



INSTITUTIONAL
INVESTOR INSTITUTE

A EUROPEAN MEMBERSHIP OF INSTITUTIONAL INVESTOR INC.

Benelux Pension Fund Roundtable

25-26 April 2012
Grand Hotel Huis ter Duin
Noordwijk, The Netherlands

**Institutional
Investor**

Programme Advice

When choosing the topics to be included in the programme, *Institutional Investor* continuously speaks to investors in the region to ensure the sessions are topical and exactly tailored to pension funds' interests. The following investors have kindly given advice and helped to put together the programme.

Eric Huizing
Chief Investment Officer
Ahold Pensioenfonds

Jeroen Kakebeeke
Portfolio Manager External Managers
Timeos

Cor Zeeman
Director
Alcatel-Lucent Pensioenfonds

Dick Kamp
Director
Pensioenfonds Super de Boer

Irene Ruis-Sijstermans
Senior Investment Manager
Appolaris

Patrick Groenendijk
Chief Investment Officer
Pensioenfonds Vervoer

Justus van Halewijn
Chief Strategist
Blue Sky Group

Alex van der Velden
Head of Responsible Equity Strategies
PGGM

Ramon Tol
Fund Manager Equities
Blue Sky Group

Jac Kragt
(former) Chief Risk Officer
PGGM

Philip Menco
CEO & CIO
De Eendragt Pensioen NV

Rik Imhof
Chief Financial Officer
Stichting Instituut Gak

Linda Teer
Investment Strategist
Doctors Pension Fund Services

Taron Ganjalyan
Senior Investment Strategist
Shell Asset Management Company

Adrian Cunningham
Pension Fund Secretary
European Parliament Pension Fund

Rijk Griffioen
Senior Investment Consultant Alternatives
Stichting Pensioenfonds IBM Nederland

Boudewijn de Blij
Director
Fonds 1818

Coos Luning
Head of Multi Manager Investments
TKP Investments

NEW RISKS, NEW REGULATIONS, NEW SOLUTIONS

Wednesday, 25th April 2012

08.30 REGISTRATION

08.30 – 10.30

ALTERNATIVE INVESTMENTS BREAKFAST

Panorama 3

Investor-only discussion

Participation in this session is available for all investment officials from pension funds and insurances who invest in alternative assets. We will discuss the latest developments in the alternatives space, investor experiences and ways to access alternative investments in a closed and confidential setting. The agenda will be set by the participants shortly before the event.

09.20 WELCOME & INTRODUCTION

Alex Beveridge

Director

Institutional Investor Institute

09.30 KEYNOTE SPEAKER: OUTLOOK ON THE WORLD ECONOMY AND FUTURE OF THE EUROZONE

Presentation

Volatile markets, political gridlock and a continuing debt crisis, investors are faced with a multitude of uncertainties. This session will examine the extent of the European debt crisis. What are the explicit and implicit liabilities of the different countries and what does that mean for bond holders?

Prof. Dr. Bernd Raffelhüschen

Head of the Institute of Finance

University Freiburg

Germany

10.00 RE-EXAMINING OUR ASSUMPTIONS

Panel Discussion

How do the challenges discussed in the previous session impact pension funds' asset allocation and portfolio construction?

- Is there still such a thing as a "risk free" asset?
- The China effect

- Is investing in Asia really safer than in Europe?
- Do traditional models still apply, or are there new ways of calculating risk and return?

Patrick Groenendijk
Chief Investment Officer
Pensioenfonds Vervoer
The Netherlands

Boudewijn de Blij
Managing Director
Fonds 1818
The Netherlands

Prof. Dr. Bernd Raffelhüschen
Head of the Institute of Finance
University Freiburg
Germany

10.30 COFFEE

CASE STUDIES ON RISK MANAGEMENT

11.00 Case Study Presentation 1:

Shell Asset Management – How to manage systemic risk

Higher volatility and systemic risks are now the norm. This presentation examines the fundamental reasons behind this structural break. It asks, are all the negative events in the market unpredictable “black swans” or is there scope for actively steering the asset allocation? The presentation will also focus on the structure of past systemic crises and introduce a framework for successful systemic risk management at pension funds.

Taron Ganjalyan
Senior Investment Strategist
Shell Asset Management Company
The Netherlands

11.10 Case Study Presentation 2:

Stichting Pensioenfonds IBM Nederland - Understanding Risk Parity

Risk Parity can be referred to as an alternative approach to asset allocation. A diversified beta portfolio is created by allocating risk instead of capital. Moderate levels of leverage are applied. Expectations are a more consistent performance across various economic environments, by earning asset class risk premiums. The objective of risk parity is to achieve equity-like returns with lower volatility.

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

11.20 Case Study Presentation 3:

De Eendragt Pensioen NV - Risk Framework Investments

In the long run, your capital is best preserved if investments are allocated based on risk. A quantitative framework alone is insufficient to monitor the total risk of the portfolio and therefore qualitative risk measures are necessary complementarities. This session will explain how risk is monitored through a combination of quantitative and qualitative risk measures and discuss any challenges you might encounter.

Jeroen Gondrie

Risk & Fund Manager

De Eendragt Pensioen NV

The Netherlands

11.30 RISK MANAGEMENT Q&A

Following the three short presentations each presenter will lead a break-out discussion group in which attendees will be able to ask detailed questions about presented case studies.

Moderator break-out 1:

Taron Ganjalyan

Senior Investment Strategist

Shell Asset Management

The Netherlands

Moderator break-out 2:

Rijk Griffioen

Senior Investment Consultant Alternatives

Stichting Pensioenfonds IBM Nederland

The Netherlands

Moderator break-out 3:

Jeroen Gondrie

Risk & Fund Manager

De Eendragt Pensioen NV

The Netherlands

12.00 THE NEW PENSIONS DEAL

Panel Discussion

Since signing the New Pension Deal to radically reform and future-proof the Dutch pension system in June 2011, the social partners have been locked in negotiations to flesh out the agreed measures. The pensions industry is eagerly awaiting further details which will influence liability calculations, investment decisions, governance structures and recovery measures. The social partners are set to present a more detailed outline in March 2012.

OPENING STATEMENT BY:

Kees Cools

Partner

Booz & Company

The Netherlands

PANEL DISCUSSION:

Guus Boender
Founder and Board Member

Ortec Finance
The Netherlands

Dick Kamp
Director
Pensioenfonds Super de Boer
The Netherlands

Ap Fraterman
Secretary Pension Policy

VNO-NCW
The Netherlands

Kees Cools
Partner
Booz & Company
The Netherlands

12.45 LUNCH

14.15 DE NEDERLANDSCHE BANK'S REVIEW ON INNOVATIVE INVESTMENTS

Panel discussion

As part of a theme-based approach to regulation De Nederlandsche Bank (DNB) examined investments in non-traditional asset classes such as hedge funds, private equity and infrastructure; termed 'innovative investments'. DNB reviewed the investment approach of a representative sample of Dutch pension funds in terms of manager selection processes, due diligence and monitoring. This session presents the guidelines for best practice in these areas, as outlined in the special report on these issues.

PRESENTATION ON DNB'S GUIDELINES:

Boudewijn van Zijl
Specialist Risk, Asset & Liability Management (RALM)

De Nederlandsche Bank NV
The Netherlands

Panel discussion:

Bart Heenk
Head of Solvency and Risk Management

Cardano
The Netherlands

Jan Soerensen
Head of Hedge Funds

PGGM
The Netherlands

Lode Keijser
Head of Department Risk and ALM (RALM)

De Nederlandsche Bank NV
The Netherlands

Fons Lute
Director Business Development

Cyrte Investments
The Netherlands

15.05 INNOVATIVE SOLUTIONS TO UNDERFUNDING WHILE DE-RISKING

Case study and discussion

Pension funds with low funding ratios find themselves in the difficult position of having to reduce risk and improving their funding levels at the same time. But where can returns be

generated if de-risking is a priority? What are the options for underfunded funds? This session is looking at finding innovative solution on both the asset and liability side.

Cor Zeeman

Director

Alcatel-Lucent Pensioenfond

The Netherlands

15.40 COFFEE BREAK

16.10 THE COST TRANSPARENCY SURVEY AND WHAT MORE TRANSPARENCY MEANS FOR THE INVESTMENT PROCESS

Presentation

The Pensioenfederatie, the umbrella organisation of pension funds in the Netherlands, conducted an in-depth study into the cost of pension's management in the Netherlands. The findings will be presented and discussed in this session, including what they mean for both pension funds and service providers.

Eric Veldpaus

Strategic Advisor

APG Asset Management

The Netherlands

16.50 THE EVOLVING RELATIONSHIP BETWEEN PENSION FUNDS AND ASSET MANAGERS

Break-out discussion groups

How will guidelines on 'innovative investments' and calls for more cost transparency impact asset managers and pension fund relationships? Will the way pension funds select managers change as a result? What do pension funds want their active managers to achieve? Is it simply low volatility, low tracking error and consistency or is it a more unconstrained approach?

Do we still expect the same deliverables from our managers?

Moderator discussion group 1:

Coos Luning

Head of Multi Manager Investments

TKP Investments

The Netherlands

The focus on Cost Transparency and what it means for the relationship between pension funds and asset managers

Moderator discussion group 2:

Anne Laning

Head of Investment Accounting & Control

TKP Investments

The Netherlands

How is regulation changing the structure of investments and portfolios?

Moderator discussion group 3:

Bart Oldenkamp

Director

Cardano

The Netherlands

Moderator discussion group 4:

Alex Beveridge

Director

Institutional Investor Institute

Moderator discussion group 5:

Harvey Shapiro

Senior Advisor

Institutional Investor PLC

17.30 THE EXPERT'S OVERVIEW: HOW WILL FTK2 IMPACT PENSION FUND INVESTMENTS?

Presentation

A critical evaluation of how the new pension regulation framework will impact optimal liability matching, real vs. nominal yields and inflation protection.

Gerard Roelofs

Head of Continental Europe

Towers Watson

The Netherlands

18.00 SOLUTIONS FOR EARLIER SESSION ON UNDERFUNDING WHILE DE-RISKING

The three most practical solutions will be presented and discussed. The ideas of all groups will be made available on the Investor Intelligence Network

18.15 COCKTAILS

19.00 DINNER

Thursday, 26th April 2012

09.00 CASE STUDY PRESENTATION: ESG AND PGGM

Presentation

PGGM will present its innovative three billion euro long-term equity mandate, in which ESG and shareholder activism is integrated into overall portfolio management.

Specific topics to be covered:

- How exactly does ESG integration work?
- How do you combine engagement and active investing?
- Three years down the line: what are the results?

Alex van der Velden

Head of Responsible Equity Strategies

PGGM

The Netherlands

09.30 GENERATING ALPHA FROM COMMISSION UNBUNDLING

Presentation

Commission unbundling explodes the asset manager's research universe from brokerage products to an infinite range of research providers. What are the implications for asset manager investment process and alpha generation? How will this impact pension funds' manager selection, risk/return and fiduciary oversight responsibilities.

Neil Scarth

Partner

Frost consulting

United Kingdom

09.45 COMPARISON AND IMPLEMENTATION OF ALTERNATIVE BETA STRATEGIES

Presentation

Two members of Blue Sky Group's equity team will present their experiences with implementing alternative beta strategies. More and more pension funds are looking into these strategies in search for more attractive risk-return ratio. This session will give an overview of Blue Sky Group's research and practical experience and point to the advantages and disadvantages of alternative beta strategies.

Ramon Tol

Fund Manager Equities

Blue Sky Group

The Netherlands

Imke Hollander

Investment Strategist Equities

Blue Sky Group

The Netherlands

10.15 GENERATING RETURNS: OPPORTUNITIES WITHIN THE FIXED INCOME PORTFOLIO

Presentation

In the hunt for returns pension funds look at all kinds of asset classes, yet their largest allocation will always remain fixed income. But, where are the opportunities within this asset class? This presentation will discuss the current debate about risk-free interest rates and the pros and cons of allocations to government bonds and credit bonds.

Gijsbert de Lange
Head of Structured Solutions Department
Towers Watson
The Netherlands

10.45 COFFEE

11.15 GOVERNANCE: THE EFFECTIVENESS OF BESTUURSBUREAU'S

Presentation

Dutch pension funds increasingly set up 'bestuursbureau's', an extra reporting level, consisting of a set group of professionals, which supports management and (sometimes) takes over board duties. The objective is to separate policy and practice, and be better equipped to manage pensions in increasingly complex markets. Different structures are emerging, ranging from part time support to a full-fledged office with dozens of professionals.

However, research into the effectiveness of these governance types and the identification of pros and cons of governance agencies, has been limited up until now. Alfred Slager will present what he sees as the main developments and what seems to work well and what does not.

Alfred Slager
Professor and Author
University of Tilburg
The Netherlands

11.35 NEW GOVERNANCE REQUIREMENTS AND IMPROVING BOARD EXPERTISE

Panel discussion

The panel will examine how you can strike the right balance between responsibilities on the Board and Pension fund-level to reach the right decisions? And, how to implement the governance rules, as set by the regulator. It will also look at complex vs. simple products and how to get complex strategies approved by the Board?

Alfred Slager
Professor and Author
University of Tilburg

Laurens Swinkels
Board Member
Robeco Pensioenfond



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BY PENSION FUNDS, FOR PENSION FUNDS

The Netherlands

The Netherlands

Mark de Wijs

Director

SPO

The Netherlands

12.15 MEETING SUMMARY AND INSTITUTIONAL INVESTOR RESEARCH

12.30 LUNCH

14.00 END OF MEETING