



INSTITUTIONAL
INVESTOR INSTITUTE
BY PENSION FUNDS, FOR PENSION FUNDS

Nordic & Benelux Pension Fund Meeting

6 - 7 April 2011
Grand Hotel Huis ter Duin
Noordwijk, The Netherlands

**Institutional
Investor**

Pension Fund Advisory Board Members

Eric Huizing
Chief Investment Officer
Ahold Pensioenfonds
The Netherlands

Richard Balfe
Chairman
European Parliament Pension Fund
Belgium

Gerlof de Vrij
Head of Global Tactical Asset Allocation
APG Asset Management
The Netherlands

Jeroen Kakebeeke
Portfolio Manager External Managers
Grafische Bedrijfsfondsen (GBF)
The Netherlands

Gustaf Hagerud
Chief Investment Officer
AP3
Sweden

Lars Wallberg
Chief Financial Officer
LD Pensions
Denmark

Lars Rohde
Chief Executive Officer
ATP
Denmark

Rijk Griffioen
Senior Investment Consultant Alternatives
Stichting Pensioenfonds IBM Nederland
The Netherlands

Heli Huhtala
Head of Investments
Bank of Finland
Finland

Torben Möger Pedersen
Chief Executive Officer
PensionDanmark
Denmark

Leif Hasager
Chief Investment Officer
BankPension
Denmark

Dr Patrick Groenendijk
Chief Investment Officer
Pensioenfonds Vervoer
The Netherlands

Justus van Halewijn
Chief Strategist
Blue Sky Group
The Netherlands

Anne Broeng
Chief Financial Officer
PFA Pension
Denmark

Philip Menco
CEO & CIO
De Eendragt Pensioen NV
The Netherlands

Henrik Larsen
Chief Investment Officer
Sampension
Denmark

Christer Franzén
Deputy Head of Markets
Ericsson
Sweden

Spencer Stots
Manager Investment Support
Zwitserleven
The Netherlands



INSTITUTIONAL
INVESTOR INSTITUTE

BY PENSION FUNDS, FOR PENSION FUNDS

Devil's Advocates

Gustaf Hagerud
Chief Investment Officer
AP3
Sweden

Lars Rohde
Chief Executive Officer
ATP
Denmark

Wednesday, 6th April 2010

08.15 REGISTRATION

08.50 WELCOME & INTRODUCTION

08.55 MY BIGGEST CHALLENGE IS....AND WHAT I'M DOING ABOUT IT

Discussion

In this opening session, we will ask delegates what the biggest challenge they currently face is – and what they are doing about it. This session is interactive and all delegates may be called upon to answer this question. The results should be a fascinating insight into the challenges pension funds and asset managers currently face and the possible solutions.

Scott Anderson

Director

Institutional Investor Institute

09.30 OUTLOOK ON THE WORLD ECONOMY

Presentation

One of Europe's most experienced and influential economists will provide insights into how a destabilisation of the eurozone, soaring levels of government debt and the outlook of an ongoing low interest environment will affect pension funds' investments. Is there a risk that the current state of low interest and low inflation suddenly changes? Will ever greater bail-out packages for countries like Ireland and possibly Portugal send traditionally stable economies on the brink of default? He will discuss future economic patterns and how governments will deal with the burden of debt – are there alternatives to austerity and/or inflation?

10.10 COPING WITH A WEAKEND EUROZONE AND POSSIBLE INFLATION

Panel Discussion

After central banks across the Western world flooded the markets with cash in the wake of the financial crisis, many believe an eventual rise in inflation is inevitable. This session examines how pension funds can protect themselves against this scenario. What are the possibilities to hedge inflation? How useful are real asset classes such as real estate, infrastructure and commodities? What are the pros and cons of derivatives? And what happens if the Euro does not survive the current crisis?

10.40 COFFEE

11.10 RISK MANAGEMENT

Workshops

Many pension funds have re-evaluated risk in the portfolio, but how can one ensure the protection of assets in the current market environment without missing out on future returns? The panel will look at the main risks pension funds have identified such as interest rate risk, longevity risk and currency risk.

11.50 WHAT IS REALLY GOING ON IN THE INVESTMENT MANAGEMENT INDUSTRY AND WHAT IT MEANS FOR PENSION FUNDS

Presentation

With continuous announcements of consolidations, sales and splitting off of asset management firms, what is really going on in the industry and how do these changes affect pension funds? One of the region's leading consultants will analyse these changes, identify trends, make predictions for the future of the investment management industry and display the impact this has for pension funds.

Jesper Kirstein

Consultant

Kirstein Finansraadgivning

Denmark

12.20 CASE STUDY: AGAINST THE CURRENT – FROM FIDUCIARY MANAGEMENT TO MULTI MANAGER STRATEGY IN ONE GIANT LEAP

Presentation

Since the start of 2010 LD Pension has been busy with what is regarded as 2010's biggest tender for investment. The €5bn tender has attracted substantial interest worldwide for both the size and the process of which the tender was conducted. In this presentation LD's CFO, Lars Wallberg, presents firsthand how LD effectively moved away from full fiduciary management to a multi manager strategy.

Lars Wallberg

Chief Financial Officer

LD Pension

Denmark

12.50 LUNCH

14.20 CASE STUDY: IN SEARCH OF STABLE POSITIVE EXCESS RETURNS AND CAPITAL PRESERVATION

Presentation

Rabobank Pension fund has restructured its equity market portfolio to increase the probability of stable, positive excess returns. After extensive analysis by its advisors, the fund now combines various investment styles and managers for its developed markets portfolio. In addition, Rabobank Pension fund's fiduciary advisor as well as its operational fixed income manager now play an important new role in the fund's capital preservation strategy.

Bernard Walschots

Chief Investment Officer

Rabobank Pensioenfonds

The Netherlands

14.50 HOW TO GENERATE RETURNS IN A LOW-INTEREST AND LOW ASSET RETURN ENVIRONMENT

Break-out discussion groups

In the light of low interest rates many investors are looking for investment opportunities other than government bonds to generate returns. Yet the main characteristics of low risk and steady returns are not so easy to find.

i. Are corporate bonds a real alternative?

Can corporate investment grade bonds offer a alternative? Are corporate bond yields currently high enough to justify the additionally incurred credit risk?

ii. Does real estate offer the right characteristics?

Many investors are looking at real estate investments. Will it prove to be a good substitute?

iii. Infrastructure

It is early days for infrastructure investing among European pension funds, but is infrastructure living up to the hype?

Barbara Weber

Partner

B Capital Partners

Switzerland

iv. Emerging Markets

Are the power house economies in Asia and other developing markets the solution to turn to in order to boost missing growth rates in the West?

15.30 CASE STUDY: A NEW STRUCTURE TO HEDGE FUND INVESTMENTS – PGGM'S MANAGED ACCOUNTS PLATFORM

Presentations

PGGM's Head of Hedge Funds, Jan Soerensen, explains why PGGM opted to set up an exclusive platform to directly invest into selected hedge funds. He will share the difficulties they faced when setting up the new structure and what advantages he sees in investing via segregated managed accounts rather than pooled funds.

Jan Soerensen

Head of Hedge Funds

PGGM

The Netherlands

15.50 CAN HEDGE FUNDS GENERATE RETURNS IN A LOW INTEREST AND LOW ASSET RETURN ENVIRONMENT

Panel discussion

This session will not be a theoretical examination of hedge funds but rather a real examination of strategic allocations to hedge funds. The focus will be on which strategies are designed for which outcomes and how each fits in with the rest of your portfolio. We will examine the main hedge fund strategies in detail such as CTA global; distressed securities; global macro; equity market neutral; event driven; relative value; short selling; long/short equity; funds of funds; and fixed income, convertible and merger arbitrage.

Discussions will be led on what pension funds are trying to achieve by adopting each strategy, how hedge funds get over the hurdles of trustee concerns, and do pension funds really understand what they are investing in.

Christer Franzén
Deputy Head of Markets
Ericsson
Sweden

Philippe Gougenheim
Head of Hedge Funds
Unigestion
Switzerland

Kier Boley
Investment Manager
GAM Multi-Manager
United Kingdom

Jan Soerensen
Head of Hedge Funds
PGGM
The Netherlands

16.30 COFFEE BREAK

- 17.00 The programme splits into two simultaneous options, allowing you to choose the session you would like to attend.

OPTION 1: ALTERNATIVE BETA STRATEGIES

Discussion Groups

What are the alternatives to normal market cap-weighted strategies? What are the advantages and disadvantages of i-share, mean variance, fundamental indexing and anti-benchmarking strategies?

OPTION 2: DENMARK'S MOVE AWAY FROM GUARANTEES

In light of the upcoming Solvency II rules on reserves, the Danish media has run hot with news of funds announcing that they will scrap guarantees. What does this change mean for pensioners, active members and pension fund managers alike and how do you manage the change process? What will the impact be on the investment process?

CASE STUDY 1

Presentation

Peter Køhler Lindegaard
Chief Investment Officer
Danica Pension
Denmark

CASE STUDY 2

Presentation

Torben Möger Pedersen
Chief Executive Officer
Pension Danmark
Denmark

DISCUSSION

Torben Möger Pedersen
Chief Executive Officer
Pension Danmark
Denmark

Peter Køhler Lindegaard
Chief Investment Officer
Danica Pension
Denmark

17.40 EVALUATION OF ACTIVE MANAGEMENT OF THE NORWEGIAN GOVERNMENT PENSION FUND - GLOBAL

Presentation

Professor Stephen M. Schaefer is one of the three professors who were commissioned to evaluate the active management of the Norwegian Government Pension Fund – Global. They prepared a paper that outlined a quantitative and qualitative evaluation of NBIM’s active management together with empirical studies of active management and test of the EMH. From their findings they drew a number of recommendations for the fund. Mr. Schaefer will elaborate on these recommendations and outline what his findings mean for other long-term investors.

Stephen Schaefer
Professor of Finance
London Business School
United Kingdom

18.20 COCKTAILS

19.15 DINNER

Thursday, 7th April 2010

08.30 CORPORATE GOVERNANCE & INVESTOR ENGAGEMENT

Presentation

Pension funds look at different ways to implement better governance and ethical dimensions. Which ways are being pursued and what are the advantages and draw-backs? How can ethical objectives be successfully aligned with business interests (e.g. active shareholding: locked-in vs liquidity)? And how can funds make sure there are no possible legal implications when joining forces with other funds on “green issues”? With many obstacles along the way many ESG policies are reduced to mere window dressing. What can really be done and how can funds achieve truly sustainable investment approaches and effective governance structures?

Prof Jaap Winter
Professor of Corporate Governance
Duisenberg School of Finance
The Netherlands

09.10 MEASURING SOCIAL IMPORTANCE OF ESG INVESTMENTS

Presentation

PGGM and the Rotterdam University have decided on a joined project to measure the social impact of ESG investments. The second largest Dutch pension fund manager has €2bn in dedicated ESG strategies and hopes that social impact methodology will help measure benefits.

Marcel Jeucken*

Head of Responsible Investment

PGGM

The Netherlands

09.30 HOW DAMAGING IS MARKET VALUATION TO THE PENSION FUNDS INDUSTRY?

Panel Discussion

Are market values the right way to measure pension funds and if not, what can be done to get our industry a better evaluation method of assets and liabilities?

Lars Rohde
Chief Executive Officer

ATP

Denmark

Christer Franzén
Deputy Head of Markets

Ericsson

Sweden

10.00 COFFEE

10.30 The programme splits into two simultaneous options, allowing you to choose the session you would like to attend.

OPTION 1 - WHAT IS THE RIGHT DISCOUNT RATE FOR PENSION LIABILITIES?

Panel Discussion

The financial crisis had a severe impact on the Dutch pension industry and still funding levels of many funds are unsustainably low. But is the funding ratio a true reflection of pension funds' assets and liabilities or is it a pure mathematical figure, with liabilities amplified due to unrelated external issues? Many players have long called for an adoption of a different discount rate, but regulators, politicians and industry representatives seem dead locked on how to proceed.

OPTION 2: SOLVENCY II & EU REGULATION – WHAT IT MEANS FOR PENSION FUNDS

Presentation

The European Commission released a Green Paper in July 2010 to review the EU countries' current pension provision and work towards an "adequate, sustainable, and safe European pension systems." The paper is set as a starting point for an EU-wide debate on the key challenges facing pension systems. What possible changes have been suggested and what are the implications? What will the single market objective of the European Union and a level playing field across the member states mean for pension funds?

This session also discusses regulatory and supervisory changes that have already taken effect such as the alternative investment guide lines, Solvency II and IORP Directive as well as EU supervisor IOPA. What does the industry make of these changes?

Jeroen Clicq*
Deputy Secretary General
European Federation for Retirement Provision - EFRP
Brussels

CASE STUDY PRESENTATION: IMPLEMENTING SOLVENCY II

Presentation

Implementation of Solvency II aims at improving the risk management of funds. But how can Solvency II requirements be combined with asset management requirements? Heli Huhtala, Head of Investments at Bank of Finland explains what solution her fund found and how she fared in the implementation process.

Heli Huhtala
Head of Investments
Bank of Finland
Finland

SOLVENCY II – WHAT WILL BE THE IMPACT ON PENSION FUNDS

Discussion Groups

In preparation of the introduction of Solvency II in October 2012 many funds have already started to apply some of the reporting requirements. But there is much uncertainty on what exactly is required in terms of qualitative and quantitative reporting. How will insurance-based pension funds fare once Solvency II is introduced?

Lars Rohde
Chief Executive Officer
ATP
Denmark

Heli Huhtala
Head of Investments
Bank of Finland
Finland

11.30 EMERGING MARKETS RISK

Presentation

Rising from the economic recession are emerging markets that have fared better than many of the developed markets. This 'new' reality is suddenly seeing an increasingly blurred distinction, which is now forcing pension funds to re-assess the investment policies they operate by in a search for the right balance of risk and return. All of which begs the questions of how to define what is and what is not an emerging market, and how to approach a revised allocation policy? From a risk perspective, relative to developed markets, should investors look at trends – not just history – as the reliance on commodities diminishes in markets such as India. As the emerging markets look to attract capital, should the strategic asset allocation look at expected returns, not just risks? This session also illustrates that pension fund boards need to move away from peers-driven domestic and traditional biases and explains how Sampension recently took its board to India to try to achieve 'experience' based decision-making, not just 'numbers' based.

Henrik Larsen
Chief Investment Officer
Sampension
Denmark

11.45 FRONTIER MARKETS

Presentation

As the pension fund world is scrambling to track down the right balance of risk and return, emerging markets are attracting increasing amounts of attention. However, with these markets having a stronger presence in the limelight, a number of funds are in search of alternatives. In this presentation, Leif Hasager shares his investment experiences in frontier markets.

Leif Hasager
Chief Investment Officer
BankPension
Denmark

12.05 EMERGING MARKETS INVESTMENT

Panel discussion

How can pension funds profit from emerging markets' economic vitality? While the Western world is paralysed by debt burdens and slow economic growths, the so called developing countries profit from rapid economic growth, high saving rates, growing consumer spending and a wealth of natural resources. With multiple ways to diversify into emerging markets equity as well as debt, which ways are working and what do pension funds need to look out for when allocating larger proportions of their portfolio.

Erik L van Dijk
Principal
LMGEmerge
The Netherlands

Leif Hasager
Chief Investment Officer
BankPension
Denmark

Henrik Larsen
Chief Investment Officer
Sampension
Denmark

12.30 CASE STUDY: AP3 – DYNAMIC ASSET ALLOCATION

Presentation

In this presentation, Gustaf Hagerud explains how AP3 has adopted and implemented a dynamic asset allocation programme.

Gustaf Hagerud
Chief Investment Officer
AP3
Sweden

13.00 CASE STUDY: ABN AMRO PENSIONFUND – DYNAMIC ASSET ALLOCATION

Presentation

The ABN AMRO Pensionfund has applied a dynamic asset allocation strategy since January 2007, with the main objective of better matching risk-reward trade-offs with preferences stated in the investment policy. The Director of the fund, Cees Dert, will outline their strategy and discuss the advantages and disadvantages he found applying this approach.



INSTITUTIONAL
INVESTOR INSTITUTE

BY PENSION FUNDS, FOR PENSION FUNDS

Cees Dert

Director

ABN AMRO Pensionfund

The Netherlands

13.30 LUNCH

14.30 END OF MEETING