



Ever changing times: investing in the LGPS

Celtic Manor Resort: 6-7 September 2018

Programme

Thursday 08:10- 09:10	Registration and visit the exhibition floor	
09:10- 09:20	Welcome Chair's introduction; the Chair sets the scene.	Nick Golding , Editor, LGC Denise Le Gal , Chair, Brunel Pension Partnership
09:20- 10:00	Session 1 UK and global perspective on the economy <ul style="list-style-type: none"> • Confirming whether the global recovery will continue • Offering the latest thinking on markets and the need for future optimism • Discussing views on equities and their future outperformance • Emerging markets vs. developed markets • Discovering the cautious approach on Credit • Interest rates and Government Bonds 	John Roe , Head of Multi-Asset, Legal & General Investment Management
Keynote interview 10:00- 10:40	Session 2 The future of Pooling, what's next on the horizon What happens after the more obvious and immediate objectives of: <ul style="list-style-type: none"> - making savings and reducing costs - improving risk related returns - investing in new asset classes, such as infrastructure 	Michael O'Higgins , Chair, Local Pensions Partnership

10.40-11:20	Visit the exhibition floor for refreshments	
11:20-11:40	Investment briefing sessions on the exhibition floor Choose 1 of 4 sessions to attend	
	<p>Fixing our broken housing market</p> <p>In a recent speech to the LGPS, Housing, Communities and Local Government Minister Rishi Sunak MP said "Housing in general is a government priority....we all know we need to build more homes." In this presentation John German will update on the state of the UK housing market, highlight how purpose-built residential properties can start to provide a solution - one which can potentially provide interesting income and return characteristics to LGPS funds.</p>	<p>John German, Senior Director - Residential Investments Invesco Real Estate</p>
	<p>Incorporating ESG in Fixed Income Investment Analysis</p> <p>ESG ('Environmental, Social, and Governance') factors present both risks and opportunities for investors, as they can affect the sustainability of a business and its cash flows. Incorporating ESG factors in fixed income investment analysis presents unique challenges, different to those of other investment asset classes. The challenges stem from the complexities of the fixed income market itself, and from the changing nature of ESG factors. These challenges mean that successful integration of ESG in fixed income analysis is best achieved in the context of active investment management.</p>	<p>Lior Jassur, Director of Fixed Income Research – Europe MFS Investment Management®</p>
	<p>Infrastructure for Pension Funds: Edinburgh Airport as a Case Study</p> <p>UK Local Government Pension Schemes are pooling, with targeted aims to achieve scale and access Infrastructure investments, among other things. With the huge investment required for building, improving and running infrastructure assets, what are the real benefits for pension fund investors and how can they access these scarce investments? GIP discusses its acquisition and ownership of Edinburgh Airport and what it has delivered for investors.</p>	<p>Andrew Gillespie-Smith, Partner, Global Infrastructure Partners</p>
	<p>Hermes Infrastructure: Asset Class Overview</p> <p>Join us to receive an update on the Hermes Infrastructure portfolio as well as a wider macro update exploring current market-drivers. During the session, we will discuss our approach to sourcing infrastructure assets and how we construct the portfolio with the aim to deliver consistent, risk adjusted returns for our clients.</p>	<p>Peter Hofbauer, Head of Infrastructure, Hermes Investment Management</p>

<p>11:45-12:30</p>	<p>Session 3 What actually matters when managing liabilities and risks to your fund</p> <p>Which costs actually impact:</p> <ul style="list-style-type: none"> • The cost benefit of good quality data, including case studies • Managing employer risk and assessing employer covenant • The need for appropriate employer investment strategies • Risk transfer and consolidation • A sustainable scheme design 	<p>Catherine McFadyen, Partner and Actuary and David Walker, Partner and Head of LGPS Investments, Hymans Robertson</p>
<p>12:30-13:35</p>	<p>Lunch on the exhibition floor</p>	
<p>Session 4 – Focus sessions</p>		
<p>Attend Focus session 1 or 2</p> <p>13:35-14:10</p>	<p>Focus Session 1</p> <p>The risks of de-risking</p> <p>With many funds considering derisking, we look at the long term economic outlook to derive the required asset allocation to meet the average discount rate used by local government pension schemes. We then consider how 5 derisking strategies affect the funding ratio. We focus on option strategies which are seeing renewed interest currently</p> <p>David Buckle, Head of Investment Solutions Design, Fidelity International</p> <p>Chair: Mark Hyde-Harrison, Chief Executive, London CIV</p>	<p>Focus Session 2</p> <p>Foundations of ESG investing</p> <p>We provide research insights explaining why ESG has an impact on risk and return in the long run. We also present case studies showing how to best integrate ESG into portfolios.</p> <p>Guido Giese, Executive Director, Equity Research team, MSCI</p> <p>Chair: Nicola Mark, Director, Norfolk Pension Fund</p>
<p>Attend Focus session 3 or 4</p> <p>14:15-14:50</p>	<p>Focus session 3</p> <p>The robots are coming. Are you ready?</p> <p>Artificial intelligence is on the verge of transforming daily life for millions of people, making technologies once confined to works of science fiction commonplace. What does this mean for your investments?</p> <p>Richard Carlyle, Equity Investment Director, Capital Group</p>	<p>Focus session 4</p> <p>Integrating ESG delivers alpha</p> <p>Abbie will illustrate the relationship between strategic ESG considerations and alpha. Explaining how these insights can be embedded as an investment tool rather than a screen, in order to identify the highest quality companies who are managing their businesses for the long term: in economic, environmental and social terms. Through our long standing, 30 year experience in this space, we understand which metrics are both material and relevant.</p>

	<p>Chair: Mark Hyde-Harrison, Chief Executive, London CIV</p>	<p>Abbie Llewellyn-Waters, Fund Manager, Jupiter Asset Management</p> <p>Chair: Nicola Mark, Director, Norfolk Pension Fund</p>
<p>Attend Focus session 5 or 6 depending on your role</p> <p>14:55-15:30</p>	<p>Councillors' discussion</p> <p>The Scheme Advisory Board programme – issues for Councillors</p> <p>Roger Phillips, Chair, LGPS Scheme Advisory Board</p> <p>Chaired by Ian Greenwood, Chair, Northern pool</p>	<p>Interactive Officer discussion</p> <p>With the creation of the 8 pools, Funds and Employers may feel a remoteness from what's actually going on. How do Funds and Employers build effective governance structures, performance monitoring processes and ensure Value for Money is achieved from the new arrangements. In essence, how do they stay close to their Pools</p> <p>Mike Ellsmore, Chair, CIPFA Pensions Panel</p> <p>Duncan Whitfield, President ALATS</p> <p>Chair: Nicola Mark, Director, Norfolk Pension Fund</p>
<p>15.30-16:05</p>	<p>Visit the exhibition floor for refreshments</p>	
<p>16.05-17.05</p>	<p>Session 5 Infrastructure, urban regeneration and real estate</p> <ul style="list-style-type: none"> • Illustrating why experience in investment is essential to effective delivery of urban regeneration • Showing how to create opportunities for long term investors • Investigating which measures other than financial considerations are important • Facilitating participation by smaller-scale development companies • Demonstrating how to address management challenges associated with urban regeneration projects • Investing in the financing of infrastructure 	<p>Tony Brown, Head of M&G Real Estate</p> <p>Claire Smith, Investment Director, Schroders</p> <p>Duncan Symonds, Director, Asset Management, IFM</p>

<p>17.05-17.40</p>	<p>Session 6 Governance and Stewardship</p> <ul style="list-style-type: none"> • How the TPR and FRC work • Latest insight on Governance and what the implications are • Current Stewardship issues and their potential consequences • Impacts for the LGPS funds and pools 	<p>Jennifer Sisson, Investor Engagement, Financial Reporting Council</p> <p>Amanda Latham, Policy Lead, The Pensions Regulator</p>
<p>19:00</p>	<p>Networking drinks reception and canapes in the Caernarfon foyer</p>	
<p>19:30</p>	<p>2 course networking dinner in the Caernarfon Suite</p>	
	<p>In the chair: Nick Golding, Editor, LGC After-dinner speaker: The Rt. Hon the Lord Winston of Hammersmith, Doctor, scientist, politician and television presenter</p> <p>After dinner, join us for the LGC Investment Summit 30th birthday celebration in the Caernarfon foyer</p>	

Friday 08:15-08:45	Visit the exhibition floor for refreshments	
08:45-08:55	Welcome from the chair:	Joanne Segars , Chair, LGPS Central
08:55-09:35	<p>Session 7 Building successful partnerships: recommendations and pitfalls</p> <p>Looking at how successful partnerships are formed within the pool.</p> <p>Exploring how to engage with other pools, other asset owners, external asset managers and amongst staff.</p>	Rachel Elwell , Chief Executive, Border to Coast Pensions Partnership
09:35-10:15	<p>Session 8 Protecting your equity portfolio</p> <ul style="list-style-type: none"> • How can an equity portfolio incorporate downside protection without forsaking the upside? • The importance of diversification and rebalancing • Understanding and adapting to market volatility • Exploring how long investment horizons are crucial to best employ defensive strategies • How can Trustees avoid timing the market? 	<p>Jeroen van Bezooijen, Executive Vice President, Head of EMEA Client Solutions, PIMCO</p> <p>David Schofield, President, International Division, Intech</p>
10.15-10:55	Visit the exhibition floor for refreshments	
10:55-11:15	<p>Investment briefing sessions in the pods</p> <p>Choose 1 of 4 sessions to attend</p>	
	<p>How can Core Infrastructure be Defensive?</p> <p>Infrastructure is attractive to long term investors because it offers downside protection, recession resilience, diversification, inflation protection in addition to a stable income stream. An important lesson learned from the Great Recession is that only core investment strategies in infrastructure offer these characteristics. We define core infrastructure as investments with cash flows streams that are forecastable for at least a decade, preferably more. An implication is that expected yield should make up at least half of the expected return in core</p>	Robert Hardy , Managing Director, J.P. Morgan Asset Management

	<p>infrastructure. With that approach, there is strong evidence that core infrastructure is one of the strongest investment strategies in terms of downside-protection.</p>	
	<p>What's next – Looking beyond manager fee savings</p> <p>LGPS Pools and Funds have done a great job recently of reducing manager fees even further, which goes a long way to improving net of fee returns. This session is designed to look at the other things LGPS could look to do, to further improve net of fee returns. In this session, Russell Investments will share a number of learning points about creating portfolios with multiple managers, and ways to maximise risk-adjusted net-of-fee returns.</p>	<p>Sasha Mandich, Director, Head of Relationship Management, Russell Investments</p>
	<p>Is 'sustainable investing' just a romantic notion that leads to the sacrifice of financial returns?</p> <p>Socially responsible investing has for some time been a key area of focus for many investors. Traditionally, investors have often chosen to follow an ethical investment approach, which involves applying 'screens' to avoid entire sectors. However, in the last few years there has been a growing interest in 'sustainable' investing – using environmental, social and governance (ESG) analysis in order to positively identify companies which effectively incorporate sustainability into their core business and strategy. We will explore how such an approach can potentially add value for investors and help them to achieve their long-term goals in a responsible and sustainable manner.</p>	<p>Raj Shant, Portfolio manager, Global Equity team, Newton Investment Management</p>
	<p>Investing Through the 4th Industrial Revolution</p> <p>The increasing impact of technology in our lives, driven by digitalisation, has been termed 'The Fourth Industrial Revolution'. Due to technological innovation, fuelled by increasing data generation, this revolution is progressing at an unprecedented rate. It is disrupting many industries and is likely to cause profound changes in society through the development of the Internet of Things (IoT), advances in medical science (like the Human Genome) and the likes of autonomous driving. From an investment perspective we need to understand and anticipate these changes in order to identify future winners and losers.</p>	<p>Luke Barrs, Head of the Fundamental Equity Client Portfolio Management Team EMEA, Goldman Sachs Asset Management</p>
11:20-12:00	<p>Session 9 Review of the Pools</p> <p>A review of the Pools' submissions Topical issues from the Advisory Board Current Government thinking Reflections on 3 years of Pool operation</p>	<p>Bob Holloway, Pensions Secretary, Local Government Association</p> <p>Chris Bilsland, Non-Executive Director, London CIV</p>

12:00- 12:40	<p>Session 10 Devolution and Regionalism</p> <p>Where do pension funds fit into local and national infrastructure</p>	<p>Dawn Turner, Chief Executive, Brunel Pension Partnership</p> <p>Paddy Dowdall, Assistant Executive Director, Greater Manchester Pension Fund</p>
12:40- 12:45	Closing Remarks	Joanne Segars
12.45	Lunch and depart	

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