



# Niagara Institutional Dialogue

An Exchange of  
New Ideas Knowledge Practices  
For Institutional Investors

FOR INSTITUTIONAL INVESTORS



June 20 ~ June 22 \* 2016  
Queen's Landing, Niagara-on-the-Lake, Ontario

## Investing in a World of Global Innovation and Disruption

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# Agenda

## Investing in a World of Global Innovation and Disruption

### Monday, June 20

☐ 12:00 **REGISTRATION OPENS**

☐ 12:30 - 12:40 **WELCOME AND OPENING REMARKS**  
*Jeffrey Shaul*, President and CEO, Robson Capital Management

☐ 12:40 - 1:40 **LUNCHEON: GLOBAL INNOVATION AND DISRUPTION**



*Dr. Michael Chui*, Partner, McKinsey Global Institute

Many market observers argue that we are witnessing a technological revolution of a kind that will hold tremendous implications for the economy and productivity for years to come. Examples include: the sharing economy, developments in robotics, and distributed networks using blockchain protocol. Technological advances will have a profound impact on economic productivity, the trajectory of future growth and on society as a whole. This session will kick off the conference's main theme, with an overview of the current nature and pace of technological innovation, its disruptive influence on the economy and markets, and what it means for investors.

☐ 1:40 - 2:40 **2016 NID HONOREE INTERVIEW AND PRESENTATION**



**Honoree:** *Claude Lamoureux*, Former President and CEO, Ontario Teachers' Pension Plan

**Interviewed by:** *Gail Cook-Bennett*, Former Chair, Canada Pension Plan Investment Board

This honour is bestowed annually on an individual who has had a material impact on the Canadian pension landscape whether it relates to assets, investment, liabilities, governance, legal issues or political ones.



NID is delighted to honour Claude Lamoureux, President and CEO of the Ontario Teachers' Pension Plan for 17 years, starting with its founding in 1990. He was instrumental in establishing OTPP's outstanding track record of smart management, sound investment decisions and excellent governance. Yet his list of achievements does not end there – Claude was the CEO of Metropolitan Life Holdings, was co-founder of the Canadian Coalition for Good Governance in 2002 and is an Officer of the Order of Canada. Claude presently serves on several private, public and non-profit boards.

We are also pleased that Claude will be interviewed by Gail Cook-Bennett, Former Chair of the Canada Pension Plan Investment Board.

☐ 2:40 - 3:00 **DIALOGUE BREAK**

☐ 3:00 - 4:00 **KEYNOTE SPEAKER:**  
*Governor Rick Perry*



Our keynote speaker, Rick Perry, is the longest-serving governor in Texas and a former presidential candidate. Focused on creating new opportunities and prosperity, the Texas economy thrived under former Gov. Perry. Due to his strong focus on fiscal discipline, he scrubbed more than US\$3 billion in budgeted spending, while encouraging investments in the building blocks that made Texas a prosperous state: the economy, education and security.

Gov. Perry joins the Niagara Institutional Dialogue as its distinguished keynote speaker to share his thoughts on the current state of global affairs and what he's learned from his extensive executive and legislative experiences.

☐ 4:00 - 5:00 **COCKTAIL HOUR – INFORMAL CONVERSATIONS WITH GOVERNOR RICK PERRY**

☐ 6:30 - 8:30 **YOU ARE CORDIALLY INVITED TO AN EXCLUSIVE BBQ DINNER AT BACCHUS LOUNGE PATIO, QUEEN'S LANDING**

Enjoy hearty home cooked favourites with a godly twist. Bacchus, the god of the grape and pleasure, is honoured throughout this elegant lounge. Mingle with peers in a relaxed atmosphere in this casual lounge with a panoramic marina view fit for the gods!

# Tuesday, June 21

☐ **7:30** **BREAKFAST - Queen's Landing Tiara Restaurant**

In association with



☐ **8:45 - 9:00** **FIRST DAY RECAP**

*Marlene Puffer*, Partner, Alignvest Investment Management

☐ **9:00 - 10:00** **CHINA: THE WORLD'S BEST CONSUMPTION STORY?**

*Roderick Snell*, Investment Manager, Emerging Markets, Baillie Gifford

Since 1978, the pace and scale of China's economic transformation has had no historical precedent, but with growth slowing many investors are beginning to question the sustainability of China's economic miracle. Can China transform from an investment to a consumer and services led economy? What role will technology play? What are the implications and where are the opportunities?

☐ **10:00 - 10:30** **DIALOGUE BREAK**

☐ **10:30 - 11:30** **THE BENEFITS OF INVESTING WITH A FOCUS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ISSUES**

*Martin Grosskopf*, Vice-President and Portfolio Manager, Sustainable Investing, AGF Investments Inc.

It is essential for countries and companies to deal with pollution and environmental factors with an eye toward future sustainability. Specifically, the growth of the low carbon economy may be similar to other sectors which have faced technological change. Some investors are moving to eliminate high CO2 emitters from their portfolios. Also, social issues relating to human rights, working conditions and anti-corruption practices are now front and centre, as are governance issues regarding management and shareholders. Starting in 2016, Ontario pension plans will have to explain how they are incorporating ESG factors into their investment decisions. This session will look to answer some key questions, such as:

- Must pension fund managers now consider more than just financial outcomes from their investments?
- Are there measurable financial benefits from ESG investing?
- How does one assess the trade-offs of financial gains vs. ESG considerations?

☐ **11:30 - 12:30** **THE UNEVEN DISTRIBUTION OF INNOVATION'S SPOILS**

*Tom Record*, Head of Global Equities, Majedie Asset Management

The pace of technological change is accelerating as new technologies enable and beget more new technologies in a virtuous circle. However, the dispersion of innovation and adoption is uneven. As we look around the world we identify innovative hubs which can give us pointers as to what might happen in the future elsewhere. The spoils of technological advancement are also heavily skewed. The cheap and easy replication of software, Metcalfe's Law and other network effects are increasing the likelihood of winner-takes-all dynamics. Conversely, companies that have built their competitive moats on old technologies such as distribution and shelf space in offline stores are vulnerable – their large market caps are the juicy targets for the disrupters.

☐ **12:30 - 1:30** **LUNCH - Queen's Landing Tiara Restaurant**

□ 1:30 - 2:30

**ASSESSING AND MANAGING RISK IN MULTI-ASSET PORTFOLIOS**

Moderated by: *Janet Greenwood*, Senior Vice President, Investment Solutions, Aurion Capital Management

*Stuart Peskin*, Investment Director, Standard Life Investments

*Andrew McCaffery*, Global Head of Alternatives, Aberdeen Asset Management

*Heather Cooke*, Director, Institutional Clients, Unigestion Asset Management (Canada)

While traditional long-only stocks and bonds are generally not expected to deliver solid risk-adjusted returns over the next five years, investors are increasing their allocations to multi-asset strategies as a way to diversify their portfolios. Yet, maximizing risk-adjusted returns while mitigating downside risk has never been more difficult – or more critical. The range of strategies available to investors is growing, pushing the boundaries between traditional and hedge fund investments in the liquid alternatives space. These strategies seek to diversify – both long and short – across a range of risk factors including equity, interest rates, credit, commodities, currencies and volatility and perhaps even inflation. Our panel will consider the following types of questions:

- How should non-traditional strategies be used to manage portfolio risk?
- How much of my portfolio should I consider allocating to these types of strategies? Why?
- What should be the investment objective: absolute return targets vs. LDI?
- What are the pros and cons of using a risk parity / risk factor approach in today’s investment environment?

□ 2:30 - 3:30

**ABSOLUTE RETURN FIXED INCOME – WHAT IT IS, HOW IT WORKS AND WHO IT IS FOR**

*Alex Johnson*, Head of Absolute Return Multi-Sector Fixed Income, FFTW (a BNP Paribas Investment Partner)

One of the changes the investment world has been undergoing the past several years is the questioning of traditional benchmark investing in place of absolute return strategies. Investors are becoming more familiar with absolute return but with only the broadest overall definition. It may not be easy for everyone to identify what the product is, its characteristics, or the problems it may help to solve. This presentation will take a look at how absolute return fixed income is best defined and some of the general characteristics that investors should be aware of when evaluating the asset class. It will cover attributes such as liquidity, risk management and use of derivatives. In addition, the presentation will provide thoughts on how absolute return strategies may be used in an investor’s portfolio.

□ 3:30 - 4:00

**DIALOGUE BREAK**

□ 4:00 - 5:00

**GLOBAL ECONOMIC OUTLOOK: BEWARE OF AFTERSHOCKS**

*Lawrence G. McDonald*, Managing Director, Head of Global Macro Strategy, ACG Analytics & Creator of *The Bear Traps Report* ([www.thebeartrapsreport.com](http://www.thebeartrapsreport.com))



The global economy continues to be buffeted by the financial shocks and uncertainty since last summer, when China supplanted the Fed as the main global economic focal point. If we layer on the ever-increasing geo-political risks with the Middle East as the focal point, the aftershocks continue to reverberate globally. Mr. McDonald will provide a wide-ranging update and outlook for markets and economies globally, across emerging markets and developed markets, and will discuss central bank easing / rate normalization and expectation for stock and bond markets.

□ 5:00

**SECOND DAY CLOSING REMARKS**

*Heather Cooke*, Director, Institutional Clients, Unigestion Asset Management (Canada)

□ 6:00

**MEET IN THE HOTEL LOBBY FOR TRANSPORTATION TO TRIUS WINERY**

□ 6:30 - 9:30

**BMO GLOBAL ASSET MANAGEMENT AND BONNEFIELD ARE PLEASED TO INVITE YOU TO COCKTAILS AND DINNER AT THE TRIUS WINERY**

Trius Winery is one of Canada’s premium wineries and makes one of the best sparkling wines in the country. Chef Frank Dodd and his team will impress us with tasty culinary creations, using seasonal and local ingredients. The evening will begin with canapés and flutes of Trius Brut, the winery’s award-winning sparkling wine, served on the scenic outdoor patio. We will then be taken on a short vineyard tour, through the cellar to the finished wine. We will see the inner workings of the winery and learn about wine growing, fermentation and barrel aging. And then on to the restaurant where our palates will be titillated through three courses of culinary delights served with samples from the cellar. It will be an evening to remember!

BMO  Global Asset Management



# Wednesday, June 22

☐ 7:30 **BREAKFAST - Queen's Landing Tiara Restaurant**

☐ 8:30 - 8:45 **SECOND DAY RECAP**

*Heather Cooke*, Director, Institutional Clients, Unigestion Asset Management (Canada)

☐ 8:45 - 9:45 **ETFs: DISRUPTION OF THE TRADITIONAL ACTIVE MANAGEMENT SPACE**

Moderated by: *Marlene Puffer*, Partner, Alignvest Investment Management

*Cary Blake*, Institutional Investors Group, Vanguard Investments Canada Inc.

*Arun Singhal*, Director, FTSE Russell

*Bobby Eng*, Vice President, State Street Global Advisors, Ltd. & Head, SPDR ETF Business Development for Canada

ETFs are increasingly used by Canadian institutions as a standard tool for achieving strategic goals in their investment portfolios. A recent Greenwich Associates study showed that institutional funds with ETFs in their portfolios are increasing their ETF investments for an expanding list of strategies and a growing number of asset classes. While ETFs were historically used as tools for tactical portfolio adjustments, they are now also being used to achieve passive exposures in the 'core' components of core/satellite portfolio structures. Moreover, the highest ETF growth segment are ETFs that incorporate active strategies, encroaching on the turf of active asset managers. The 'robo advisors', which rely on low cost ETFs, are changing the portfolio management landscape for retail investors. Our panel will consider the following types of questions:

- How are Canadian institutional investors currently using ETFs in their portfolios?
- How should Canadian institutional investors think about using ETFs in their portfolios going forward? Why?
- How will ETFs and the increasing automation of the asset/portfolio management function affect the institutional segment over the next five years?

☐ 9:45- 10:45 **WHY CANADIAN PENSION PLANS SHOULD CONSIDER INTERNATIONAL REAL ESTATE**

*Tracey Luke*, Director, Portfolio Management, Invesco Real Estate

Using global real estate as a strategy and tactic can help plan sponsors enhance diversification, manage overall portfolio risk and help insulate overall portfolios in future crises. This presentation will cover:

- Characteristics of global real estate
- Benefits of including direct global real estate within a pension portfolio
- The current outlook for real estate fundamentals, pricing and capital markets

☐ 10:45 - 11:15 **DIALOGUE BREAK – BOOK SIGNING BY WILLIAM MOUGAYAR**

☐ 11:15 - 12:15 **BLOCKCHAIN TECHNOLOGY – HOW WILL IT AFFECT INSTITUTIONAL INVESTMENT MANAGEMENT?**

*William Mougayar*, Author of *The Business Blockchain*

Many asset managers, banks and custodians are recognizing that the technology behind bitcoin has limitless potential for use in institutional investing, from interest-rate swaps to settlements and back-office functions. Product managers and strategists are creating new applications for the technology, while software developers are working overtime to turn these ideas into reality. The immediate applications related to institutional investing include trade finance, securities finance, over-the-counter derivatives, interest-rate swaps, fund administration, and back- and middle-office functions. How should institutional investors start thinking about blockchain technology (from both a functional standpoint and as a sector to invest in)? How will the applications of this technology affect the institutional investment landscape generally and portfolio management specifically?

☐ 12:15 - 12:30 **RECAP OF THE SEVENTH ANNUAL NIAGARA INSTITUTIONAL DIALOGUE AND CLOSING REMARKS**

*Marlene Puffer*, Partner, Alignvest Investment Management

*Heather Cooke*, Director, Institutional Clients, Unigestion Asset Management (Canada)

**CLOSE OF THE SEVENTH ANNUAL MEETING OF THE NIAGARA INSTITUTIONAL DIALOGUE**

☐ 12:30 **GOURMET BOX LUNCH IN THE ATRIUM – “GRAB AND GO” OR STAY AND DINE!**

\*Please note that, while every effort will be made to present the program as advertised, speakers, topics and timing are subject to change due to circumstances beyond our control.