

Low Cost Equity & Other Investment Strategies

The Risk Reward Trade-off

Thursday 12 May 2016

AT LE MERIDIEN, PICCADILLY, LONDON

Programme

This conference is arranged by **SPS Conferences**

Sponsored by:

AXA Investment Managers
Robeco
RWC
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Programme

- 08.30 **Registration and coffee**
- 09.00 **Welcome and Opening Remarks**
TREVOR COOK, MANAGING DIRECTOR, SPECIALIST PENSION SERVICES
- 09.10 **Smart Beta**
MODERATOR: **JOANNE JOB**, HEAD OF RESEARCH, ALLENBRIDGEEPIC
- “Achieving More with Less, Drivers and Consequences of Low Cost Strategies”** 12.10
- Institutional investors are changing the way they invest because of persistently low developed market government bond yields and an uncertain outlook for listed equities. Reactions range from increasing portfolio complexity and illiquidity to generate more gross return to reducing complexity and/or cost to capture more of a lower gross return. These trends summarized as internalisation and passivization, benefit from more transparent and better constructed benchmarks which more accurately represent the return and risk characteristics of the desired investment strategy. Standard smart beta and bespoke benchmarks can provide more cost efficient passive implementation or more accurate assessment of the value of active management.
- JAN-CARL PLAGGE**, DIRECTOR, HEAD OF APPLIED RESEARCH, STOXX
- “Designing low cost investment solutions”** 13.30
- Incorporating appropriate pension funds’ ESG and other sustainability requirements. Applying Smart Beta ideas to the Credit Market. How effective is Buy & Maintain, it may cost less but does it deliver? The cost of transacting. The benefits of examining case studies and learning from them.
- CHRIS IGGO**, HEAD OF FIXED INCOME AND **SHADE DUFFY**, HEAD OF CORPORATE GOVERNANCE, AXA INVESTMENT MANAGERS
- 10.25 COFFEE / TEA
- 10.55 **Factor Investing**
MODERATOR: **ALISTAIR MCKISSACK**, HEAD OF EQUITY RESEARCH, HYMANS ROBERTSON
- “Factor Investing is Active Investing”**
- Factor investing, despite its ability to be passively implemented, is a form of active management. Why is it active and what do investors need to think about when assessing factor strategies? The session considers the sources of potential returns, the cyclical nature of performance and how a manager targets a factor to create a portfolio. Why, regardless of the strategy chosen, should investors remain focused on the importance of costs and discipline?
- MARK FITZGERALD**, HEAD OF PRODUCT, EUROPE, VANGUARD ASSET MANAGEMENT
- “Implementing Factor Investing Strategies”**
- How to efficiently implement factor investing as part of your overall investment strategy. Based on strong academic research, adopting a factor strategy can generate higher risk-adjusted returns. In this session the speaker highlights some examples of how to successfully implement factor investing within your portfolio.
- JOOP HUIJ**, EXECUTIVE DIRECTOR, HEAD OF FACTOR INVESTING RESEARCH, ROBECO
- 12.10 **Drinks and Lunch**
- 13.30 **Where to get real value**
MODERATOR: TO BE CONFIRMED
- “Where to get real value from active management”**
- Cost versus value. When investment returns are uncertain it is understandable why cost becomes the focus of attention for investors. However, a fee structure which aligns investors' and investment managers' outcomes should provide better value. By combining superior alignment with a longer investment horizon, active managers can own companies which are trading at a steep discount to their intrinsic value. A truly active equity portfolio provides a transparent basket of real assets which could be complementary to a more passive approach.
- LOUISE KEELING**, PORTFOLIO MANAGER, RWC
- “Investment Management Fees charged to UK Pension Funds - 2015 Survey”**
- An overview of this illuminating 40 page survey from LCP that examines the fees charged by investment managers, segmented by asset class and by fund size.
- MARK NICOLL**, PARTNER, LCP
- 14.45 COFFEE / TEA
- 15.05 **Practical Session and Pension Fund Panel**
MODERATOR: **GILLIAN GRAHAM**, PRINCIPAL, PS INDEPENDENT TRUSTEES
- “Transparency”**
- How do you really know what your investment management charges are? Fees are part of the story but what other costs are important and how do you ascertain whether you are paying more than you need. Trading costs, the impact of changes and missed opportunities. What about currency costs when buying non domestic stocks? Are you rewarded properly for illiquidity? What else should you be worried about?
- CONSULTANT SPEAKER TO BE CONFIRMED**
- A panel of pension scheme executives and trustees will talk about their pension fund's investment strategies and experiences. Panelists to include:
- JOHN ST HILL**, PRINCIPAL, PORTFOLIO MANAGEMENT, PENSION PROTECTION FUND
- CRAIG HERON**, INVESTMENT MANAGER, RPM I
- 16.30 **Drinks reception followed by Close of Conference**

Speaker Biographies



Shade Duffy is head of Corporate Governance within **AXA IM's** Responsible Investment team. Based in London and a member of our Multi-asset Client Solutions Team, she leads our voting and engagement initiatives and activities. Prior to joining AXA IM in 2005, Shade worked in a similar role at Henderson Global Investors for a number of years, and before that was Deputy Manager for the NAPF's Voting Issues Service, where she advised pension funds on corporate governance issues. Shade holds a Master's in Law from Tulane University and a Bachelor's in Law from Wolverhampton University.



Joop Huij, Head of Factor Investing Research at **Robeco**, is responsible for the coordination of Factor Investing research and development of customized factor investing solutions. He specializes in empirical asset pricing and investment strategies. Mr. Huij also holds a part-time position as Associate Professor (with tenure) of Finance at Rotterdam School of Management. He has published in, among others, the Journal of Banking and Finance, Journal of Empirical Finance, Journal of Financial Markets, and Financial Analyst Journal. Mr. Huij started his career as a researcher in 2007. He holds a PhD in Finance from Rotterdam School of Management and a Master's degree in Informatics & Economics (cum laude) from Erasmus University Rotterdam.



Chris Iggo is responsible for **AXA IM's** broad fixed income expertise. He joined AXA IM in May 2005 as a Senior Investment Strategist with responsibility for overseeing the macroeconomic analysis, currency research and input to the tactical asset allocation process in the UK. He was appointed to his current position in September 2008. Prior to joining AXA IM, Chris spent five years as Head of Strategy at Cazenove Fund Management. Between 1996 and 2000 Chris worked at Barclays Capital, first as Chief US Economist in New York and then as Chief European Economist. Before that, Chris spent seven years at Chase Manhattan Bank in London and New York as an Economist and Foreign Exchange Strategist. Chris holds a BSc and MSc in Economics from the University of London.



Mark Fitzgerald joined **Vanguard** in December 2013 as Head of Product, Europe. Mark's current role covers day-to-day responsibilities of Product Development, Europe, managing the team and key product research and development in Europe. Mark joined from BlackRock/ BGI where he spent 8 years in the Portfolio Management Group in various senior roles, lastly as a Managing Director and European Head of iShares Portfolio Management and European lead for the Beta Strategies Index Research Group. Prior to BlackRock's acquisition of BGI, Mark was Head of Pooled Funds Equity Portfolio Management and the Index team's total return swap programme. Prior to BGI Mark spent 7 years as a quantitative equity and fixed income portfolio manager at Deutsche Asset Management and Northern Trust. Mark holds a BA Hons in Business Studies and International Finance from South Bank University, London.



Louise Keeling joined **RWC** in April 2013 to establish the long-only global equity team. Louise was previously Global Portfolio Manager at Marathon Asset Management, where she had sole responsibility for her sub-portfolio, an unconstrained global mandate, with no analytical support and a strong emphasis on personal accountability. Prior to joining Marathon, Louise worked within the investment arm of Clerical Medical (later known as Insight Investment), where she ended up with sole responsibility for the \$4bn US equity business. Louise started her career on the Bank of England graduate scheme, having graduated with a BA (Hons) in Economics & French Language from the University of East Anglia.



Mark Nicoll joined **LCP** in 2001 and shortly after was made a partner in the Investment team. He is an Associate Member of the Society of Investment Professionals. He helps his clients set clear investment objectives and select appropriate long-term investment strategies. He is straight talking and is able to explain complex issues in an easy to understand way. This helps his clients make important investment decisions quickly and take advantage of investment opportunities as they arise. Mark has over 30 years of investment consultancy experience and is lead investment adviser to 10 defined benefit pension schemes. He is one of the leaders in investment manager research and also a member of the Equity and Responsible Investment Research Groups. He is author of LCP's award winning Investment Management Fees Survey.



Jan-Carl Plagge is director and head of applied research at **STOXX** Ltd. In this role Jan is responsible for the development of innovative index concepts across all asset classes. Prior to joining STOXX Ltd in 2010, Jan spent 4 years as Product Development Manager at Deutsche Börse AG, where he was involved in the development of equity- and strategy indices. Jan-Carl Plagge holds a Master of Science (M.Sc.) in Business Management from the University of Münster, Germany and Ph.D. in Finance from the EBS, Universität für Wirtschaft und Recht, Wiesbaden / Germany.

Conference Notes

Purpose: This conference will seek to consider a selection of different low cost Investment Strategies/Opportunities available to pension funds such as low volatility, smart Beta, ETF's and Indexing as well as related issues such as trading costs, transparency and the risk reward tradeoff.

Date: Thursday 12 May 2016 **Venue:** Le Meridien, 21 Piccadilly, London, W1J 0BH. Tel: 020 7734 8000.

Cost: £1060 plus VAT. In addition a limited number of sponsored places are available to representatives of pension funds (and other institutional investors who themselves do not offer investment management services to others) at £540 plus VAT. Please check that you are eligible. The charge includes all conference documentation, drinks, lunch, tea and coffee breaks. Payment is required before the event. A VAT receipt will be supplied on request. SPS Conferences events are exclusively aimed at genuine pension fund executives, trustees and their advisers, who may qualify for free entry. SPS Conferences reserves the right of admission (free or paid) and our decision is final.

Cancellation: prior to 1 May 2016 subject to a fee of £60.00. No refunds can be made if cancellation is after this date but delegates may be substituted at any time. Cancellation by SPS will result in a full refund of delegate fees paid but no other expenses incurred.

Amendments: SPS reserves the right to amend or cancel the conference at any time but will always attempt to give prior notice. Cancellation by SPS will result in a full refund of delegate fees paid but no other expenses incurred.

PMI Accreditation: Attendance at the conference will be given 6.5 hours of CPD with the PMI.

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Queries: please contact: Ms Sue Golton at Specialist Pension Services Limited. Telephone +44 (0)1438 712345 Telefax +44 (0)1438 718883 Email: sue@spsconferences.com

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Booking Form

Please read the Conference Notes, then complete the details below.

Please reserve place(s) at The **SPS Low Cost Investment Strategies Conference** taking place on 12 May 2016.

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