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F I D U C I A R Y
I N V E S T O R S
S Y M P O S I U M

THE CATALYST FOR REFORMED FIDUCIARY THINKING

Challenging long-term institutional investors to think differently necessitates the engagement of cutting-edge academic thinking and real-world implementation.

The Fiduciary Investors Symposium has become recognised as an event that challenges the influence and responsibility of fiduciary capital and explores the evolution in fiduciary investment management.

The 2015 conference, to be held on campus at The University of Chicago Booth School of Business, will promote excellence in investment management and bring the latest investment thinking to institutional investors.

TRANSFORMATIONAL CHANGE IN INSTITUTIONAL INVESTMENT

October 18-20, 2015
The University of Chicago
Booth School of Business

live.fiduciaryinvestors.com

AGENDA

THE FIDUCIARY INVESTORS SYMPOSIUM CHICAGO 2015

The Fiduciary Investors Symposium brings global investors together to examine the management of fiduciary assets in both investment strategy and implementation, including the latest thinking relating to asset allocation, risk management, beta management and alpha generation.

As institutional investors grow in asset size and power, bring more investments in house and demand more of their service providers, it is essential that they are equipped with contemporary thinking and technology.

Drawing on some of the world's leading investment thinkers, this event will co-ordinate academics specialising in macroeconomics, investment management, behavioural finance and organisational design to enable the education of institutional investors on best practice as it applies to asset allocation and investments, governance and decision-making.

DELEGATE PROFILE

The Fiduciary Investors Symposium is a bi-annual event for the senior investment professionals at large institutional investors around the globe. The audience is made up of pension funds, sovereign wealth funds, as well as investment consultants and academics. Held over three days, the symposium will enable institutional investors to engage with industry thought leaders in academia and practice in a collegiate environment that promotes shared discussion. The on-campus venue will facilitate a unique space for new thinking and discussion.

MEDIA PARTNER

www.top1000funds.com is the news and analysis site for the world's largest institutional investors. Focusing on investment strategy and implementation, it is populated by original news stories, case studies and research that relate directly to the work of investment professionals at pension funds, endowments and sovereign wealth funds. One of its defining characteristics is truly global content that focuses on the investment strategies, portfolio construction and implementation techniques used by institutional investors.

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VENUE

University of Chicago, Booth School of Business, Gleacher Centre

AGENDA

Sunday October 18, 2015

10.30 - 2.00 Tour of Chicago Booth School of Business

2.30 – 3.30 Finance and ethics

One of the world's leading thinkers and authors on ethics, Peter Singer from Princeton University will discuss the ethical responsibilities involved in investment decisions. He will focus on the implications for climate change and global poverty in particular, helping to frame what it means to be a fiduciary investor.

- Peter Singer, Ira W. DeCamp Professor of Bioethics, University Center for Human Values, Princeton University
- Chair: Colin Tate, chief executive, Conexus Financial

3.30 - 4.45 Fiduciary responsibility

What are the responsibilities of asset owners beyond their role as generating income for their beneficiaries, whether governments or members? This session will look at the evolving nature of fiduciary duty, outlining the evolving legal definition, the responsibilities to the wider community including workers and the environment, and how asset owners should be organised for long-term decision making.

- Sharan Burrow, general secretary, International Trade Union Confederation
- Colin Melvin, chief executive, Hermes EOS
- Beth Richtman, portfolio manager - infrastructure and global governance, CalPERS
- Martin Skancke, chair of PRI and chair of the expert group on investments in coal and petroleum companies, appointed by the Norwegian Ministry of Finance
- Ed Waitzer, professor and director of the Hennick Centre for Business and Law at the Osgoode Hall Law School in Toronto
- Chair: Colin Tate, chief executive, Conexus Financial

4.45 – 6.00 Climate change and fiduciary duty

Mercer's extensive climate change report, *Investing in a Time of Climate Change*, gives investors a practical framework for monitoring and managing climate risk and implementing asset allocation to combat climate risk. The granular analysis of the report shows the impact will be most meaningful at the industry level, giving investors clearer strategies on how to deal with the portfolio implications. The most obvious impact will be in the decline of the coal sub-sector, and the increase in renewable energy.

- Alex Bernhardt, head of responsible investment US, Mercer
- Ulf Erlandsson, senior portfolio manager, global macro trading, AP4
- David Russell, co-head of responsible investment, USS
- Martin Skancke, chair of PRI and chair of the expert group on investments in coal and petroleum companies, appointed by the Norwegian Ministry of Finance
- Deborah Spalding, chief investment officer, State of Connecticut
- Chair: Colin Tate, chief executive, Conexus Financial

[This session will also include a conference call to action](#)

A letter from the United Nations Framework Convention on Climate Change (UNFCCC) will be presented, calling the conference to make pledges/commitments

6.00 - 7.30 Welcome cocktails

Monday October 19, 2015

8.00 Registration

8.30 Welcome
Amanda White, director of institutional content, Conexus Financial

8.30 -9.15 [The savings challenge and portfolio construction levers](#)
Institutional portfolios are broadly unprepared to face the impending low return environment. There are three major portfolio construction levers at the disposal of investors: their long-term strategic asset allocation, active management (whether implemented through short-term tactical views, external managers, or internally driven trades), and the thoughtful combination of tactical bets with their core asset allocation. The last lever can be transformative to a portfolio but it is highly under-utilised. Investors can increase the chances of meeting their goals by giving preference to managers or trades that are diversifying to everything else in their portfolio. In what is widely expected to be a continued low return environment, it will be critical for investors to use all portfolio construction levers at their disposal to meet their return goals.

- Jim Haskel, senior portfolio strategist, Bridgewater Associates
- Chair: Amanda White, director of institutional content, Conexus Financial

9.15 – 10.00 [Russia, China and beyond – geopolitics and uncertainty](#)
Based on history, humans are very poor predictors of the future. With the financial system now more stable, one of the biggest risks to markets is geopolitics. Professor of History at Princeton and geopolitical specialist Stephen Kotkin says geopolitical risk, which is ubiquitous, is always triggered unexpectedly, and developments seem utterly obvious post-facto. So how do investors get anything right in the next 40 years? Markets might be efficient - all things being equal - but Kotkin argues that when there is instability, and geopolitical threats, markets are not efficient.

- Professor Stephen Kotkin, John P Birkelund '52 Professor in History and International Affairs, Princeton University
- Chair: Colin Tate, chief executive, Conexus Financial

10.00–10.25 Morning tea

10.25 – 11.25 [Organisational change and leadership](#)
How can asset owners and asset managers groom the next generation of leaders? What is the right kind of incentive and governance structure to optimise your strategy? This session will address the business strategy of asset management firms and asset owners as they grow and seek to build enduring institutions.

- Onur Erzan, director, McKinsey & Company
- Chris Hitchen, chief executive, Railpen
- David Richter, investment committee chair, head of manager research and managing director, Grosvenor
- Stephen Siderow, president and founder, BlueMountain Capital Management
- Chair: Ben Phillips, partner, Casey Quirk

11.25 – 12.25 [Defining an effective investor/manager relationship](#)
The progression of an investor's relationship with its investment manager can follow a variety of paths and typically involves diverse functions and roles, particularly in the infrastructure space. In a best-case scenario, proper planning and strategising allows a manager and investor to combine resources to develop best-in-class market research, portfolio construction, capital investment, asset management and reporting over a multi-decade period. This session will begin a conversation around how LPs should be thinking about the maturation of the relationship they have with their managers.

- Christopher Ailman, chief investment officer, CalSTRS
- Tim Corbett, chief investment officer, Mass Mutual
- Tom Osborne, executive director, IFM Investors
- Chair: Brian Clarke, executive director, IFM Investors

12.25 – 1.15 Lunch

1.15 – 2.30

Efficient Market Hypothesis

The audience will get a chance to ask questions of the 2013 Nobel Laureate and “Father of Modern Finance” Eugene Fama.

- Eugene Fama, Robert R McCormick Distinguished Service Professor of Finance, The University of Chicago Booth School of Business
- Co-Chairs: Amanda White, director of content, Conexus Financial; John Skjervem, chief investment officer, Oregon Treasury

Audience Q&A

2.30 – 2.50

Afternoon tea

2.50 – 3.40

Liquidity in fixed income capital markets.

This session will look at liquidity in fixed income markets from a risk and total portfolio view. It will look at what liquidity in fixed income markets means, how can it be measured and why the current situation in fixed income - which includes less support from dealers/bankers - is ultimately a good thing for long-term-oriented fixed income investors.

- Rick Bookstaber, chief risk officer, University of California’s investment office
- Payson Swaffield, chief income investment officer, Eaton Vance
- Chair: Chris Redmond, global head of credit, Towers Watson

Followed by roundtable discussion

3.40 – 4.35

Global credit opportunities

This session will look at credit and distressed markets around the globe, specifically reviewing developments in the Eurozone and drawing implications for investment opportunities and risks. The session will also examine current fault lines, including sectors like oil and gas, as well as discussing when and how to think about investing for the next distressed cycle.

- Alan Goodman, senior portfolio manager, Pension Protection Fund
- Victor Khosla, founder and chief investment officer, SVP
- Bill Lee, chief investment officer, Kaiser Permanente
- Chair: Jim Vos, chief executive, Aksia

Followed by roundtable discussion

4.35 – 5.30

Private equity uncovered

The transparency, risk and return profile and benchmarking of private equity investments is one of the hottest issues for investors. One of the world’s leading academics on private equity, Steve Kaplan, will address the audience on private equity and investors will discuss their experiences.

- Hershel Harper, senior adviser to the South Carolina Retirement System
- Steve Kaplan, Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance, The University of Chicago Booth School of Business
- Chair: John Skjervem, chief investment officer, Oregon State Treasury

5.30

Conference close

6.30

Conference dinner

The Art Institute of Chicago – including The Masters Tour

Special guest – dinner speaker David Booth

The University of Chicago Booth School of Business was named in honour of David Booth, where he serves as a lifetime member of the school’s business advisory council. He is a member of the

board of trustees of the University of Chicago, the University of Kansas Endowment Association, and is on the board of directors of Georgetown University.

- David Booth, founder, chairman and co-chief executive of Dimensional Fund Advisors

Tuesday October 20, 2015

8.00 Refreshments

8.15 – 9.00 Macro diversification: Investing in an increasingly turbulent and integrated world

Well beyond static equilibria, markets are dynamic and vibrant systems for differentiating attributes, selecting successful features, and amplifying characteristics of survivors. Sustainable superior performance is about the tides of fundamental valuation but also the waves of interim market differentiation, selection, and amplification. Investment leadership, philosophies, and processes must accommodate this simple condition. Leadership tools and process frameworks will be proposed.

- Brian Singer, partner and head of the dynamic allocation strategies team, William Blair
- Chair: Amanda White, director of content, Conexus Financial

9.00 -10.00 Factor investing

This session will examine factor investing from the buy side and sell side including considerations such as choosing appropriate factors, optimal factor allocation, constructing robust factors, and timing. It will look at how factor risk premiums can be harvested in portfolio design and incorporated in various aspects of investment management.

- Andrew Ang, managing director and head of the factor-based strategies group, Blackrock
- Julien Turc, head of cross-asset quantitative strategy, corporate and investment banking, Societe Generale
- Chair: Eugene L. Podkaminer, senior vice president, capital markets research, Callan Associates

10.00 – 10.20 Morning tea

10.20 – 11.20 Historical data to determine risk versus big data to assess forward risk

Advanced data tools and practices will be one of the most powerful agents of change in the investment industry over the next 10 years. This session will look at the role of data and analytics in informing forward-looking asset allocation and risk management.

- Thomas Coleman, executive director, Center for Economic Policy, University of Chicago, Harris School of Public Policy
- Mike Edleson, chief risk officer, University of Chicago office of investments
- Ronnie Sadka, professor of finance, chairperson, Boston College, Carroll School of Management
- Chair: Will Kinlaw, senior managing director, at State Street Global Exchange

11.20 – 12.10 The mainstreaming of renewable power investment

Wind and solar projects accounted for 48 per cent of all new US power generation in 2014, the third year in a row the figure has exceeded 40 per cent. Since 2010, according to data provider Dealogic, renewable power has been the most active area of infrastructure investment in North America by both dollar and number of transactions. Against the backdrop of a successful fundamental global growth story, investing in renewable power projects remains relatively new for many investors when compared to more traditional energy and infrastructure. In this session the panellists will look at the asset class, discuss trends at work within the sector and review opportunities and challenges for investors.

- Jim Barry, managing director, global head of BlackRock Infrastructure Investment Group, BlackRock Alternative Investors
- Andrew Major, general manager unlisted assets, HESTA
- Chair: Colin Tate, chief executive, Conexus Financial

12.10 – 1.00 [Managing tail risk through managed volatility strategies](#)

Changing volatility levels drive much of the non-normality in financial return series. Investors are examining various strategies to smooth out the volatility. This session will look at how managed-volatility strategies can stabilise the daily amount of capital at risk and thin out the tails of the return distribution. This discussion will discuss methods that institutions can use to control volatility.

- David Kelly, partner, Aon Hewitt
- Bryon Willy, principal, Mercer
- David Wilson, managing director, head of institutional solutions, Nuveen Asset Management
- Chair: Colin Tate, chief executive, Conexus Financial

1.00 – 1.45 [lunch](#)

The afternoon session will include a 10 minute refreshment break

1.45 - 2.40 [Adaptive risk allocation](#)

The synchronisation of asset classes in global markets creates a risk-management challenge for investors; if most asset classes can rise together, they can fall together as well. An adaptive risk allocation methodology is one way to address this challenge. An adaptive risk parity approach, seeks to identify distinct market states, and systematically allocates risk according to established policy portfolios designed for those states. The goal is to dynamically calibrate risk exposures, generating more consistent risk-adjusted returns and improved portfolio drawdown.

- Jeffrey L. Knight, global head of investment solutions and asset allocation, Columbia Threadneedle
- Jeff Scott, chief investment officer, Verus Investments
- Dhvani Shah, chief investment officer, Illinois Municipal Retirement Fund
- Chair: Amanda White, director of content, Conexus Financial

2.40 - 4.15 [Asset allocation challenge – portfolio construction workshop](#)

This interactive session will look at asset allocation in a complex, governance-challenged, battle-for-return, war-for-talent world. Roger Urwin and Jaap van Dam will present a challenge for investors to workshop. The premise will be how to really position your portfolios for the long term. Each table will work together and present their ideas and results to the floor.

- Roger Urwin, head of content, Towers Watson
- Jaap van Dam, head of strategy at PGGM
- Chair: Amanda White, director of content, Conexus Financial

4.15 - 5.00 [Integrity and ethics in the investment industry](#)

The financial crisis was a conduit for the financial services industry to really address integrity and ethics. This session will look at the industry in the context of manager relationships and investment manager ethics, and will address the fact that as asset owners get larger and employ more staff they need to be clear on their own internal ethics and responsibilities.

- Mark Delaney, chief investment officer, AustralianSuper
- Ronald D Peyton, chairman and chief executive of Callan Associates, chair of the CFA Institute Asset Manager Code of Professional Conduct Advisory Committee
- Chair: Amanda White, director of content, Conexus Financial

5.00 [Conference close](#)

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