection for plan sponsors, plan members and beneficiaries.

- Goals and objectives of plan governance
- Process for establishing sound plan governance
- How new rules change the way organizations oversee their investment managers
- Continuous review: an important part of plan governance
- Linking performance policy with performance monitoring
- Monitoring managers: quantitative vs. qualitative measures
- How to establish the appropriate timing and time horizons
- Fund manager replacement: the necessary steps

Jeff Parent has been providing wealth management services to his high net worth clients since 1992. From many years of experience and training, he has become proficient in portfolio management techniques and has a broad knowledge of estate and tax planning. This enables Jeff to provide appropriate and timely advice to his clients ensuring they meet their varying financial goals. In his associate portfolio management role, he applies a strong price discipline to help ensure risk is controlled without reducing potential returns. His specialty is technical analysis with a focus on quantitative methods. Jeff uses his unique form of analysis to identify trends and turning points in the markets and individual stocks. He has appeared on Business News Network, is a recognized author, public speaker and educator. He has been quoted by the national media in Canada and the US. Jeff has a degree in Engineering (Electrical) and is a Fellow of the Canadian Securities Institute. He is the president of the Canadian Society of Technical Analysts and an associate member of the Market Technicians Association.

OPTIONAL WORKSHOP B

Thursday, February 18th - 1:30-4:30

NAVIGATING THROUGH THE COMPLEXITIES OF FUND INVESTMENT

Deron Waldock, Partner, Blake, Cassels & Graydon LLP

The turbulent economy and market conditions and the detrimental impact on pension funding have created more complex challenges to improving investment performance. This workshop will guide you through the investment issues and alternatives, increasing your understanding to help you to make decisions to forestall pension fund shortfalls and successfully manage improvements in your pension fund performance. Topics include:

- Regulatory limitations on pension fund investment
- Pension financing
- Types of investment funds
- Leveraged investments
- Responsible investment
- Investment monitoring and governance
- Retirement fund investing

Deron Waldock practises in the Pension & Employee Benefits Group and is involved in all issues relating to pension and employee benefits plans, including fiduciary duties, plan redesign proposals, ongoing plan administration and compliance issues, and issues arising from corporate transactions and commercial insolvencies. He also advises on the establishment and implementation of incentive compensation arrangements, including stock option, phantom stock, share appreciation rights, deferred share unit plans, employees profit-sharing plans and supplementary retirement plans.

11th

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Fund Manager

Selection & Oversight

Fund manager hiring & monitoring strategies to help you navigate through uncertain economic times

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Payment must be received prior to February 9, 2010

UNCONDITIONAL UPGRADE POLICY

If you have registered for a similar or simultaneous event and wish to attend this Federated Press event instead, we are so sure that you will find this conference of more value that we will refund any cancellation fee up to \$300.00

GROUP DISCOUNT

If you register four people at the same time you will be entitled to a discount. To take advantage of this special offer, payment for all delegates must be made with one cheque or credit card charge. Contact Sandra Frattolillo at: 1-800-363-0722 ext.223 for more information.

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