Program

Summary & Details

Update: September 7th, 2015
Welcome to the 6th WorldPensionSummit!

Building Better Pensions

Dear Delegates,

Welcome to the 6th WorldPensionSummit 2015! We really hope that you will enjoy our program. Our focus is to exchange expertise amongst global peers in pensions. Also this year we’ve done the utmost to offer you international best practices, key briefings, top debates and create as much interactivity as possible.

Since the start of the crisis in 2008 ‘pensions’ has become more and more a global ‘hot topic’. With our theme ‘Building Better Pensions: Creating Long Term Value’ we would like to present new insights and thoughts to improve and innovate pensions. Professionalizing the industry is essential in these times of change. All over the globe we are facing a shift in risks to participants, a retreating role of governments and more sober social security programs. We have to face new roles and responsibilities for individuals, employers and all actors involved in managing our personal financial continuity.

There is a growing need for efficiency, transparency and simple pension solutions that will gradually grow into personal managed ‘pensions’. We expect essential discussions about the discipline of participants, a fair contribution to plans, solidarity between generations, governance structures, financial literacy, and more. The investment challenges to secure an adequate pension should be top of mind, given the changes in demographics. Also debates about the ‘new flexibilities’ in work, the retirement age, as well as lifecycle events such as ‘housing’ and ‘healthcare’...

Old economies can learn from emerging economies that leap-frog on developments and implement new schemes, new ideas. Countries with a long lasting pension structure can share key values on how to manage transition from one generation to the other.

Sharing this expertise makes WorldPensionSummit a truly global ‘learning experience’ for senior pension professionals from around the world. We like to express our thanks to our valued speakers and partners who contribute their time and expertise to make WorldPensionSummit the best platform possible!
## Program day 2 - WorldPensionSummit 2015 – 11 SEP

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.30</td>
<td>Registration &amp; Coffee Reception</td>
<td></td>
</tr>
<tr>
<td>09.30</td>
<td>Designing Pensions to Help the Future Self: a Psychological View</td>
<td>DAN GOLDSMITH, Principal Researcher, Microsoft Research</td>
</tr>
<tr>
<td>10.15</td>
<td>WorldPensionSummit Innovation Award Ceremony</td>
<td>Chairman of the Jury: RUDOLF HAGENDIJK, former Chairman of the Executive Board at MN, Jury members: SOLANGE BERSTEIN, IDB; DON EZRA, Russell Investments; DOMINIC THURBON, Change Labs</td>
</tr>
<tr>
<td>10.45</td>
<td>Coffee Break</td>
<td></td>
</tr>
<tr>
<td>11.15</td>
<td>TRACK A4 - Pension Reform in the Nordics</td>
<td>LIBRARY</td>
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<tr>
<td></td>
<td>- Three Nordic Pension Reforms in DB-systems</td>
<td></td>
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<td></td>
<td>- 2 OECD-systems and 1 important reform in a DB-system</td>
<td></td>
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<tr>
<td></td>
<td>- Advantages and Disadvantages</td>
<td></td>
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<tr>
<td></td>
<td>By: Bo Klönberg, Swedish Pension Agency</td>
<td>Suvia Anne Simesa, TELA</td>
</tr>
<tr>
<td>11.15</td>
<td>TRACK B4 - Emerging Insurers Role</td>
<td>TOYOTA</td>
</tr>
<tr>
<td></td>
<td>- Life Insurance &amp; employee benefits post GFC &amp; Solvency 2</td>
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<td></td>
<td>- Is the &quot;traditional&quot; model and product future-proof? What needs to change?</td>
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<tr>
<td></td>
<td>- How to grow the overall global Pension asset pool?</td>
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<td></td>
<td>- Lessons learned from the UK annuity market transformation for the insurance industry</td>
<td></td>
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<tr>
<td></td>
<td>Chair: Josef Pilger, EY</td>
<td>Karl Wirth, EY</td>
</tr>
<tr>
<td>11.15</td>
<td>TRACK C4 - Leveraging Behavioral Economics to Drive Better Participant Outcomes</td>
<td>THEATRE</td>
</tr>
<tr>
<td></td>
<td>- How behavioral biases influence decision-making</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Design of innovative products that fight inertia</td>
<td></td>
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<tr>
<td></td>
<td>By: Sarah J. Walsh, Fidelity Worldwide</td>
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</tr>
<tr>
<td>12.15</td>
<td>Buffet Lunch</td>
<td></td>
</tr>
<tr>
<td>13.30</td>
<td>TRACK A5 - Cross Border Tracking &amp; Tracing of Pensions</td>
<td>TOYOTA</td>
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<tr>
<td></td>
<td>- Introducing Project TTYPE</td>
<td></td>
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<tr>
<td></td>
<td>- Improving communication beneficiary-pension providers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Next step developments in Europe</td>
<td></td>
</tr>
<tr>
<td></td>
<td>By: Claus Skadhauge, PKA</td>
<td>Eric van Elburg, MN</td>
</tr>
<tr>
<td>13.30</td>
<td>TRACK B5 - Challenges for Pension Systems in Latin America and the Caribbean (LAC)</td>
<td>LIBRARY</td>
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<tr>
<td></td>
<td>- Indicators for comparing pension system design</td>
<td></td>
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<tr>
<td></td>
<td>- Panel &amp; workshop</td>
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<td>- Closing the coverage gap</td>
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<td>- Role of social pensions</td>
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<td></td>
<td>By: Solange Berstein, IDB</td>
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<tr>
<td>14.30</td>
<td>TRACK C5 - Infrastructure Investments</td>
<td>THEATRE</td>
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<tr>
<td></td>
<td>- Infrastructure gap</td>
<td></td>
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<tr>
<td></td>
<td>- Fiscal constraints on governments</td>
<td></td>
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<td></td>
<td>- Attractions for PFIs</td>
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<tr>
<td></td>
<td>- Disadvantages: competencies, cost structure, illiquidity</td>
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<td></td>
<td>By: Bernard Casey, Warwick University</td>
<td>Georg Inderst, Inderst Advisory</td>
</tr>
<tr>
<td>14.45</td>
<td>PANEL DEBATE: Rising Pension Schemes in Emerging Economies</td>
<td>cases from emerging markets</td>
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<td>Chair: CHIELO ANOHU-AMAZU, PenCom</td>
<td>ABUJA; RYAN TEWAR, Regional Vice President Europe GOPIO, Chairman India Business Council NCH, MD Mahler Fund Management</td>
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<tr>
<td>15.30</td>
<td>Farewell Reception</td>
<td></td>
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</tbody>
</table>

## Topics

- **Investment & Asset Management**
- **Pension Scheme Development**
- **Corporate Pensions**
- **Pensions Organization**
- **Communication & Financial Literacy**
Welcome

Welcome in The Hague & Opening of the Summit

Ingrid van Engelshoven, Deputy Mayor The Hague & Alderman for the Knowledge Economy, International Affairs, Youth and Education | The Hague

The Hague, International City of Peace and Justice, is delighted to co-host the WorldPensionSummit. The Dutch financial industry has a particularly strong reputation in the areas of pension expertise and management. The Hague is viewed as the home of a large variety of key players in the pensions, asset management and insurance industry. Currently this sector accounts for 13,000 jobs in the city. The Hague region profits from a stable and flexible business, political, financial and regulatory environment, with efficient and transparent procedures. Globally, The Hague aspires to be a major actor in pension developments. The WorldPensionSummit is the international platform where new ideas are shared, and global networking is a stimulus for pension professionals. If we want secure the pensions of future generations, the world of business and politics need to join forces and act. Therefore you could not have chosen a better place to meet than The Hague. So: Welcome to The Hague!

Ingrid K. van Engelshoven was born in Delfzijl on 12 July 1966. She grew up in Belgium and studied political science at Radboud University Nijmegen and law at Leiden University. It was during her college days that she became involved in politics, chairing the Nijmegen chapter of the social-liberal D66 party from 1987 to 1989. In 1989 Ingrid became a D66 staff member in the Lower House of Parliament (Tweede Kamer) and served as secretary to party leader Thom de Graaf until 1996. She has worked as a consultant in public administration, as head of two strategy sections at the Ministry of Transport, Public Works and Water Management from 2000 to 2004 and as the director of Stichting Verantwoord Alcoholgebruik (STIVA) from 2004 to 2009. Following her work as deputy chairman of the D66 from 2000 to 2003, Ingrid has been the chairman of the national D66 party since 2007.
Marianne Thyssen was born on 24 July 1956 in Sint-Gillis-Waas, Belgium. In 1979 she obtained a degree in law at the Catholic University of Leuven (KUL).

She was successively legal adviser, head of a research department and acting Secretary-General at UNIZO (a Belgian organisation for the self-employed and small and medium-sized businesses).

She entered European Parliament in 1991 and was re-elected 5 times. During her almost 23 years as a member of European Parliament, she mainly focused on economic and social issues. Between 2008 and 2010 she was also the President of her party, CD&V (the Flemish Christian Democrats in Belgium). In November 2014 she became European Commissioner for Employment, Social Affairs, Skills and Labour Mobility.

"To me, our European social model is our most important cultural heritage. But if we want our pensions to be adequate and sustainable in the future, we need to strike a balance between years spent working and years of retirement, and to encourage the further development of supplementary retirement savings."
Plenary Keynote

Pensions – challenges and opportunities going forward

Lard Friese, Chairman Management Board and Executive Board NN Group | The Hague

Life insurers and pension funds are well placed to engage in long-term investing. However, macro-economic circumstances such as low-interest rates or demographic and regulatory developments have an impact on the industry. As a result, the pension landscape has been changing at a rapid pace over the past few years.

Also, the general public's awareness of their pension options increases, but could still use further improvement.

Lard Friese, CEO NN Group, will address how NN Group navigates such developments – both in the international and Dutch context.
Kerry Kennedy, President of Robert F. Kennedy Human Rights, Center for Justice and Human Rights and author of the New York Times best seller Being Catholic Now and Speak Truth to Power: Human Rights Defenders Who Are Changing Our World. Ms. Kennedy has been working on global human rights since 1981, when she investigated abuses committed by U.S. immigration officials against refugees from El Salvador. She is the founder of RFK Speak Truth to Power, a global human rights education initiative and core program of RFK Human Rights, which is now taught to more than one million students around the world, from Cambodia to Calabria to California. Ms. Kennedy is Chair of the Amnesty International USA Leadership Council and serves on the boards of directors of Human Rights First, Inter-Press Service, and the U.S. Institute for Peace. She is the mother of three daughters, Cara, Mariah and Michaela.

Kerry Kennedy, New York, 2015:
“Those who invest without considering human rights violations as risk factors do so at their peril…”

Robert F. Kennedy, Cape Town, 1966
“It is from numberless diverse acts of courage and belief that human history is shaped. Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance”
Plenary Keynote

Responsible Investing with a Long Horizon

11.00 - 11.30

Rob Bauer, Executive Director ICPM & Prof. of Finance Maastricht University School of Business and Economics | Toronto

Professor Bauer will speak about Responsible Investing in general and how it relates to the new buzzword Long Horizon Investing. The presentation will share academic insights on long horizon investing, responsible investing and its practical implications.

Topics that will be covered are:

* Latest trends in Responsible Investing (including the recent wave of Long Horizon Investing initiatives)

* How do investment strategies from Long Horizon Investors differ?

* Recent academic insights on responsible investments (inclusion and exclusion strategies, and engagement) including the impact on the pricing of securities (focus on equities and bonds)?

* View on the effectiveness of current institutional ownership strategies (voting, engagement and other means) and how to increase it (including a case study on real estate funds).
This panel, chaired by Josina Kamerling of CFA, will discuss the development of capital markets in the EU which will obviously depend on the flow of funds into investment opportunities. The pensions industry is the guardian of one of the biggest sources of funding in Europe. They necessarily play a crucial role in capital markets and society more widely and are increasingly important investors in the European economy. Growing occupational and private pension provision in Europe should lead to a bigger flow of funds into a wider range of investment opportunities and encourage a move towards market-based financing.

New rules on occupational pensions which are currently under discussion could remove barriers to pension schemes investing more in long-term assets. The exchange of best practice could also serve to increase the compatibility of national systems, opening up new opportunities.

On personal pensions, providers are subject to a number of different pieces of legislation. This raises the question of whether we should consider enabling a standardized product, for example through a pan-European or ‘29th’ regime. This would remove obstacles to cross-border access without forcing cross border harmonization on what is a very diverse market place with very different legal systems in place. This would be an additional option that pension funds could consider offering rather than one to which they would have to change.

A debate on how pension funds should be able to invest more directly in the economy, either through our new European Long-Term Investment Funds or directly into long-term assets like infrastructure projects – roads, schools, hospitals.
Demographic transformation drives a fast increasing number of pension and retirement policy changes. Citizens and members are expected to understand, decide and act on choices or options in pillar 1, 2 or 3 systems. Employers play a vital role in the delivery. In this context understanding and responding to stakeholder expectations and successful “distribution” means successful policy implementation. The need of the ultimate client is growing and client centric actions are also needed in the pension area.

During this session you will hear the results and insights from a global study. The study covers executive interviewees from governments, regulators, private and public sector pension and retirement plans as well as essential product and service providers such as asset managers, custodians and life insurers and wealth managers, and large corporates.

You will learn from and discuss with a panel of industry leaders what the study results mean for the different stakeholders and how we can convert them to “industrialise” and evolve the Pension and Retirement industry to become customer centric, make “distribution” more effective and efficient to deliver expected policy outcomes and better adapt to retail and business stakeholders needs to deliver against their expectations and build a better retirement world.
There is growing evidence that ESG factors, when integrated into investment analysis and decision making, will offer investors and thus pension funds potential long-term performance advantages. The combination of fiduciary duty and a wide recognition of the necessity of the sustainability of investments in the long term has meant that environmental social and corporate governance concerns are of essential importance in the investment market. ESG has become less a question of philanthropy than practicality!

In this WPS-Debate we will discuss how the world of investments has changed and how asset owners and managers are becoming increasingly aware of the potential risk and value impact of ESG factors, and their potential effect on their investment profile. Several pension funds with discuss their 'blue-print practice' and share the expertise on key issues at stake.

Some of the key questions for discussion are:

- How can investments - screened on ESG criteria - minimize (financial) risks?
- Can responsible investments (or those made with ESG screens) perform comparably or better over the long run?
- How can you reconcile an interest in responsible investing with your fiduciary duty?
- Do pension funds have a responsibility to ensure that investments are made in accordance with the values of their participants?
- How do trends differ across countries?

After brief introduction and the introduction of the panelists by the chair, we will focus on a in-depth debate with the panelists and we will open the floor for questions and comments.
Hans van Meerten, Professor International Pension Law Utrecht University & Lawyer Clifford Chance | Amsterdam

In this speech the coherence of the 2nd (occupational) and the 1st (state related) pillar pension provision in an international context is highlighted, especially with regard to Member State liability.

Pascal Borsjé, Lawyer Clifford Chance | Amsterdam

Many national measures in the 2nd pillar impact the 1st pillar and vice versa. In the Netherlands, for example, we see that 2nd pillar benefits are reduced. What does that mean for pensioners?

Attention will be paid to:

- On a EU level what constitutes the 1st and 2nd pillar?

- How does the 2nd pillar shift to (C)DC schemes affect the 1st pillar nationally and in a EU context?

- How does the EU Court rulings interact with the 1st pillar? Recent European case law has shown that the solvency of pension funds could have consequences for the position and liability of the Member States (or their government bodies or the supervisory authorities), with the possible attendant financial consequences. What are these consequences? When are Member States liable according to EU law?

- what are the legal consequences (if any) of risk sharing (if any) between the 1st and 2nd pillars?

- How does the composition of the 1st pillar interact with EU law?
**Gerard Roelofs, Head of Client Group International and Member of the International Management Committee, NN Investment Partners (NN IP) | The Hague**

**Gerard Roelofs will be speaking about how the macro-economic situation, developments in pension systems and regulations, demographic developments and stakeholders’ expectations about pension funds’ responsibilities, each, directly or indirectly, impact pension investments.**

In particular, he will focus on Liability Driven Investments, where today’s challenge is generating sufficient returns in the ultra-low interest rate environment. Low interest rates are also a challenge in a DC setting, where the traditional approach has been to buy an annuity on the retirement date. Gerard will discuss the latest developments in life cycle investing. Finally, pension funds find themselves under the microscope and under increased scrutiny from various stakeholders to take responsibility for ESG aspects of their investments. In his presentation, Gerard will discuss developments in the area of ESG investments and will show how ESG considerations can be incorporated in a pension fund’s investment strategy, without losing track of the financial results.
Corporate Pensions

The alternative solution for employers?!

Advantages and disadvantages of a multi-employer pension fund

**SPEAKERS**

**René van Leggelo**, Product Manager International Retirement, Amundi | Paris

**Eric Bergamin**, Owner Bergamin Pensioenrechtadvies B.V. | Rotterdam

**TOPIC**

“What would be the best long-term pension strategy? How do we manage all the various pension plans across Europe? Are there possibilities to reduce the execution costs?” Companies are often faced with the complexity of the execution of pension plans. It is even more complicated for multi-national employers. The speakers in this track will provide you with a fair and objective reflection of a multi-employer fund, including a high level overview of the legal and executive aspects.

**What’s on the agenda?**

- Introduction of the main aspects of the IORP-directive (legislative framework multi-employer pension fund)
- Overview of the governance aspects of a multi-employer pension fund
- Key points regarding costs and funding
- How to deal with the organisation/management of a multi-national pension fund
- The red flags and elementary questions
American Express:
Involvement of (potential) beneficiaries in decisions concerning their financial future is one of the aspects pension communications is about. But making the financial future attractive is not an easy task. American Express shows how they use consumer communication techniques to ‘seduce’ the employees for such involvement. How can you use branding, segmentation of target groups, and attractive perspectives to convince employees to participate in a smart savings program? Mai Lam, Director International Retirement of Amex will show you how this works at Amex.

Nest, the largest master trust in the UK:
How can a Pension Funds be transparent and create a leading client experience. Nest, helping around 22,500 employers and serving over 2.2 million members, was specially set up for auto enrolment. During 2014 to 2015 Nest launched NEST Live Help, NEST Connect, NEST Web Service and a worldwide thought leadership consultation on the future of retirement. Using intuitive software the Nest experience will be optimised to give quick and easy solutions to website users without them having to speak to an agent. Gavin Perera-Betts, Director of product and solution, will be presenting the Nest case!

Hesta, is the Australian Pension Fund for people working in the health and community services sector. Over 40% of Australians have more than one Superannuation account and therefore high costs. Hesta designed a high tech innovative tool to meaningful engage their members and use Hesta through their careers. The ‘Digital Member Card by Hesta, will be presented to you by Mary Delahunty | General Manager Business Development of Hesta.

This track is a highly interactive session, in which delegates can debate and interchange ideas with the experts.
The adequacy of pension systems as well as the impact of reforms on adequacy constitute key measures for the scope of systems and the potential for supplementary provision. To assess adequacy, the traditional definition of income replacement rates remains essential, but can be considered too narrow.

Demonstrating that the concepts of adequacy and sustainability comprise more than financial considerations, the ISSA has implemented a project that aims to support the goal of adequate benefit provision in its broadest sense. The ISSA multivariable measure of adequacy incorporates seven parameters, including for instance labor market aims, security of benefits and interaction with other stakeholders and their benefit provision, and thereby reflects the different aspects and objectives of adequacy at both an individual and society level.

The project shows that improved adequacy does not necessarily come at the expense of affordability/sustainability, as adequacy is not simply a matter of replacement ratios. Other parameters of provision – the type and form of benefit and how the benefit is accessed, communicated and delivered – also add value to the benefit and therefore should be considered when assessing adequacy.
Several countries have experienced a severe 'pension crisis' due to various reasons. At WorldPensionSummit we have created a unique debate to share 'lessons learned' of essential steps to recuperate and innovate the pension system. Creating a new start and refresh the system in order to ensure a more future proof sustainable pension plan.

What were key barriers and opportunities?

What created the break-through?

What can other nations learn from these scenarios?

We gathered key experts from Greece, Hungary, Poland and Argentina to present and discuss their experiences. We have structured a one hour panel session on key aspects of the recovery plans and selected key items for discussion. Sharing the expertise and many creative new ideas to revitalize pension plans.
Impact investing has the potential to unlock significant sums of private capital to complement public resources and philanthropy in addressing pressing global challenges | GIIN (Global Impact Investing Network) (2015)

Over the last years, Impact Investing has become increasingly important and a source of discussion in the public and in the boards of institutions. While this industry is in an early stage of development, it is poised for growth. As impact investing, we mean the investment approach that intentionally seeks to create both financial return and measurable positive social and environmental impact. Impact investment is a part of the responsible investment spectrum. The main difference between ESG/SRI and Impact Investment is that SRI looks at the ESG performance of companies and funds in the mainstream economy and tries to encourage investment in those companies with the best ESG performance. Impact investment, on the other hand, tries to bring investment to companies and funds that have a declared social and/or environmental purpose so that investment can be used as a tool to address social and environmental problems. This session is designed to give a broad overview of impact investing, the trends, challenges and opportunities and to focus on what needs to happen to support a broader adoption impact investing amongst pension fund and institutions. We will seek to discuss:

- motivation of asset owners to allocate to impact
- review impact investing asset class opportunities and give a snapshot of the current sector/ ecosystem
- discuss the constraints and opportunities for mainstream institutional investors for allocating and implement the strategy as part of their portfolio

During this lunch breakout session you will learn about the investment opportunities and challenges of integrating impact in an institutional portfolio, through short presentations and Q&A of consultant Phenix Capital with leading Dutch pension fund and insurance representatives who have already committed to allocate to impact investing.
Developments on the micro and macro levels have led to a retirement plan structure which has common features in different countries (separation of accumulation and withdrawal phases, pay out choices with or without annuitization option, deferred taxation, life cycle investing, etc.). However, these have been developed by corporations and their consultants under rather separate regulatory regimes.

On the basis of these developments, the time may now be ripe for:
- account based retirement solutions which would allow employers and employees to achieve the same results much more efficiently,
- work also for employees at small and medium sized firms, and
- also enable easier portability across member states, but also between workplace and private retirement solutions (reflecting the reality of a more mobile workforce)

Finally, the EU could promote such a retirement concept
- via a UCITS type directive
- which member states could adopt alongside their existing pension regulation
- as “qualified” plans (with tax benefits) or “non-qualified” plans (without tax benefits)
People saving for retirement make tradeoffs between present and future consumption. Similarly, many of us struggle to lose weight, exercise more, keep on top of our investments, or drop bad habits. All of these struggles have something in common: they are battles between our present selves (what we want now) and our future selves (what we will ultimately want in the long run). In this presentation, we will discuss why these battles so often occur, why the present self so often wins, and how to make the battle more evenly matched. Dan will present elements of pension design that should increase people’s motivation to think about their financial futures.

Daniel Goldstein is a Principal Researcher at Microsoft Research and an Honorary Research Fellow at London Business School, where he was formerly a professor. His areas of expertise and research are internet marketing, consumer behavior, and behavioral economics. He received his Ph.D. at The University of Chicago and has taught and researched at Yahoo Research, Columbia University, Harvard University, Stanford University and Germany’s Max Planck Institute, where he was awarded the Otto Hahn Medal in 1997. In 2014, Goldstein was elected President of the Society for Judgment and Decision Making. His academic writings have appeared in journals from Science to Psychological Review, and his publications for practitioners include several articles in Harvard Business Review. Dr. Goldstein’s work has been featured by The Wall Street Journal, The Financial Times, The New York Times, ESPN, Time and The Washington Post, as well as in books such as Richard Thaler and Cass Sunstein’s Nudge, Dan Ariely’s Predictably Irrational, Malcolm Gladwell’s Blink, and Nassim Taleb’s The Black Swan and Antifragile.
Award Ceremony
WorldPensionSummit Innovation Award 2015

Friday September 11
10.15 – 10.45

During this ceremony the winner of our first WorldPensionSummit Innovation Award 2015 is announced!

Introducing the WorldPensionSummit Innovation Award
By introducing this award we would like to honor great initiatives and proven solutions that support professionalism in pensions and add concrete value to securing adequate pensions for citizens around the world.

We received many excellent applications for our WorldPensionSummit Innovation Award 2015! The Jury has evaluated the candidates and selected the 5 nominees for 2015!

We like to congratulate:

Fidelity - USA
People's Pension Trust - Ghana
HESTA - Australia
VBV - Austria
NEST – UK

Focus of the WorldPensionSummit Innovation Award 2015
Each year we will look at a different angle of ‘innovation’ and call upon those companies, institutions or service providers who fit best in the category or being 'best in class'. This year we welcome candidates who:

‘Realize a great impact on creating awareness and understanding with participants of pension plans through unique involvement (information/ tools/ interaction) that really made a difference and services participants at all levels successfully’.

For short: 'Creating a meaningful involvement with pension participants'.
<table>
<thead>
<tr>
<th>SPEAKERS</th>
<th>TOPIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bo Könberg, Chairman of the Board Swedish Pensions Agency</td>
<td>This track is designed to give you an insight in pension developments in three of the Nordic countries. Even though looked upon as having some of the best systems in the world also these countries face their problems of demographic changes and shifts in risk with significant reform plans.</td>
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<td>Suvi-Anne Siimes, Managing Director TELA</td>
<td>In 1994 the Swedish parliament decided with a great majority to change the traditional DB-system to a Nonfinancial (or Notional) DC-system. Similar systems have during the nineties been introduced in Italy, Latvia and Poland. In 2011 Norway also introduced with a big majority a NDC-system. Some years before Norway introduced a mandatory occupational pension on top of the public pension. The Swedish and Norwegian experiences of the NDC-systems will be presented and also the reasons why such rich countries have chosen to change their pension systems away from DB-systems. Finland reformed its DB-system quite thoroughly in 2005 and the next reform, agreed upon in autumn 2014, will come into force in 2017. Motivations behind and experiences on these two reforms will be presented and also the reasons why Finland's DB-system is still functioning well. Also will be discussed the advantages and challenges that this kind of DB-system has for a small euro-area open economy like Finland.</td>
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The aftermath of the financial crisis and the current historic low interest rates in many countries challenge the “traditional” role of life insurers. Transparency and solvency regimes impact the delivery of long term predictable retirement outcomes and guarantees. Customers seek those predictable outcomes and certainty to create plannable financial well-being for their retirement phase. This dichotomy leads many life insurers to rethink their future business model for this industry. The key question: how life insurers can continue to play a critical and commercially attractive role in delivering long term retirement outcomes, predictability and certainty.

You will learn from and discuss with a panel of industry leaders three key aspects:

a) the urgency for change,

b) current thinking, the options and what they mean for different stakeholders as well as

c) success stories for different parts of the world.

We hope that this discussion will help accelerate the transformation process while enabling policy makers and other stakeholders to better understand some of the necessary changes they need to make to facilitate such accelerated transformation in a mutually beneficial way. These changes for all stakeholders will enable the life insurance industry to continue to act as a key pillar in the delivery of Pension and Retirement policy and predictable retirement outcomes.
<table>
<thead>
<tr>
<th>SPEAKERS</th>
<th>TOPIC</th>
</tr>
</thead>
<tbody>
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<td><strong>Sarah J. Walsh,</strong> Director, Workplace Marketing Solutions and Experience, DC Product, Fidelity Investments</td>
<td><strong>A discussion on how emotional states and environmental factors affect our ability to make rational and often extremely important decisions in our daily lives.</strong></td>
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<td>Participant decisions are subject to a wide variety of behavioral biases that sometimes negatively affect decision making. This session highlights how the use of behavioral economics has led to the design of innovative products that fight inertia and can lead to better outcomes. Hear Client Case studies and insights that have helped drive higher savings rates in 401(k) plans.</td>
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The European regulations concerning the acquisition and safeguard for the mobile workers is still incomplete and sometimes contradictory. Indeed, specific arrangements are provided for the 1st pillar pensions but different solutions are provided for the 2nd pillar pensions. In addition, within the 2nd pillar pensions’ arrangements, a further different treatment will probably persist in case the mobility of the workers across Europe will be within the same multinational company (infra corporate mobility) or by changing employer in another member state (inter corporate mobility). Finally, differences of treatment still exist between the cross border mobility and the internal mobility as for the treatment of the pension rights. The presentation will summarize these cases by presenting the different EU laws and case law and will conclude with Project TTYPE.

More than 8 million Europeans work abroad and the number is increasing. So are the demands for effective communication between pension providers and their beneficiaries. We look closer into the pension communication aspects related to the many mobile workers in Europe moving between countries and sectors. What are the (real) barriers for effectively keeping track of pension entitlements and how can they be overcome?

The European Commission has facilitated a project, called TTYPE – Track and Trace Your Pensions in Europe, looking closer into the design and feasibility of a cross border pension tracking service. Is it possible at all? The TTYPE project says yes. In this session the project presents the guidelines, the whys and the hows – based on the report handed over to the European Commission in March 2015. It also addresses the question: Is the TTYPE approach usable outside Europe?
Aging implies a challenge for pension financing in different parts of the world and LAC is not the exception. Countries within the region are at different stages in the aging transition and have different pension systems; however, they face similar problems. One of the main difficulties in LAC is the low contribution payment of workers to mandatory pension schemes. In the cases of DB plans this means that a significant percentage of workers are not entitled to a pension because they do not comply with the minimum number of contributions. In turn, for defined contribution systems, low density also means not having pension or might be very low. In this context, the role of non-contributory pensions in LAC is expanding and, in some countries, they are already a major element of the pension system. The region requires strengthening the enforcement for contribution, which also requires adequate design to ensure fairness and solidarity. At the same time, sustainability should be monitored and institutional capacity enhanced. Challenges for LAC and potential reforms will be presented, acknowledging that there are always tradeoffs to be addressed.
Across the world, a substantial “infrastructure gap” has been identified. Absence of infrastructure, or poorly functioning infrastructure, has been seen as a major impediment to development. Seeking ways to plug the deficit was one of the prime objectives of the 2014 G20 round, and one of the outcomes was the establishment of a Global Infrastructure Hub. The subject remains high on the agenda of the 2015 G20 round.

On the other hand, governments are cash strapped. They are anxious not to spend more than they take in and see even investment in infrastructure as spending to be avoided. This is despite recognition that infrastructure projects might both improve longer-term growth perspectives and boost to economies still struggling to pull themselves out of the Great Recession. Accordingly, governments have been looking elsewhere for finances and have placed greater emphasis on the role of public-private partnerships. Moreover, with the introduction of new standards setting the way in which banks can lend and structure their assets, traditional sources of private finance for infrastructure projects have shrunk.

Not surprisingly, attention has been directed towards pension funds. Infrastructure investments are seen as potentially attractive for such funds because they constitute long-term assets that meet their long term liabilities. Moreover, infrastructure assets are often described as having further advantages in terms of being of low volatility, as offering enhanced yields, and as having their value linked to growth and or prices.

The proposed panel will examine these arguments and will look at the experiences of pension funds across the world.
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### Plenary Closing Panel Debate

**Rising Pension Schemes in Emerging Economies**

**Friday September 11**

14.45 - 15.30

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<th>SPEAKERS</th>
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| **James Redgrave,**  
Director of European Retirement Asset International | During this final Closing panel experts present and discuss their experiences on shaping, reforming, and building pension schemes in emerging economies. What is learned from established systems? What is remarkably different? Which threats and opportunities needs to be taken into account? Which innovative Pension Schemes and solutions are being created in these regions? After speaker introduction we anticipate to have a lively debate. |
| **Chinelo Anohu-Amazu,**  
DG National Pension Commission Nigeria |  
Abuja |
| **Ryan Tewari,**  
MD Mahler Fund Management, Regional Vice President Europe GOPIO |  
Amsterdam |

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Recovery of Europe and the Role of Pension Funds
An Initiative of WorldPensionSummit & CFA Institute

The launch of the Capital Markets Union (CMU) should be seen as an opportunity to amend regulation that hinders long-term investment. Pension funds that wished to invest more in long-term assets have faced obstacles that could only be solved if the European Commission and national governments “stepped up dialogue” with the industry. Under the right conditions, pension funds capital can make a huge contribution to the future growth of the EU real economy. As long-term investors, they can also contribute to financial stability. The pre-summit discusses the role of pension funds in a financially stable Europe.

12.30 Registration & Welcome Lunch

13.30 Keynote Speech | CMU kick starting growth; what role can pension funds play?
Josina Kamerling, Head Regulatory Outreach, CFA Institute | Brussels

14.15 Keynote Speech | An ideal retirement system: Findings from the CFA Institute / Mercer Study
Norman Dreger, CFA, Dip. IEB, FCA, FCIA, FSA, Partner, International Consulting Group Leader, Mercer CE | Frankfurt

15.00 Coffee Break

15.30 Workshop Panel Debate: on developing a comprehensive framework for calculating the total costs for pension funds, enabling participants to have a clear view of charges and returns, which would allow for greater transparency and effectiveness and a higher return.
Chair: Josina Kamerling, Head Regulatory Outreach, CFA Institute | Brussels
Panel: Jonathan Boersma Head of Professional Standards and Executive Director of the Global Investment Performance Standards at CFA Institute | Eric Veldpaus, Founding Partner at Institutional Benchmarking Institute & Strategy Director Novarca | Alwin Oerlemans, Chief Strategy Officer | Amsterdam

17.00 Cocktail Reception
Josina Kamerling, Head Regulatory Outreach CFA Institute | Brussels

Growing occupational and private pension provision in Europe could result in an increased flow of funds into a more diverse range of investment needs through capital market instruments and facilitate a move towards market-based financing. Enhancing the confidence of retail investors in capital markets and financial intermediaries could increase the flow of household savings into capital market instruments which are now largely held in home equity and bank deposits. Increasing the global competitiveness and attractiveness of European capital markets in this way could also boost the flow of investment.

The pensions and insurance sectors also hold significant assets of around €12 trillion which can help to fund investment. The new prudential regime that will apply to insurers from 1 January 2016, Solvency II[14], will allow companies to invest more in long-term assets by removing national restrictions on the composition of their asset portfolio.[15] Furthermore, the Commission has ensured that the standard formula to calculate insurers’ capital requirements does not impose obstacles to long-term investment and matching long-dated liabilities with long-dated assets[16]. While this effort was welcomed, some have called for a tailored treatment of infrastructure investments, in relation to the calibration of the capital requirements of insurers and banks. Further work is needed to identify lower-risk infrastructure debt and/or equity investments, with a view to a possible review of prudential rules and the creation of infrastructure sub-classes.

Capital-based schemes for pension provision are playing an increasing role in some Member States. Such schemes, prudently managed and in a way that reflects their societal function, can contribute to the sustainability and adequacy of pension systems and are increasingly important investors in the European economy. New rules on occupational pensions which are currently under discussion could remove barriers to pension schemes investing more in long-term assets. Moreover, the exchange of best practices could also increase the compatibility of national systems.
In an era of an aging population and increased attention on retirement systems around the world, CFA Institute, has released An Ideal Retirement System, a report prepared by Mercer for CFA Institute.

The study considers, through a set of 10 principles, what the investment management profession can do for clients to deliver adequate benefits that can be sustained and trusted by the community. The 10 principles are designed to be a foundation for dialogue and debate among the investment profession to consider and assess what changes are needed in pension and retirement systems.

Norman Dreger, Partner, International Consulting Group Leader, Mercer Central Europe, will highlight the key findings from the report acknowledging each country is at a different stage in this conversation and each country faces different cultural dynamics with its populace.

Whether some of these principles will sound very familiar, or others controversial, the aim of this keynote address is to share these principles as a foundation to begin a meaningful dialogue among the audience to assess and evaluate what changes are needed in their own systems.
This Workshop Panel Debate will aim for developing a comprehensive framework for calculating the total costs for pension funds, enabling participants to have a clear view of charges and returns, which would allow for greater transparency and effectiveness and a higher return.

This would allow for benchmarking and comparisons between plans, which would be helpful in situations where participants can choose their plan, as well as for oversight boards to evaluate their plan’s effectiveness/efficiency. Individuals are dependent on the asset management industry to deliver good outcomes at an acceptable cost. But the full costs incurred by consumers when making long-term investments are not consistently and comprehensively defined, nor understood. This despite intensive statutory regulation, and attempted reforms by the industry itself.

Over extended periods, apparently small differences in the cost of investing can make a material difference to the value of individuals’ long-term savings: over a working lifetime, a 1% annual charge could slice the value of a pension pot by a quarter. Furthermore, without a clear idea of the comparative costs and charges of different investment vehicles, individuals and their representatives – financial advisers, trustee boards, the new independent governance committees (IGCs) which will be entrusted to monitor workplace personal pension schemes - cannot make informed judgements about value for money. Price competition is thus impaired. It is striking that the problems of cost opacity and cost control are both widespread and long-standing. A public debate is under way in The Netherlands on the future of the Dutch pension industry. Having lead the global industry previously the system is now faced with challenges that require an overhaul. With changing demographics, the impact of the dot.com bubble and credit crisis and a lower yield environment, pensions have become expensive. As a result the pension ambition, keeping up with inflation, should be downward adjusted.

With these changes the costs involved in managing our pensions have become much more relevant. Every penny of return and costs counts for plan beneficiaries.