

# INSURER INVESTMENT FORUM XVI

March 2-4, 2016

The Grand Del Mar Resort & Spa, San Diego, CA

## Wednesday, March 2:

7:30 am **Breakfast Buffet**

8:30 am **SAA Investment Workshop**

Join your peers in discussions of case studies based upon real experience of SAA working closely with clients. Review different investment approaches from both the Board and senior management perspectives. Last year's case studies addressed: Asset Allocation, "Best Practices" Investment Policies, Investment Manager Search and Benchmarking.

12:00 pm **Lunch**

6:00 pm **Welcome Reception & Dinner**

## Thursday, March 3:

7:30 am **Breakfast Buffet**

8:30 am **Welcome and Opening Remarks:**

Michael Koettters, Managing Director, Strategic Asset Alliance

8:45 am **Taming Surplus Volatility**

Alton Cogert, President & CEO, Strategic Asset Alliance

Calm financial markets have recently given way to deep uncertainties. We enter the year in the 'fear' part of the fear/greed cycle and that can raise questions about the investment process, all the way up to the Board level. How are insurers positioned for low interest rates plus surplus volatility? What are the 'best practices' for taming surplus volatility? Given the current environment, what investment classes can bring improved risk adjusted portfolio returns?

9:30 am **The Case of the Strangely Volatile Surplus**

Moderators: Alton Cogert, President & CEO, Strategic Asset Alliance  
Daniel Smereck, Managing Director, Strategic Asset Alliance  
John Mohr, Managing Director, Strategic Asset Alliance

In this role playing activity, you will have the opportunity to be a Board of Directors or senior management member of an insurer grappling with today's market turbulence and its unexpected effects on your company's surplus. What can you learn from this interesting, unusual, yet perhaps very applicable situation for your company?

10:45 am **Break**

11:00 am **Successful Portfolio Strategies in a Changing Global Environment – Part I**

Global central banks are now the movers and shakers of financial markets to an extent never before seen. While the Fed goes in one direction, the central banks in Europe, Japan and China go another. Concerns about growth in the world's second largest economy, and falling commodity prices, have raised the threat of a slowing global economy in a deflationary environment. Considering this environment as well as 'low rates for longer', three well-regarded investment management firms will recommend and discuss appropriate investment strategies. Compare and contrast these strategies with the approach utilized at your insurer.

**Global Opportunities that Complement US Core Bond Strategies**

Laura Lake, Senior Portfolio Manager, Standish Mellon Asset Management

Many institutional investors have a structural allocation to high quality fixed income and are questioning

expected returns in U.S. investment grade rated bonds. Moving to a global approach can offer a number of benefits. A global strategy on a hedged basis provides investors with a portfolio that exhibits similar risk characteristics as dedicated U.S. Fixed Income with the potential for increased diversification and return generation. The structural advantages of a global approach are further accentuated by an environment where the U.S. Federal Reserve is tightening policy while many other developed market central banks continue on an easy monetary policy path. Increased divergence within central bank policy globally can provide a rich backdrop of opportunities for active, tactical managers to deliver strong risk adjusted returns.

12:00 pm **Lunch**

1:30 pm **Successful Portfolio Strategies in a Changing Global Environment – Part II**

**Opportunities in Private Securities: The Potential for Additional Yield, Diversification and Control through Private Placements and Private Real Estate Debt**

Jack Maher, Managing Director - Head of Alternatives, HIMCO

Today's search for yield is pushing many investors further out on the risk-return curve – and further away from their comfort zones, especially in light of a market environment that suggests both potential interest rate hikes and greater volatility. One area investors may wish to consider is private asset classes such as private placement debt and commercial real estate mortgage loans. Often less understood than most public debt vehicles, these private securities offer the potential for greater yield and, as they are privately negotiated agreements, potential for greater investor protections. And while these may be private debt securities, they are often the equivalent of investment grade public securities in terms of risk. Private markets do demand greater investor scrutiny and an understanding of liquidity risks, but they may also offer investors another avenue to pursue yield in time-tested asset classes.

2:30 pm **Break**

2:45 pm **Successful Portfolio Strategies in a Changing Global Environment – Part III**

**Ways for Mitigating Currency Risk When Evaluating International Equity Allocations**

Christopher Gannatti, Associate Director of Research, WisdomTree Asset Management

We are seeing continued institutional focus on the topic of currency hedging as the US dollar remains strong and the FED is poised to raise rates again in 2016.

3:45 pm **Break**

4:00 pm **Face the Forum: An Open Discussion**

Alton Cogert, President & CEO, Strategic Asset Alliance  
Daniel Smereck, Managing Director, Strategic Asset Alliance  
John Mohr, Managing Director, Strategic Asset Alliance  
Michael Koettters, Managing Director, Strategic Asset Alliance

The capstone session of the Insurer Investment Forum provides an opportunity to review some of the key concepts and issues raised during the Forum and over the past year. How have these issues been addressed in various situations? What new issues does SAA believe will be of importance in the coming year? How can your company be proactive in addressing these issues? It also provides an excellent opportunity for you to ask questions of SAA's Principals and get their thoughts on important topics and strategies, whether or not previously discussed during the Forum. This session promises to be lively, as you will undoubtedly get slightly different perspectives from different SAA Principals.

4:45 pm **Adjourn & Farewell Reception**

**Friday, March 4:**

8:30 am **Optional Golf**