



“EUROBALM OR EUROBOMB...THE VEXING IMPONDERABLE”

AGENDA

Monday, June 11th

- 9:00 – 9:30 **Registration Opens** (*Light Breakfast available*)
- 9:30 – 9:40 **Welcome and Opening Remarks**
Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)
Tristram Lett, CIO, Integra Capital Management
- 9:40 – 10:25 **Canada's Pension Landscape at the Federal Level**
The Honourable Ted Menzies, Minister of State (Finance)
The Honourable Ted Menzies, Minister of State (Finance), will provide a federal perspective on Canada's pension system. He will assess how the Canadian pension system performs next to international comparators. He will also address the agenda for federal pension management over the near and medium term.
- 10:25 – 11:25 **Geopolitical Headwinds are Risk Management Tailwinds**
Bruce B. Curwood, CFA, Director, Investment Strategy, Canada, Russell Investments
Don Ezra, Co-chairman, Global Consulting, Russell Investments
It must be recognized that enterprise risk management (ERM) is a newly evolving field, still in its infancy, and that the demands on investment committee time are increasing. That said, it seems quite obvious that conventional approaches to investment management haven't worked well and seem to be failing us in the new normal: this new market environment of greater austerity, lower returns and higher volatility. Investors do not seem to learn from recent past errors (Soc Gen, Kerviel, Barings, Leeson, etc.), where conventional wisdom should ensure compliance. The crux of the problem is the inequitable amount of time and resources that investors spend on return over risk. To remedy this requires an overhaul of the approach to risk management and building an organization-wide risk management framework and culture, or ERM
- 11:25 – 12:00 **Operational Risk Investing in Emerging Markets & Today's Euro**
Patrick Ludden, Managing Director, Cash/Foreign Exchange Product Manager, BNY Mellon Asset Servicing Global Product Management
Once a manager has decided to invest in a market with approved levels of credit and market risk, what's left is operational risk. With higher stakes when dealing in emerging markets and the potential Greek exit from the Euro, day in and day out management is essential. From a perspective of a global custodian, Patrick will share the critical drivers, potential outcomes, a case study and best practice tools for risk management to manage and ultimately mitigate operational risk.
- 12:00 – 1:20 **Lunch**
- 1:20 – 2:20 **FEATURE SPEAKER: Lessons from the Past, are they Relevant?**
Liaquat Ahamed
Liaquat Ahamed is the author of "The Lords of Finance: The Bankers who Broke the World" that won the Pulitzer Prize for History. This compelling economic history from post WWI to the global economic collapse of the late 1920s offers unforgettable portraits of the four men whose personal and professional actions as heads of their respective central banks changed the course of the twentieth century. With their eerie similarity to current economic events, Ahamed will take us through the parallels and lessons that politicians and policymakers should be heeding.

- 2:20 – 2:50 **Q & A Liaquat Ahamed**
Moderated by: William Moriarty, President & CEO, University of Toronto Asset Management
- 2:50 – 3:10 **Dialogue Break**
- 3:10 – 4:10 **The Eurozone Crisis: The Role of Institutions, Credibility and Governance**
Dr. William De Vijlder, CIO of Strategy & Partners, member of management committee, BNP Paribas Investment Partners
The crisis in the Eurozone has been grabbing headlines for close to three years now. Despite the countless articles that have been devoted to the subject, there is no consensus on the fundamental causes of the crisis. Some authors focus on problems of competitiveness while others conduct a more narrow analysis by emphasizing unsustainable public sector debt and fiscal policy. On the solution to the crisis, a consensus is lacking as well.
- By looking beyond the daily grinder of news produced in Brussels and Frankfurt, Dr. De Vijlder will describe the current situation and outlook in Europe. He will focus in particular on the distinction between liquidity and solvency and on the complex European Union institutional arrangements, which are key in understanding the progress made thus far and how events may unfold going forward. This will lead to practical conclusions that Canadian institutional investors can integrate into their investment decisions.
- 4:10 – 4:50 **Exploiting the Volatility Factor in Financial Markets**
Dr. Harindra de Silva, President & Portfolio Manager, Analytic Investors, LLC
Adrian Hussey, Director, Portfolio Research & Analytics, University of Toronto Asset Management
Moderated by: Robert Jackson, Chief Risk Officer, Highstreet Asset Management
Dr. Harindra de Silva was one of the first practitioners to operate an investment strategy based on the low volatility anomaly. This well documented anomaly can be used as a style factor to reduce a portfolio's overall volatility. Over a long investment horizon, low volatility allows the compounding effect of stocks in a portfolio to grow undisturbed to maximize the investor's terminal wealth. Several ETFs that exploit the low volatility factor can be used to implement the strategy.
- Following Dr. de Silva's remarks there will be a panel discussion lead by Highstreet Capital's Chief Risk Officer, Rob Jackson. Joining Jackson and de Silva will be Adrian Hussey, Director of Portfolio Research and Analysis at University of Toronto Asset Management who will provide the investors' view of the attributes of low volatility strategies.
- 4:50 **Closing Remarks –**
Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)
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- 6:00 – 9:30 **Fort George Experience Provided by RBC Dexia**
This year is the 200th anniversary of the war of 1812 between Britain and the USA which is being celebrated in authentic style throughout the summer at Fort George, a short five minute stroll from the Queen's Landing Hotel. One of the great battles of the conflict occurred two miles away at Queenston Heights where British regulars and Canadian militia defeated the Americans. Fort George was the centre of activity as it housed the British troops and was the mustering point for the ensuing battle.
- Join us for the dress rehearsal of the grand opening of celebratory events later in the week. You will get to mingle with authentically attired troops and citizens, see medical procedures used at the time to repair the wounded, listen to historians vividly describe the conflict, enjoy the parade of troops and partake in a delicious outdoor barbecue. The evening will conclude with Brad Taylor of event sponsor **RBC Dexia** firing a ceremonial shot from one of the Fort's cannon.

Tuesday, June 12th

- 7:00 – 7:45 **Breakfast**
- 7:45 – 8:00 **First Day Recap**
Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)
- 8:00 – 9:00 **Europe after the Destruction of the Euro**
Dr. Philippa Malmgren, President and Founder, Principalis Asset Management
As the search for a way to resolve the self made crisis in the EU progresses, there is also a move toward "What happens to Europe if the Euro Fails". Is there a way to divide the continent without conflict? Can the stage be set to create a new Europe that will satisfy the needs of all the members without destroying the civil society that exists today? Different policymakers have different views about the "right" way forward. Is the fear of the consequences of a EU break-up going to keep the Euro together?
- 9:00 – 9:40 **Fragmentation in the Global Village**
Virginie Maisonneuve, Head of Global Equities, Schroders Investment Management
From the perspective of either stock pickers or plan sponsors, the world is increasingly breaking away from its "regional chains" and the boundaries between listing location and geographical sources of earnings is becoming less relevant by the day. This integration is the result of 40 years of global economic progress and commands a truly global approach to stock picking. Yet there are clear signs of fragmentation (tribalization?) in this "Global Village" as evidenced by the latest financial crisis, the situation in the Middle East or the growing gap in the consumer space in the developed countries themselves. Are we witnessing an inflection point or even a partial reversal in the trend towards globalization? How should investors analyze and position themselves in order to stay ahead of the curve?
- 9:40 – 10:00 **Dialogue Break**
- 10:00 – 11:20 **Global Investing**
Finalist Presentation to the NID Investment Committee on Global Investing
Robert Cultraro, CIO of the Hydro One Pension Fund as Chair of NID's investment committee has invited three firms to his office to present arguments to him as to which would be the most advantageous global asset class in risk and reward terms for his fund to allocate \$1 billion to for the next decade. Each firm will have 20 minutes to make its case. He has invited:
Global Real Estate - Dr. Russell Chaplin, CIO Property, Aberdeen Asset Management
Global Equities - Benjamin Legge, President and CIO, Highstreet Asset Management
Global Fixed Income - David Joy, Chief Market Strategist, Ameriprise Financial
Following each firm's presentation Robert will engage the presenters in a Q&A with his committee. His committee is the NID audience. We expect the audience will have a lot of questions of the presenters.
- 11:20 – 12:20 **Debate: Security Selection is Dead! Long Live Global Macro!**
Overview of Rules given by: Tristram Lett, CIO, Integra Capital
Dr. Philippa Malmgren, President and Founder, Principalis Asset Management – Prime Minister
Virginie Maisonneuve, Head of Global Equities, Schroders Investment Management – Leader of the Opposition
Hugh Innes, Chair, Reikai Charitable Foundation – Speaker of the House
Despite some short term fluctuations, markets and securities have become more correlated with each other over the past several years. Markets gyrate between "risk on" and "risk off" days when unrelated asset classes move in tandem in response to global events. As a result, it often seems that macro-economic factors trump business fundamentals. Has a "cult of macro" made security selection less relevant than ever? And if so, is this trend cyclical or secular? What role has easy credit played in this cultural shift? Today, the success of macro managers such as Bridgewater and Paulson suggest that success on Bay and Wall Streets comes from top-down macro-economic analysis, not bottom-up security selection. Has the allure of the next "Big Short" crowded out traditional securities analysis? Are Graham & Dodd turning in their graves?

- 12:20 – 1:30 **Lunch**
- 1:30-2:15 **2012 NID Honoree Interview and Presentation**
Malcolm Hamilton, Partner, Mercer
Interviewer: John Ilkiw, Consultant, Pharos Consulting
 NID is proud to honour Malcolm Hamilton for his strategic contributions to the better understanding and management of Canada’s retirement system. Malcolm has long been recognized as Canada’s most insightful and iconoclastic commentator on pension issues – from the self-serving financial industry mantra that Canadians have under-saved for their retirement to the over-compensation of public sector employees through under priced and tax advantaged public sector pension plans. John Ilkiw will discuss with Malcolm the highlights of his career and the evolution of his perspectives on pension and retirement issues from his graduation from Queen’s University in 1972 with the Gold Medal in Mathematics, his early professional years at Sun Life in Montreal and his enduring 33 years with Mercer in Toronto. Last year NID recognized Keith Ambachtsheer his lifetime contributions to the Canada’s retirement system.
- 2:15 – 3:15 **Middle East and Asian Flashpoints, Fissures and Fractures: Things That Go Boom in the Night**
David Asher, Non-Resident Senior Fellow at Centre for a New American Security
 Globalization of financial markets, flows and interests have made the world of macro important to everyone. Especially at a time when the long cycle seems to have peaked out, when the US willingness to lead is dissipating (and China is rising) and where macro strategic disruption risk is elevating (particularly in the new "Muddle East"), investors need to be able to better connect the dots between security and securities. This presentation will help navigate the complexity and boil things down to investable themes, avoidable threats, and translatable opportunities.
- 3:15 – 3:40 **Big is not always better; A case for Small Hedge Funds**
Jeffrey Tarrant, Co-Founder, Protégé Partners
 In the world of investing the theory “big is best” has been practiced for many years. Small creates portfolio complications we are not always willing to live with. Today Jeffrey is going to make a case as to why you should consider adding small hedge funds to your portfolio. Small hedge funds can add a source of additional alpha, the ability to truly diversify using a wider investment universe and provide the opportunity to invest tactically in investor friendly vehicles. This presentation will show you how to build a smaller manager allocation into your institutional portfolio.
- 3:40 – 3:50 **Closing Remarks –**
Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)
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- 5:15 Transportation to Helicopter Pad (Meet in the main lobby at 5:15 sharp)
- 6:00 Transportation to Hillebrand (Meet in the main lobby at 6:00 sharp)
- 6:30-9:00 Cocktails and Dinner **Hillebrand Estates Winery**
 Hillebrand is one of Canada’s premium wineries and arguably makes the best sparkling wine in the country. One of its lesser known assets is the superior quality of its kitchen. Its proximity to the hotel and the stunning culinary creations of Chef Frank Dodds and his team made Hillebrand an easy choice for this year’s banquet sponsored by **Integra Capital** and **Columbia Asset Management**. And for those of you who are taking the helicopter tour, you will be dropped off right at the winery! The grand evening will begin with canapes and flutes of Trius Brut, Hillebrand’s award winning sparkling wine, served on the scenic outdoor patio. Following that we will enter cellar 63 where this unique wine is made for a short, but informative tour. And then up to the restaurant where our palates will be titillated through four courses of culinary delights served with samples from Hillebrand’s ample cellar. It will be an evening to remember!

Wednesday, June 13th

7:15 – 8:00

Breakfast

8:00 – 8:15

Second Day Recap

Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)

8:15 – 9:15

Investing using Exchange Traded Funds

Rajiv Silgado, CEO, BMO Asset Management

Dr. Carlos Asilis, Co-Founder and Chief Investment Officer Glovista Asset Management

Moderated by: Tristram Lett, CIO, Integra Capital Management

Everyone knows that ETFs have been the growth story in the investment industry over the last few years, particularly as the risk on/risk off trade became popular. The global ETF industry covered assets of US of \$1.4 trillion USD at the second half of 2011. However, do you know how they are created, the different kinds there are, how they are managed, and how excess supply and demand in the market is handled? Rajiv Sigardo, CEO of BMO Asset Management, will discuss these and other features of ETFs.

Following his discussion, we will hear Dr. Carlos Asilis, Founder and CIO of Glovista Management, the number one Emerging Markets manager in the world, describe how they utilize ETFs to manage risk and create alpha in this volatile market.

9:15 – 10:15

Providing Alpha

Barry Allan, Founding Partner, Marret Asset Management

Moderated by: Margaret Franklin, President & CEO, Kinsale Private Wealth Inc.

Global economic and geopolitical volatility gives rise to new risks for traditional fund managers. But it also gives rise to new opportunities for managers who rely on alpha, not beta for their returns. In this frank and eye-opening discussion with Canada's most successful "alpha-centric" fund managers, we will explore investment themes that both mitigate against, and exploit, these new risk factors. How have they positioned their portfolios in light of sovereign debt, volatile markets, deleveraging, uprisings in the Middle East and a secular shift in global trade?

10:15 – 10:35

Dialogue Break

10:35 – 11:20

The Second-Order Impacts of Regulation: Challenges and Opportunities

Brad Taylor, Global Product Manager, Investment Finance, RBC Dexia Investor Services

As waves of financial regulation emanating from Europe and the US begin to take shape, investment managers face both challenges to respond and opportunities for income arising from these regulations. In this discussion, both aspects will be considered: the additional overhead required to manage a derivatives portfolio, along with the potential for additional income potential from lending high quality assets to meet the demands of central counterparties and enhanced capital regulations.

11:20 – 12:05

Investing in a Virtual Age: Are Long Term Investors Extinct?

Dr. Richard Bookstaber

Josephine E. Marks, Managing Director, Pension Assets, Scotiabank;

With the technology age upon us, it is said that our attention spans are getting shorter and shorter. Does this apply to investors as well? Richard Bookstaber, well known author of "A Demon of our own Design", will provide his provocative thoughts on how the world is evolving from the industrial age to the virtual age. The session will include comments on the changing nature of capitalism and distribution of income. Our speakers will lead the group in a discussion on what this means to investment managers and risk managers, as short termism appears to triumph over the loneliness of the long-distance investor.

12:05 – 12:20 **Recap of the Third Annual Niagara Institutional Dialogue and Closing Remarks –**
Christopher Holt, Managing Director, Global Absolute Return Congress (Global ARC)
Tristram Lett, CIO, Integra Capital Management

Close of the Third Annual Niagara Institutional Dialogue

12:30 – 2:00 **Barclays Luncheon – Guest Speaker, US Election, An Insiders Insights**
At the close of the Niagara Institutional Dialogue, Barclays will host a special lunch Presentation featuring a prominent US political figure.

The US Economy has shown early signs of recovery. How real are these signs? What further signals should we look for before declaring the US economy has turned the corner for good? And what role will the US Presidential election play in economic growth over the next 12 months and beyond?