

# 8<sup>th</sup> Asset Allocation

Structure your investment strategy to survive the market turmoil

## Workshop Included: Hedge Fund Investing

### participating organizations

API Asset Performance Inc.	LaSalle Investment Management
Cougar Global Investments	Macquarie Group
Counsel Portfolio Services	Manulife Financial
Hillsdale Investment Management Inc.	Pentecostal Assemblies of Canada
James A. Knowles Inc.	Toronto Transit Commission
KCS Fund Strategies Inc.	Torstar

### who should attend

- Plan sponsors and trustees of: Pension plan funds, University & Hospital endowment funds, Foundation, Association & Union investment funds;
- Institutional investment executives;
- Asset management executives;
- Investment dealers & managers;
- Lawyers in the pension & investment field

### course highlights

- Defining current market conditions and forecasting future trends
- Current trends in asset allocation policy
- Examine the relationship between pension funding and investment policies
- Explore the use of value at risk in asset allocation
- Infrastructure investment strategies
- Currency hedging policy formulation
- The role of real estate investment strategies
- Examining what is going on with active investment management
- The use of target date funds
- The latest on hedge fund investing

*"Good, simple description of complex topic."*

- Diego Apter,  
Institutional Investment Analyst,  
Fidelity Investments Canada

*"Learned more framework and got more insight in asset allocation field."*

*"Very down to earth, refreshing. Extremely interesting."*

Course Leader  
Deborah Frame,  
Cougar Global  
Investments



Rana Chauhan,  
Counsel Portfolio  
Services



James Cowan,  
Macquarie  
Group



Vaino  
V. Keelmann,  
API Asset Per-  
formance Inc.



Peter Klein,  
KCS Fund  
Strategies Inc.



Chris Langstaff,  
LaSalle Invest-  
ment Manage-  
ment



Harry S. Marmar,  
Hillsdale Invest-  
ment Manage-  
ment Inc.



Roy  
Schellenberg,  
Pentecostal  
Assemblies  
of Canada



Clark Steffy,  
Manulife  
Financial



Brian M. Leck,  
Toronto Transit  
Commission



Alnasir Samji,  
Torstar



Jim Knowles,  
James A.  
Knowles Inc.



# FACULTY

## COURSE LEADER

### DEBORAH FRAME

Deborah Frame, MBA, CFA is VP, Investments & Chief Compliance Officer at **Cougar Global Investments**. She has held executive positions over the past 25 years at a number of major life insurance and investment companies.

## CO-LECTURERS

### RANA CHAUHAN

Rana Chauhan is the Chief Investment Strategist for **Counsel Portfolio Services**.

### JAMES COWAN

James Cowan is Managing Director at **Macquarie Group**. Most recently, he was Managing Director and Head, Private Capital Markets group for Macquarie Capital Markets Canada.

### VAINO V. KEELMANN

Vaino Keelmann is Partner of **API Asset Performance Inc.** With credentials as a Security Analyst, he has also been a Portfolio Manager.

### PETER KLEIN

Peter Klein is Principal & Portfolio Manager of **KCS Fund Strategies Inc.** He is also a Professor of Finance at Simon Fraser and Director of the Centre for Studies in Wealth Management.

### JIM KNOWLES

James, Knowles, Managing Director, Alternative Asset Strategies, at **James A. Knowles Inc.**, provides consulting services regarding investment policy, portfolio construction & asset allocation.

### CHRIS LANGSTAFF

Chris Langstaff is Vice President, Research & Strategy of **LaSalle Investment Management**.

### HARRY S. MARMER

Harry Marmer, BBA, MBA, CFA, Executive VP, Institutional Investment Services, Partner, heads up the institutional business of **Hillsdale**. Prior to this he was Senior VP, Institutional Investment Services at Franklin Templeton Investments.

### ROY SCHELLENBERG

Roy Schellenberg is Executive Director for the Pension Plan of **The Pentecostal Assemblies of Canada**.

### CLARK STEFFY

Clark Steffy is Senior Account Executive, Group Savings & Retirement Solutions at **Manulife Financial**.

### BRIAN M. LECK

Brian M. Leck is the General Counsel of the **Toronto Transit Commission**, Toronto Coach Terminal Inc. and Toronto Transit Consultants. He is also Director & General Counsel for the TTC Pension Fund Society and TTC Insurance Company.

### ALNASIR SAMJI

Alnasir Samji is a member of the Board of Directors of **Torstar**, where he chairs the Pension Committee and is a member of the Audit, and the Nominating and Corporate Governance Committees.

# COURSE PROGRAM

## 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 session will discuss trends and reactions to current economic conditions.

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

## PENSION FUNDING & INVESTMENT STRATEGY

Have pension managers and plan sponsors learned from recent financial meltdowns and implemented strategies to mitigate the risk of future downturns in the economy? This presentation will explore the relationship between pension funding and investment policies, and help answer the following questions:

- What end goal are we trying to achieve with our investment policies?
- How should our investment policy interact with a funding policy?
- What is the exposure to our organization when there is a shock to the markets?
- What strategies can genuinely mitigate risks to our organization and our pension plan?

## SUPPLEMENTARY COURSE MATERIAL

Federated Press is now providing delegates with access to an innovative new database containing at least 25 interactive multimedia presentations by leading experts and approximately 20 hours of lectures on the topics covered by this course, including all slides and speakers' papers. See the list of presentations on page 4.

Delegates will also receive a trial subscription to the Pension Channel, a much broader resource representing hundreds of hours of interactive multimedia lectures on leading edge Pension topics as delivered at our many recent Pension conferences and courses.

## AV PROCEEDINGS

Audio/Video segments clickable slide by slide  
Papers and overheads also included  
Print any of the material for your own use



## USING VALUE AT RISK (VaR) TO RUN THE ASSET MIX

The Value at Risk (VaR) technique analyzes statistical historical price trends and volatility in order to provide estimates of the extent of future portfolio losses., as controlling losses can improve returns and reduce risk. This presentation will discuss the use of VaR in asset allocation.

- Advantages of the VaR strategy
- Combining the strategy with more traditional asset allocation techniques
- Does VaR work in a sub-prime crisis?
- How to put together a real Risk Budget with VaR
- Methodology for calculating VaR economically and efficiently

## INFRASTRUCTURE INVESTING

Pension funds have been shifting dollars from volatile stock markets into infrastructure investments, which provide more stable returns and matches well with the long-term liabilities of pension funds. With many municipalities having significant infrastructure repair & replacement backlogs, this session will look at infrastructure investment strategies.

- Infrastructure investing as a pension fund investment and municipality financing source
- Risk and reward characteristics
- Characteristics of municipal infrastructure suitable for pension investment
- Examples of third-party municipal infrastructure investments

## CURRENCY HEDGING POLICY FORMULATION

Canadian pension plans have been progressively increasing their allocation to global markets over the last 10 years. Plan sponsors are finding that they are becoming more exposed to volatile foreign currencies. Adverse currency movements can have a significant impact on the returns of Canadian pension plans' foreign investments. This presentation will examine:

- Why you should consider currency hedging
- How currencies have impacted the returns of your foreign portfolio
- What implementation issues should you consider?

## REAL ESTATE INVESTMENT STRATEGIES

Real estate has long been seen as an asset class that can provide protection from the effects of inflation. It offers low correlation to other asset classes; it is relatively illiquid and it requires a long-term commitment. 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
- What real estate offers to a pension fund
- Real estate's correlation with stocks and bonds
- Historical performance of real estate investment
- The role of diversification in a real estate portfolio

## WHAT'S GOING ON WITH ACTIVE INVESTMENT MANAGEMENT?

The goal of active investment management is to add value, relative to the appropriate benchmark, net of fees adjusted for risk. Investment managers employ a variety of strategies in pursuit of this goal. The recent performance of active managers has called into questions the success of this approach. This session will examine what exactly is going on with active investment management.

- What are the key characteristics that describe successful active managers?
- The evolution of capital markets over the past 4 years
- Latest tools and strategies for both passive and active investment management

## TARGET DATE FUNDS

Target date funds, for which asset allocation decisions are based on a specific target date, are being used by pension funds to meet the goal set at retirement. Thus, target-date funds typically start out with significant stock exposure and shift to more conservative fixed-income holdings as investors near retirement. This session will look at their use.

- Building of an all-weather glide path
- Retirement fund within the target date
- Asset mix selection within the target date suite
- A behavioural finance perspective on the benefits of target date funds

## FACT VS. OPINION: REALITIES IN ASSET ALLOCATION POLICY

With the unpredictability of the financial markets and an ever-increasing choice of investment options available, it is essential that you stay on top of the latest developments impacting all of the different asset classes, as it is upon these facts, and not opinions, which investment decisions should be made. This session will look what has happened in the past and the impact that it had had on the current investment process.

- Realities in asset allocation policy
- Why it is essential to look at what has gone on in the past
- Facts vs. opinions: basing decisions on the truth, not conjecture
- Reliance on opinions and the mistakes they have led to

## WORKSHOP

### HEDGE FUND INVESTING

According to the Alternative Investment Management Association, Canada's hedge fund industry is worth about \$30 billion and is showing few signs of slowing down. While there are benefits for some investors to invest in hedge funds, the combination of data issues, downside risk and structural characteristics raises questions about how to integrate them into an asset allocation strategy.

- Why invest in hedge funds
- A prudent approach to hedge fund investing
- Considerations for investing in hedge funds
- The merits of Canadian hedge funds
- Allocating to hedge funds

Your registration includes an interactive multimedia database comprising the following presentations from recent Federated Press courses and conferences. They are presented in their entirety with complete audio or video and accompanying slides. You may also purchase the multimedia proceedings of the course which will be available on CD-ROM 60 days after the course.

### Developing a Liability-Driven Investment Strategy

Stephen Orlich,  
MFC Global Investment Management

### Trends in Asset Allocation

Robert Chepelsky,  
Morneau Sobeco

### Currency Hedging Policy Formulation for Canadian Investors

Sofia S Assaf,  
Mercer (Canada) Limited

### Using Strategic Overlays to Optimize Risk Control and Add Value

Louis Basque,  
Slate Street Global Advisors Limited

### Risk Based Asset Allocation & the Inclusion of Alternatives

Dino Bourdos,  
TD Asset Management Inc.

### Institutional Investors & Private Equity

Kirk Falconer, Thomson Reuters (Canada);  
Jim Orlando, OMERS Capital Partners;  
Dan Goguen, New Brunswick Investment Management Corporation;  
David Rogers, Caledon Capital Partners;  
Jeff Pentland, TD Capital Private Equity Investors

### Incorporating Alternative Investments into the Mix

Pierre Caron, bfinance Canada Inc.;  
Anthony Lennie, Victoria University  
(in the University of Toronto)

### Using Value at Risk (VAR) to Run the Asset Mix

Vaino V. Keelmann,  
API Asset Performance Inc.

### The Ties Between Investment Policy & Pension Funding

Ian Edelist,  
Eckler Ltd.

### Real Estate Investment Strategies: The Case for Real Estate

Zelick L. Altman,  
LaSalle Investment Management

### Responsible Investing in a Shifting Investment Landscape

Sarah Smith,  
Jantzi Research Inc.

### Separating Alpha from Beta

Steven Ilkay,  
Caseridge Capital Corporation

### Infrastructure Investing Strategies at the City of Toronto Employee Pension Plans

Rob Hatton,  
City of Toronto

### Socially Responsible Investing

Paula Glick,  
Jantzi Research Inc.

### A Comprehensive Risk Management Approach

Robin Pond,  
Morneau Sobeco

### Exchange Traded Funds (ETFs) and their Role in Strategic Asset Allocation

Ted Theodore,  
Avatar Associates

### Incorporating Managed Futures into your Portfolio

Roland Austrup,  
Integrated Asset Management Corp.

### Performance Attribution & Risk-Adjusted Investment

Pierre Caron,  
bfinance Canada Inc.

### Pursuing Alpha Strategies

Rene Levesque,  
Mountjoy Capital

### Selecting & Monitoring Multi-Manager Structures

Bruce B. Curwood,  
Russell Investments Canada Limited

### Comparing Hedge Fund Vs. Traditional Managers

Jeff Parent,  
Quadrex Asset Management, Inc.

### The Practical Application of Style-Based Techniques for Manager Oversight

Ian Nisbet,  
Style Research Limited

### Global Investment Performance Standards (GIPS) and Manager Oversight

Garvin K. Deokiesingh,  
Manulife Financial Canada

### Fund Manager Selection Best Practices

Doug Crawford,  
CAA South Central Ontario

### Post-Selection Monitoring: Performance & Compliance

Hosen Marjaee, MFC Global Investment Management;  
Andrew Gretzinger, Manulife Asset Management Limited

**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:** Novotel Toronto Centre Hotel, 45 The Esplanade, Toronto, ON, M5E 1W2

**Conditions:** Registration covers attendance for one person, the supplementary course material as described in this document, lunch on both days, morning coffee on both days and refreshments during all breaks. The proceedings of the course will be captured on audio or video. Multimedia proceedings with all slides and handouts can be purchased separately on a CD-ROM which will also include the course material.

**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.

**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 May 31, 2012. No refunds will be issued after this date.

**Discounts:** Federated Press has special team discounts. Groups of 3 or more from the same organization receive 15%. For larger groups please call.

Payment must be received prior to June 6, 2012

Phone: 1-800-363-0722 Toronto: (416) 665-6868 Fax: (416) 665-7733

## TO REGISTER FOR ASSET ALLOCATION

Name \_\_\_\_\_  
 Title \_\_\_\_\_ Department \_\_\_\_\_  
 Approving Manager Name \_\_\_\_\_  
 Approving Manager Title \_\_\_\_\_  
 Organization \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ e-mail \_\_\_\_\_  
 Please bill my credit card:  AMEX  VISA  Mastercard  
 # \_\_\_\_\_ Expiration date: \_\_\_\_ / \_\_\_\_  
 Signature : \_\_\_\_\_  
 Payment enclosed:  Please invoice. PO Number: \_\_\_\_\_

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## REGISTRATION COSTS

NUMBER OF PARTICIPANTS:   
 COURSE: \$1975  
 COURSE + PROCEEDINGS CD-ROM:  
 \$1975 + \$175 = \$2150  
 PROCEEDINGS CD-ROM: \$599  
 NOTE: Please add 13% HST to all prices.  
 Proceedings CD-ROM will be available 60 days  
 after the course takes place  
 Enclose your cheque payable to  
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 For additional delegates please duplicate this form  
 and follow the normal registration process