

## “INVESTING IN A WORLD OF GLOBAL INNOVATION AND DISRUPTION”

### AGENDA

#### Monday, October 17<sup>th</sup>

- 1:00 pm      **Registration Opens**
- 1:30 – 1:40      **Welcome and Opening Remarks**  
*Jeffrey Shaul, President and CEO, Robson Capital Management and Co-Chair, Montebello Institutional Dialogue*
- 1:40 – 2:40      **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?
- 2:40 – 3:00      **Dialogue Break – Book Signing by William Mougayar**
- 3:00 – 4:00      **FINTECH FUTURES: THE VISION FOR INVESTMENT MANAGEMENT AND INVESTMENT OPPORTUNITIES POWERED BY DISRUPTIVE INNOVATIVE TECHNOLOGIES**  
**Mali Marafini, CEO-Founder, Interruptiv.com**  
The financial industry is not immune to disruption, having witnessed a rapid transition to electronic trading and high-frequency trading. Today commercial banks face competition from peer-to-peer lenders, especially in the retail and small-business arena. However, to date, asset managers have avoided the tech challenge, but the fear of software eating asset managers’ lunch is justified, as robo-advisors now use ETFs to build and manage efficient portfolios. Will web-enabled digital tools have the potential to revolutionize parts of the asset management industry in the face of globalization and changing demographics? This session will kick off the conference’s main theme, with a focus on overview of the current nature and pace of technological innovation in the financial sector, its disruptive influence on investment management and opportunities for investors.
- 4:00 – 5:00      **KEYNOTE SPEAKER**  
**Leo de Bever, Chairman, Oak Point Energy**  
Our keynote speaker, Leo de Bever, has had a distinguished career in institutional investment management, most recently as the CEO of Alberta Investment Management Corporation, and previously senior vice-president at the Ontario Teachers’ Pension Plan. Mr. de Bever will share his thoughts on the investment landscape generally, as well as his perspectives on the challenges and opportunities in the energy sector from a venture point of view, having been on the investor side at AIMCo and now on the other side helping raise capital for the energy industry.

*Monday, October 17 to  
Wednesday, October 19, 2016*

*Fairmont Le Château Montebello  
Montebello, Quebec*

5:00 **FIRST DAY CLOSING REMARKS**  
*Dan Marchand, Senior Vice President, Head of Investor Global Sales, Trez Capital*

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6:30 – 8:30 **YOU ARE CORDIALLY INVITED TO ATTEND AN EXCLUSIVE BAR-B-Q DINNER AT THE MARQUEE TENT ON THE GROUNDS OF THE FAIRMONT LE CHÂTEAU MONTEBELLO.**

Enjoy bar-b-q fare and drinks in the beautiful, rustic surroundings that is autumn in Montebello. Mingle and relax with peers at this casual event. Throw on you jeans and leave your heels behind... After dinner we'll take a brief stroll across the resort to the Bonfire, where we'll enjoy making s'mores and sipping drinks to the ambient sounds of acoustic guitar under the evening sky. Not every campfire comes with its own bar! We suggest that perhaps you keep warm with one of Quebec's famous whiskey and maple drinks. A new tradition is born....

## Tuesday, October 18<sup>th</sup>

8:00 **Breakfast, Fairmont Le Château Montebello Dining Room**

9:00 – 9:15 **First Day Recap**  
*Philippe Gingras, Co-Chair, Montebello Institutional Dialogue*

9:15 – 10:15 **ASIA – WHY THE NEXT FIVE YEARS MAY DIFFER DRAMATICALLY FROM THE LAST FIVE**

*Teresa Kong, Head of Fixed Income – Senior Portfolio Manager, Matthews Asia*

Asia already represents 1/3 of global GDP and accounts for over half of global growth. However the quality of that growth is what is most important – increasingly driven by innovation, consumption, and services. Despite its size and global impact, Asia still represents a relatively small part of developed and emerging market indices. As Asia becomes an ever higher percentage of the investable universe, investors need to understand the risks and opportunities in the region. Teresa will discuss these risks and opportunities in the context of where we are in the economic and investment cycle and explain why the next five years will likely look very different from that last five years. Finally, she will discuss current valuations in Asian fixed income and equities and suggest potential strategies for generating attractive risk-adjusted returns in the region.

10:15 – 11:15 **LIABILITY DRIVEN INVESTING: UPDATE FOR A LOW RATE ENVIRONMENT**

**Moderated by: Philippe Gingras, Co-Chair, Montebello Institutional Dialogue**

**Stéphane Jean, Head of Liability Driven Investments, Fiera Capital**

Liability driven investing (LDI) has for a long time been a popular pension liability matching strategy, made highly productive over the long period of significantly declining rates – as bond prices and pension liability values both increase to record amounts. LDI's success as a pension strategy over this period has been in establishing a bond portfolio which matches liabilities in duration, and in doing so, LDI protects the pension funded status as declining rates raise bond asset values and plan liabilities equally. However, with rates so low, and with the probability of future rate increases, how should pension plans modify their LDI matching strategies?

11:15 – 11:45 **Dialogue Break**

11:45 – 12:45 **ETFs: DISRUPTION OF THE TRADITIONAL ACTIVE MANAGEMENT SPACE**  
**Moderated by: Jeffrey Shaul**, *President and CEO, Robson Capital Management and Co-Chair, Montebello Institutional Dialogue*

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

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

**Tom Goodwin**, *Senior Research Director, FTSE Russell Indexes*

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?

12:45 – 2:00 **Lunch - Fairmont Le Château Montebello Dining Room**

2:00 – 3:00 **BRINGING TRANSPARENCY TO LIQUID ALTS**

**Andrea Gentilini**, *Head of Europe – Managing Director, Novus Partners*

There are secular trends underlying active investment management today. Mutual fund alpha dispersion is slowly decreasing. Up until the crises, Hedge Funds were fairly immune but have mean reverted relatively quickly. Stock picking, as a skill, is rapidly evolving in two directions, one of which can be replicated. Public data offers an opportunity to exploit such trends. More publicly available data and higher connectivity will favor strategies exploiting such trends. This session will review the four major factors behind performance. The hidden alpha in public data.

3:00 – 3:30 **Dialogue Break**

3:30 – 4:30 **GLOBAL, US AND CANADIAN ECONOMIC OUTLOOK**

**Paul Domjan**, *CEO, 4CAST-RGE (formerly Roubini Global Economics)*

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 Brexit situation and the ever-increasing geopolitical risks with the Middle East as the focal point, the aftershocks continue to reverberate globally. A wide-ranging update and outlook for markets and economies globally, across emerging markets and developed markets will be discussed as well as central bank easing, rate normalization and expectation for stock and bond markets. Could negative interest rates go viral and change the world?

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4:30 **Second Day Closing Remarks –**  
*Dan Marchand, Senior Vice President, Head of Investor Global Sales, Trez Capital*

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6:00 **MEET IN THE HOTEL LOBBY FOR TRANSPORTATION TO THE FAIRMONT LE  
CHÂTEAU MONTEBELLO GOLF CLUBHOUSE**

6:30 - 9:30 **WE INVITE YOU TO JOIN US FOR COCKTAILS AND DINNER AT FAIRMONT LE  
CHÂTEAU MONTEBELLO'S GOLF CLUBHOUSE.**

Tonight we will highlight the unique culinary delights that Montebello has to offer. The evening will begin with canapés and drinks on the patio overlooking Château Montebello's pastoral golf course. Taste and learn about Quebec wines, wonderful artisanal cheeses and micro-brewed beers. It's a Montebello exclusive – these items are not available outside of Quebec! We'll further celebrate Quebec's culinary heritage at dinner with a focus on fresh, local foods. A unique experience not to be missed. Vive le DIM!

## Wednesday, October 19<sup>th</sup>

8:00 **Breakfast, Fairmont Le Château Montebello Dining Room**

9:00 – 9:15 **Second Day Recap**  
*Philippe Gingras, Co-Chair, Montebello Institutional Dialogue*

9:15 – 10:15 **ALIGNING INVESTOR INTEREST WITH HEDGE FUND OFFERINGS: NEW TRENDS**  
*Luis Seco, President & CEO, Sigma Analysis & Management*

This session will address best practices of hedge fund portfolio construction and risk monitoring. Should investors view hedge fund investments as a portfolio overlay, or as a separate asset class? How can hedge funds provide a transparent and efficient investment edge to institutional investors? What are the best hedge fund strategies for the medium and long term?

10:15 – 10:45 **Dialogue Break**

10:45 – 11:45 **PRIVATE DEBT INVESTING: OPPORTUNITIES AND RISKS**  
**Moderated by:** *Brian Cyr, Managing Director, bfinance Canada*  
*Louis Bélanger, Portfolio Manager, Private Debt, TD Asset Management*  
*Greg Vorwaller, President, Trez Capital*

Institutional investors have historically had significant fixed income holdings, for their liability-hedging properties, diversification benefits and downside protection offsetting riskier equity allocations. But, in the current interest rate environment, return expectations on fixed income assets are low and risk asymmetry is acute, pushing investors to seek alternative sources of yield to meet return expectations via greater credit and liquidity risk. Post the financial crisis, global banks have retrenched from traditional debt markets due to increased regulatory capital charges. Less liquid debt instruments and strategies are filling the gap for much needed corporate financing through non-traditional means, particularly in European markets. Our panel will consider the following types of questions:

- What are the opportunities in the private debt space for institutional investors?



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- Where should investors consider these opportunities? Why?
- What are the risks of private debt for investors as they trade off liquidity for yield?

11:45 – 12:00 **Recap of the First Annual Montebello Institutional Dialogue and Closing Remarks –  
*Dan Marchand, Senior Vice President, Head of Investor Global Sales, Trez Capital*  
*Philippe Gingras, Co-Chair, Montebello Institutional Dialogue***

**Close of the First Annual Meeting of the Montebello Institutional Dialogue**

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12:00 **GOURMET BOX LUNCH – “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.**