1:00 – 1:45 PM

The concept of risk and risk management in value investing

The two key tenets of modern portfolio theory, taught at every university around the world, are that investors hold well-diversified portfolios and that in this setting the only risk that matters is beta risk (volatility-based risk). Value investors reject both tenets; they do not believe that astute investors must hold well-diversified portfolios and they reject the notion that beta is a measure of risk. This presentation will address "the why," the "how," and the "what then." Nassim Taleb (author of the bestseller book *Black Swan),* Daniel Goldstein and Mark Spitznagel co-authored an article published in the Harvard Business Review in 2009, where they talk about the six mistakes executives make in risk management. Two of the problems they identified were studying the past and putting faith on the variance of stock returns. They end the article by stating that risk managers place a greater emphasis on making money than on avoiding losses. Avoiding losses is key for value investing. Value investors would rather minimize risk than maximize returns. They adhere to Aristotle's "*the aim of the wise is to avoid pain than maximize pleasure.*" Rule number one is avoiding losses. This is the role that the margin of safety plays.

Speaker:

Dr. George Athanassakos, professor of finance, **Western University's Ivey Business School**

1:45 – 2:15 PM

What to do about fixed income: A fresh perspective

Investors face vexing questions with respect to their fixed income allocations, despite a small pick-up in global yields. Prospects for sovereign bond returns look bleak, and the reliable equity risk offset on which investors have come to rely from those bonds may degrade. In this talk, we reconsider what asset owners should do about fixed income allocations given current market context. We examine why many alternative allocations and strategies have often been met with disappointment. Drawing from those shortcomings, we outline characteristics of a better conceived approach to constructing strategies that fill the roles that investors have sought from bonds with respect to returns generation and risk reduction.

Speaker:

Ram Thirukkonda, CFA, CAIA, senior vice-president, senior investment strategist, client advisory, **Acadian Asset Management LLC**

This agenda is subject to change. All times listed are in Eastern Standard Time.

2:15 – 2:45 PM
Considering risk from a factor exposure perspective

Risk is often misattributed to the short-term noise around markets (when will the fed raise rates? Will inflation surprise? How will COVID developments and vaccine rollouts impact activity in different regions?). However, pension funds must often look through this to the next level of longer-term risk, which we believe is rooted in considerations of valuation and business quality. In this session, we will look at current valuations for both markets and for the key investment factors to provide an indication of expected returns assuming these valuations revert to their long-term average. We will also highlight some of our top investment themes for 2021 and beyond, including considerations around the potential risks (and opportunities) concerning sustainability factors.

Speaker:
David Philpotts, head of strategy, QEP investment team, **Schroders**

2:45 – 3:15 PM
Diversifying private credit portfolios beyond developed markets

Over the last decade, many institutional investors have turned to developed market illiquid and private credit strategies as attractive alternatives to enhancing portfolio yields and reducing volatility. Over time however, strong investor interest and a trend to ever lower interest rates have put pressure on expected returns and forced many of these strategies to reach further out the credit curve to maintain yields.

In this session, we discuss why private credit investors should consider selectively broadening their geographical remit beyond traditional developed markets. By focusing on a select subset of high-quality emerging market illiquid credit investments, investors may be able to enhance returns without meaningfully increasing credit risk. In fact, we believe this area of the market has the potential to deliver double-digit returns by investing in illiquid credit with lower levels of leverage, better covenant protection and lower weighted average life than their developed market equivalents, thus offering benefits as a standalone investment or as a structural allocation to complement an existing private credit portfolio.

Speaker:
Mihai Florian, senior portfolio manager, **BlueBay Asset Management, RBC Global Asset Management**

3:15 – 3:30 PM
Break

Please use this time to stretch your legs and grab your bottle of wine for the virtual networking experience.

RISK
Management Conference

3:30 – 4:30 PM
Virtual networking Airbnb experience

Fun Argentine Wine Class with Local Sommelier

Discover the Argentine wine world in a fun, interactive way. What makes Argentine wine so special? How should it be paired with food? Is there a world beyond Malbec? Allow local sommelier Diego to teach you all there is to know about wine in Argentina.