Structure your investment strategy to survive the financial meltdown & address investor concerns as a result of recent market turmoil

Workshop Included:
Reducing Pension Plan Risk Through Liability-Driven Investing

course highlights
- Defining current market conditions and forecasting future trends
- Current trends in asset allocation policy
- The outlook for liability driven investing
- How to evaluate the merits of potential investment solutions
- Advantages of infrastructure investing
- Innovative new strategies, instruments and techniques
- Measuring the performance of the overlay manager
- The key attributes of good alpha sources
- What real estate offers to a pension fund

participating organizations
Addenda Capital Inc. MFC Global Investment Management
bfinance Canada Inc. Morneau Sobeco
Blake, Cassels & Graydon LLP Standard Life Investments Inc.
Canadian Forces Personnel Support Agency TD Asset Management Inc.
Canadian Medical Protective Association Victoria University (in the University of Toronto)
Hillsdale Investment Management Inc.

who should attend
- Plan sponsors and trustees of: Pension plan funds, University and hospital endowment funds, Foundation and association investment funds, Union investment funds
- Institutional investment executives, including CIOs, CEOs, CFOs and corporate treasurers
- Asset management executives, including senior fund managers and pension fund managers
- Investment dealers and managers
- Pension consultants and actuaries
THE LATEST TRENDS IN ASSET ALLOCATION POLICY

After absorbing the impact of the credit crisis and the market lows of 2008, pension funds in the current low interest rate environment, are unlikely to achieve their investment objectives with outdated asset allocation policies that do not take into account today’s realities. This presentation will discuss current trends in reaction to economic conditions and the issues associated with possible solutions. Topics covered will include:

- Defining current market conditions and forecasting future trends
- Current trends in asset allocation policy
- Potential impact of deleveraging, central banks supplying additional liquidity and market bailouts
- Manager-based versus market-based solutions
- Importance of proper risk management in investment portfolios

DEVELOPING A LIABILITY-DRIVEN INVESTMENT STRATEGY

Defined benefit sponsors are living in an increasingly complex world where corporate finance concerns are dominating decisions about offering pension benefits as well as decisions about how to fund them. Low yields from large equity investments, flat markets, miscalculations of longevity and overly optimistic investment returns have left many institutional funds struggling. This presentation will explore strategies for developing a liability-driven investment strategy.

- Dealing with the drop in funding ratios: matching assets and liabilities
- Creating a more transparent DB solution
- Recognizing key corporate issues in pension finance
- How to evaluate the merits of potential investment solutions
- The process of adopting an LDI approach
INFRASTRUCTURE INVESTING

Pension funds have been shifting dollars from volatile stock markets into infrastructure investments that provide more stable returns. Seeing that infrastructure investment is normally a long-term commitment, it matches well with the long-term liabilities of pension funds. This presentation will offer insights into the infrastructure investment strategies that municipalities and pension plans may want to consider.

- Advantages of infrastructure investing as an investment for pension funds and a source of financing for municipalities: risk and reward characteristics
- Characteristics of municipal infrastructure that may be suitable for investment by pensions
- Examples of third-party municipal infrastructure investments

INTEGRATING ALTERNATIVE INVESTMENTS INTO THE MIX

Alternative investments are essential to maximizing returns while maintaining proper asset allocation in plan portfolios. However, some investors have found that incorporating alternative investments into traditional strategic asset allocation has been difficult to do in a systematic way. This session will explore strategies for overcoming some of the hurdles institutional investors face.

- Innovative new strategies, instruments and techniques: what are alternative investments and how do they fit in a portfolio?
- Victoria University’s experience incorporating alternative investments
- The unique return complications of alternatives
- Accounting for the downside risk

USING STRATEGIC OVERLAYS TO OPTIMIZE RISK CONTROL AND ADD VALUE

Given the increasing need by institutional investors to find new sources of alpha by broadening their investment scope, it has become important to understand how the strategic overlay is increasingly used as a tool to control asset allocation and monitor risk budgets for traditional pension plans. This presentation will discuss how the strategic overlay may be used as a risk monitoring tool in today’s environment.

- The strategic overlay and idea of risk budget
- What happens when plans add non-traditional asset classes into the lineup?
- What are the effects on the risk budget?
- How can an overlay strategy be financed?

FINDING THE BEST ALPHA SOURCES FOR YOUR PORTABLE ALPHA PROGRAM

Pension investors are struggling to meet the twin goals of extracting consistent excess returns from volatile markets, while limiting or reducing their “liability mismatch” risk. Alpha transport is a key strategy to meet these potentially conflicting goals. This presentation will discuss:

- Does true alpha actually exist? Does it matter?
- The key attributes of good alpha sources
- An analytical framework specific to alpha-source due diligence
- A real-world example based on the Canadian fixed income market

SOCIAL RESPONSIBLY INVESTING

Socially responsible investing incorporates non-financial environmental, social and ethical criteria into the investment decision process. It is receiving increased attention and generating growing interest among institutional investors and public pension funds. Increasingly, pension plans are considering these issues as part of their investment analysis and fiduciary responsibility.

- Corporate engagement and socially responsible investing
- Social screens: criteria for responsible investment
- Economically targeted investment: learning responsible investment
- Socially responsible investing: trends and returns
- Mission-based investing

USING VALUE AT RISK (VAR) TO RUN THE ASSET MIX

The Value at Risk (VaR) technique analyzes statistical historical price trends and volatilities in order to provide estimates of the extent of future portfolio losses. Controlling losses can improve returns and simultaneously reduce risk. This presentation will discuss the use of VaR in asset allocation, including a look at:

- Advantages of the VaR strategy
- Practical examples of VaR
- How to put together a real Risk Budget with VaR
- Methodology for calculating VaR economically and efficiently

REAL ESTATE INVESTMENT STRATEGIES

Real estate has long been accepted as an asset class that can provide a degree of protection from the effects of inflation. This session will look at the role of real estate in a pension fund, opportunities for investment and how to implement and manage a real estate portfolio.

- Outlook for real estate post-crisis
- Real estate’s correlation with stocks and bonds
- Historical performance of real estate investment
- Where the best investment opportunities will be found

ASSESSING ASSET ALLOCATION IN A DYNAMIC RISK BASED FRAMEWORK

This presentation will explore ways that leverage can be used to more sensibly and effectively manage asset allocation. Levered assets typically raise risk while increasing return expectations. So although leveraged assets tend to lower risk-adjusted returns, justifying a role for leverage in optimal portfolio construction.

- Maximizing returns at a given risk level
- Including appropriate levered assets in portfolios
- Raising the efficiency frontier
- Limiting restraints on borrowing

INSTITUTIONAL INVESTORS & PRIVATE EQUITY

Private equity has grown steadily in popularity in the global institutional investor community, having emerged as a distinct and substantial asset class in many of the world’s largest institutional portfolios. This discussion will explore this trend, with a look at:

- The attraction of private equity: outlook for the future
- Barriers to broader participation in the private equity market
- Private equity as an alternative source of returns
- Valuations, deal flows and exits

WORKSHOP

REDUCING PENSION PLAN RISK THROUGH LIABILITY-DRIVEN INVESTING

Many plans are now pursuing investment strategies that provide a better match to their future liabilities and hence limit volatility in their plan’s funded status and related pension expense. This has led plans to contemplate establishing a liability-driven investment (LDI) strategy. But what is LDI and how does it differ from the traditional approach to asset allocation? Join this interactive workshop and discover how you can invest assets with a much sharper eye on funding liabilities and reducing risk.

- What is wrong, if anything, with current approaches to asset allocation?
- Identifying what liabilities to hedge: measuring risk
- Different immunization strategies available
- Blending liability matching approaches with return-enhancing strategies
- Measuring LDI performance
- Fee implications for LDI strategies
MULTIMEDIA PRESENTATIONS

Register for Asset Allocation and we will give you free of charge a CD-ROM comprising the following virtual presentations from recent Federated Press courses and conferences. Presented in their entirety with complete audio and accompanying PowerPoint slides totaling 593 minutes of expert learning, these presentations are an added bonus to this year’s course. Bear in mind that these presenters are not necessarily those that you will see and hear at this year’s course.

Alternative Assets Investing for Pension Funds – An Overview
William G. Maclean, Senior Consultant, Aon Consulting
Time: 65 Slides: 58

Evaluation and Selecting Managers: Investment Manager Structure
Bruce B. Curwood, Director, Institutional Solutions, Russell Investment Group
Time: 110 Slides: 44

Pension Plan Investment Risk in a Liability-Led Investment Strategy
Valter Viola, President, Holland Park Risk Management Inc.
Time: 63 Slides: 25

Current State of Pensions: Is There a Crisis?
Anthony J. Devir, Partner, Osler, Hoskin & Harcourt LLP
Time: 38 Slides: 16

Managing Risks in Capital Accumulation Plans
Becky West, Client Service Executive, Russell Investment Group
Time: 36

The Impossibility of Funding Mature Pension Plans
Peter Gorham, Partner, Morneau Soboco
Time: 61 Slides: 11

Pension Plan Design
Paul Timmins, Watson Wyatt
Time: 65 Slides: 33

Implications of Proposed Funding Rules for Employers, Employees and Directors
Ross A. Gascho, Partner, Fasken Martineau DuMoulin LLP
Time: 43 Slides: 15

Modernizing the Rules to Maximize Returns: An Argument for a 21st Century Approach to Pension Plan Investing
Frederick Biro, Member of the OMERS Administration Corporation Board of Directors, Ontario Municipal Employees Retirement System (OMERS)
Time: 30 Slides: 24

Pension Plan Investment Compliance
Anne E. Mahmoodallah, Manager of Compliance Reporting, RBC Dexia Investors Services Trust
Time: 17 Slides: 13

A Balancing Act: Measuring and Monitoring Risk, Return and the Investment Process in Good Governance
Nadia Savva, Account Executive, Manulife Financial
Time: 29 Slides: 21

Preparing for Internal and External Audits
Lynne Godbout, Director, Pension Governance, HUB International Ontario Limited; Tony Kerekes, Partner, NVision Consulting Limited
Time: 36 Slides: 22

Registration:
To reserve your place, call Federated Press toll-free at 1-800-363-0722. In Toronto, call (416) 665-6868 or fax to (416) 665-7733. Then mail your payment along with the registration form. Places are limited. Your reservation will be confirmed before the course.

Location:
Metropolitan Hotel, 108 Chestnut Street, Toronto, Ontario, M5G 1R3

Cost:
The attendance fee for the course is $1825 per person and covers attendance for one person and the lecturers’ presentation material. The fee further includes lunch on both days, morning coffee on both days and refreshments during all breaks. You may purchase a Proceedings CD-ROM containing edited actual proceedings and materials from the course.

Time: This course is a two-day event. Registration begins at 8:00 a.m. The morning sessions start promptly at 9:00. The second day ends at 4:00 p.m.

Payment must be received prior to February 9, 2010

Cancellation:
Please note that non-attendance at the course does not entitle the registrant to a refund. In the event that a registrant becomes unable to attend following the deadline for cancellation, a substitute attendee may be delegated. Please notify Federated Press of any changes as soon as possible. Federated Press assumes no liability for changes in program content or speakers. A full refund of the attendance fee will be provided upon cancellation in writing received prior to February 3, 2010. No refunds will be issued after this date. Please note that a 15% service charge will be held in case of a cancellation.

Discounts:
Federated Press has special team discounts. Groups of 3 or more from the same organization receive a 10% discount. Groups of 7 or more from the same organization receive a 15% discount.

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REGISTRATION COSTS

NUMBER OF PARTICIPANTS: 

COURSE: $1825

COURSE + PROCEEDINGS CD-ROM: $1825 + $125 = $1950

PROCEEDINGS CD-ROM: $499

NOTE: Please add 5% GST to all prices.

Procedures CD-ROM will be available 60 days after the course takes place.

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For additional delegates please duplicate this form and follow the normal registration process