Roundtable on Long-term Investment Global Policy

Wednesday 26 November 2014

Introduction

Over 145 participants attended the recent Roundtable on Long-term Investment (LTI) Policy, representing pension funds, insurance companies, and sovereign wealth funds from around the world, including countries such as South Africa, China and Brazil. This outreach event targeting financial industry practitioners and co-hosted by the OECD and Euromoney, provided an opportunity for institutional investors to discuss recent OECD research and policy issues related to long-term investment, in particular in G20 and OECD context. Such forums are an important part of the OECD's Project on Institutional Investors and Long-term Investment and its related Network of Institutional Investors which together work towards broadening policy makers' knowledge and understanding of institutional investors' needs and challenges. This most recent Roundtable is one in a series of events, including in 2014 the G20/OECD High Level Roundtable on Institutional Investors and LTI held in Singapore, and the APEC/OECD Seminar on Institutional Investors and Infrastructure Investment, held in Dalian, China, amongst others. Future events will be organized to advance the discussion on long-term investment by investors (www.oecd.org/finance/lti).

Summary Notes

Panel I: Long-term Investing, Asset Allocation Concepts, and the Role of Policy Makers

The first panel of the day consisted of a lively discussion on long-term investment, asset allocation, and how investors are adapting their investment processes to the challenging investment environment. This panel followed up on an earlier keynote address that summarised the barriers to long-term investment into five clear points: 1. Principal/agent problems and asymmetric information, 2. Weak asset-owner governance, 3. Investment mandate ambiguity, 4. Lack of success metrics for LTI, 5. Legal and regulatory constraints.

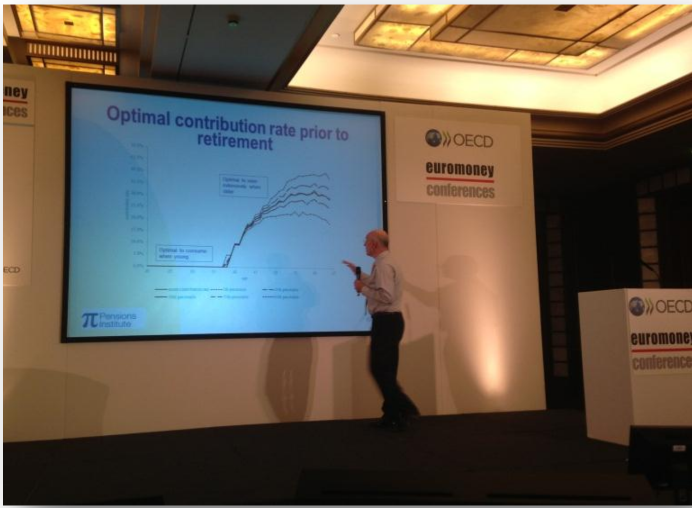
The discussion began with speakers addressing the issue of benchmarking. The importance of good absolute returns versus benchmark relative returns was made evident during the severe downturn in equity markets in 2007-2008: by focusing too much on beating a benchmark, other important objectives such as capital preservation, or extreme economic events (black swans) can be overlooked. A speaker from a large North American fund mentioned that reference benchmarks led them to focus too much on bottom-up portfolio structure, rather than having a top-down framework. Earlier in the morning a key-note speaker stated that 90% of long-term portfolio risk can be attributed to macroeconomic risk.

Funds are increasingly adopting dynamic asset allocation techniques. The importance and benefits of maintaining a long-term view on investments is crucial to withstand the vicissitudes of financial markets, and to take advantage of illiquidity premia, however, long-term views combined with medium-term and short-term views can allow investors to better react to economic conditions that change rapidly, particularly when it is necessary to protect against risks. Thus rebalancing rationales are compared to opportunistic portfolio tilts, reflecting relative value views. One speaker cited the success of a New Zealand fund’s execution of opportunistic portfolio tilts. A speaker from Finland mentioned that their dynamic asset allocation process has led them to switch from an excess return/tracking error benchmark to using Sharpe ratios instead. It was generally agreed that financial asset returns are mean reverting and that this needs to be taken into consideration when forecasting returns in equity and fixed income markets in light of current valuations.

<u>The current low yield and low return environment in traditional investments like stocks and bonds is pushing funds into illiquid investments, but illiquid assets are becoming expensive.</u> “*The real test of dynamism is doing nothing now”* as one speaker put it. It is important to price-in illiquidity accurately, bearing in mind that it does not affect institutional investors in the same way that it does affect other market participants. The long-term nature of infrastructure assets is attractive to institutional investors, reducing the frequency of capital redeployment. One speaker cited the benefit of long-lived assets as freeing up resources that are applied to the “treadmill” of private equity investment cycles which normally run 5-7 years. However, the investment process and due diligence surrounding direct infrastructure investments are very labour intensive. Infrastructure could yield similar benefits as real estate if the process is simplified (a barrier to overcome).

<u>Lastly, with all of the changes occurring in asset allocation modelling and increasing commitments to alternatives, the risk of being different (from peers) and communicating changes in fund management to various stakeholders is a challenge</u>. Sometimes such changes are complex and difficult to explain in simple terms. For example, one speaker mentioned the adoption of factor based investing as interesting, however communicating such a change to plan beneficiaries, trustees, or other stake holders is a challenge, and can even be considered a barrier.

Special Session: Pension Design and Long-term Investing



Pension design and long-term investing are closely related. Investment strategies must deliver the return at the right time, when the plan beneficiaries need their retirement savings. The optimal strategy depends on the preferences of the plan member as well as on the cycle of investment. While at the beginning of one's career equities are the rational choice of investment, later the portfolio should shift towards bonds, and at retirement the optimal decision is to buy an annuity. Such are the results of academic analysis. One intervention stated that the overall risk profile of individual investment portfolios, as well as the time structure of contribution and disbursement phases is significantly different for men and women. Later, one commenter highlighted the devastating effect of periods of non-contribution (child care or unemployment), especially early in the career, on the accumulation of assets.

After the GFC however, insurance companies have become less engaged in asset management during the decumulation phase. The challenge is now to design instruments capable of delivering the required cash flows. A new generation of products is needed. According to one speaker, the market is unable to provide the right institutions for this task without policy intervention.

Panel II: Getting Real on Real Assets: Infrastructure as an Asset Class

Two elements were identified as the main obstacles to infrastructure investment. First was the lack of a transparent and stable framework for investment. Regulatory risk and more specifically, the stability of a regulatory regime was consistently stated as the top concern amongst institutions when considering investment in infrastructure. Because assets are extremely long-lived, rule-of-law and in particular the enforcement of contracts is necessary to support a stable infrastructure investment market

Second was a lack of investable projects . Policy makers need not only to provide stable and transparent regulation, but also to harmonise it across regions to make infrastructure investment more accessible. Furthermore, policy makers need to do a better job at bringing investable projects to the market. Referencing the recent announcement of an EU plan ("Juncker Plan") to further private investment was regarded as a possibility to foster a pipeline of infrastructure projects according to policy priorities.

Regarding the classification of infrastructure for investors, speakers recognised the difficulty of such an undertaking and how classification can actually be a barrier. However, it was pointed out that from a regulatory angle it would be important to have a dedicated infrastructure asset class in order to distinguish it from other alternative investments with the possibility of offering it a more favourable regulatory treatment. Nevertheless, infrastructure assets come in different forms (roads, power plants, schools…) and can rank anywhere in the risk-return universe. This makes it difficult to define infrastructure as a stand-alone asset class, often falling in between other portfolio components. One panellist stated that in order for it to be an asset class, better data needed to be available in order to properly model the risk/return characteristics of infrastructure investments. This underscores the importance of data gathering and shows the need for governments to facilitate the sharing of data on infrastructure.

Speakers discussed the issue of high prices and low returns. The lack of supply of investable infrastructure projects is one factor driving up the price, while another point of view is that different investors use different valuation methods that result in different prices. A third point of view is that higher prices are accepted because the cost of capital is low today, but people do not adjust their expectations downward. When voicing concern about the low yield of infrastructure, one must review what to expect from the market. As for why yields on infrastructure are low, the issue of pricing-in social benefit was raised.

With regards to instruments, a speaker raised the issue of fund structure. Not all institutions are able to invest directly in infrastructure equity. Traditional private equity structures, which typically have a 5-7 year life cycle, are not ideal for long-lived infrastructure assets. One of the benefits of infrastructure is that valuation is mostly uncorrelated with the business cycle, where real estate cash flows tend to be more highly correlated. Thus evergreen fund structures or vehicles with longer terms may be attractive to infrastructure investors instead of traditional private equity structures.

On a more bullish note, one speaker posed the question: "Is infrastructure the greatest asset to play the turnaround?" Citing low financing costs and potential equity upside, the question was compelling and prompted further discussion about valuation and bankable project pipelines.

Key Note Address by OECD Chief of Staff and G20 Sherpa Gabriela Ramos: "The Policy Debate on Long-term Investing - G20 views"

Despite the large growth in institutional savings, there are numerous barriers to long-term investment. Drawing on a recent OECD survey of institutional investors, regulatory uncertainty is a top concern amongst the group. But, they also have to navigate an often harsh business climate; a lack of profitable and "bankable" projects or appropriate financial vehicles; and an information gap: matching investments with investors that align the interests of both parties. In all these areas, policymakers can play a constructive role by clearing the playing field.

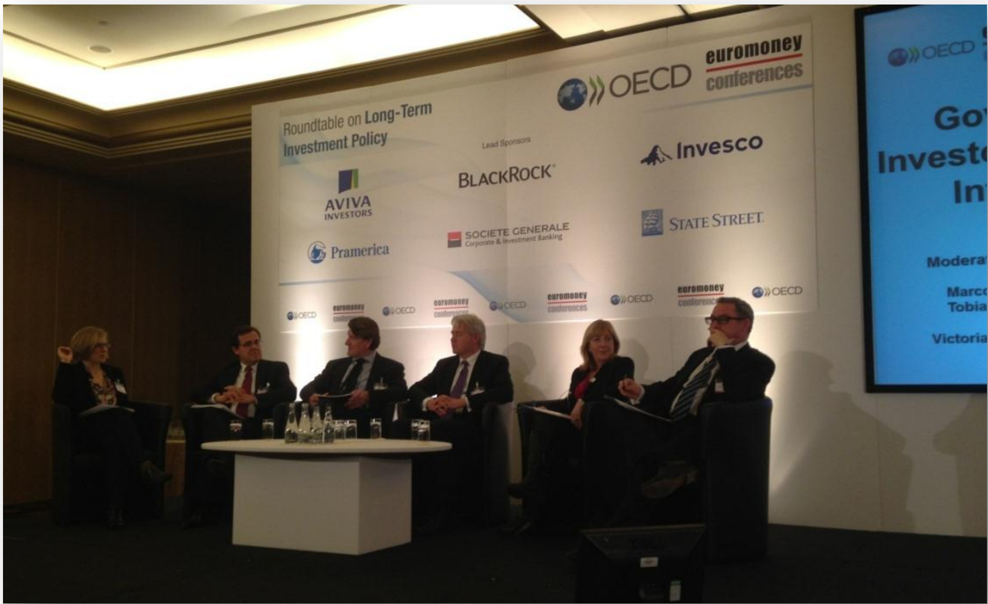
Institutional investors such as pension funds and insurance companies in OECD countries have over USD 92 trillion in assets under management. Unlocking this capital as a source for long-term investment is high on the G20's agenda. Last year, G20 Leaders endorsed the G20/ OECD High-Level Principles on Long Term Investment Financing by Institutional Investors. This year, the OECD moved hand in hand with the G20 economies "from solutions to actions" by providing examples of effective approaches to implement these principles, based on data from a comprehensive country-by-country survey. To continue with practical steps taken, a voluntary checklist will be circulated to assist countries in self-assessing their LTI framework and allow for aggregated international data. The Leaders also endorsed the establishment of a Global Infrastructure Initiative – a multi-year work programme to improve the quantity and quality of public and private investment in infrastructure. This will be supported by a new Global Infrastructure Hub based in Sydney. The G20 supports an exchange of ideas between policy makers and the private sector, in order to establish the best policies conducive to long-term investment and future growth.

Looking to next year's G20 agenda under the Turkish presidency, the OECD will be further examining capital markets channels for long-term investment, particularly in the realm of SME finance and infrastructure.

Panel III: Governance for Long-Term Investors: Practices in a Dynamic Investment Environment

Institutional investors' governance is a two-sided issue and requires clarification of perspective. First, it is a question of the own internal governance structure and fiduciary duty to beneficiaries. The other side is the governance and ownership engagement of the companies one invests in, and to what extent involvement is beneficial. For the latter, governance is about how you act as an owner, with the ultimate goal to create long-term value for beneficiaries. One speaker from a large European pension fund expressed their belief in the trustee system, serving only the plan members and not the shareholders.

A representative from a large South American fund noted that the size of some pension funds relative to their domestic financial market makes it necessary to be leery of politically motivated investments. Pension funds need to evaluate each project separately using their own governance structure to guarantee good decisions, but also taking into account the governance structure of the potential investment to serve the long-term interest of plan members. The eventual beneficiaries have different time horizons and the dual governance question must reflect this. Another panellist argued that the main responsibility of an asset manager is to provide returns. Some parties may promote projects with other interests in mind, but the priority of a pension fund needs to be long-term value.



Regarding possible market imperfections in governance and the need for government intervention, one panellist described how their company used a checklist including ethical questions to make sure the investor and asset manager are aligned. For another participant, the discussion is not about ethics but about risk management; companies with bad governance structures will not exist over the long term.

Regarding Sovereign Wealth Funds, a speaker argued that their main responsibility was to create value for future generations and to make sure the money can be spent, citing the concrete example of environmental issues (as potential threat to future generation's wellbeing). As for the question of whether governments should demand that large investors take part in managing global risks, the government of the United Kingdom asked the regulators to assess whether the legal definition of financial risks allows for ESG factors to be considered. The result was that not only do trustees have the authority to consider extra-financial risk, but that they should as prudent investors. Risk-management thus goes beyond traditional financial components. However, an implementation of ESG factors into mandates needs to be backed by the interests of the plan members, which in turn requires financial education of the population, but also of asset managers and investors.

Panel IV: Charting the Future: The Regulatory Environment, Taxation, and its impact on long-term Investors

Panellists led a productive discussion on the regulatory environment and its impact on the institutional landscape. The rules that regulators set form the top-down framework that shapes institutional investment decisions – thus regulation that balances the objectives of institutional investors with proper prudential oversight of markets is the best formula for financial stability. In essence, a stable financial system is the precursor to long-term investment.

According to one speaker, there is strong evidence of procyclicality amongst institutional investors, especially life insurers. This may be due to an onerous regulatory regime that forces investors to sell assets at inopportune times. This was especially evident in credit markets during the global financial crisis. The need to balance solvency of the insurance system with proper investment management is paramount. This issue can be compounded by the fact that assets and liabilities often move in opposite directions. Mark-to-market accounting practices were discussed as a potential cause of procyclicality.

One of the speakers explained the impact of regulation on pension markets in the United Kingdom. By indexing pension liabilities to index-linked Gilts, regulators created a strong clientele effect in the UK index-linked Gilt curve: long-dated real return instruments thus became very expensive due to the demand created by the benchmarking regulation. Market distortions are sometimes the outcome of regulation.

Panel V: The Green Revolution

The last panel of the day consisted of a spirited discussion on the role of institutional investors as responsible investors, and how issues such as climate change can impact long-term investing. Based on the discussion, it was acknowledged that climate change needs to be addressed across different areas on a policy level, the investment in a green economy being just one of them, before large-scale investment in green assets can take place.

In many emerging economies electricity supply is not sufficient and the system is overstrained, making frequent blackouts a reality. This is not only inconvenient for the population, but also has a negative impact on productivity, business, and competitiveness. Even though green investment plays a growing role in the mind of institutional investors and governments in such countries, most energy investment is still undertaken in conventional energy sources. Aside from actual power generating facilities, electricity grid investment is a growing opportunity in developed countries switching to renewable energy, such as Germany. Regulatory constraints can prevent pension funds from investing in green projects at a large scale.

Institutional investors increasingly invest in green bonds. Such bonds are specifically designed to provide financing for sustainable green projects. However the market still remains small, with a total market capitalization of about USD 50 billion as of mid-2014. One obstacle to broadening the market was the lack of a global definition of "green", as well as clear guidelines to which projects this method of capital raising can be applied. One participant noted the success of a customized green bond developed by the domestic regulator, with projects being delivered on time and at target costs. "Green washing", the short-term focus on the sustainable aspects of a project to access preferential financing, is not very common but needs to be further prevented.

The price of carbon was also discussed. One participant stated that "as long as we do not have a price of carbon, we will not have a green revolution". Although a growing number of countries and companies use an official or unofficial price of carbon, there is no universally used measure. The need for a widely used measure of environmental effects is recognized as a key factor in battling climate change. Without it, correctly pricing green projects is very difficult. Sustainability should be reflected in price and yield of an asset, policy makers have the responsibility of addressing the externalities and failures in financial markets.

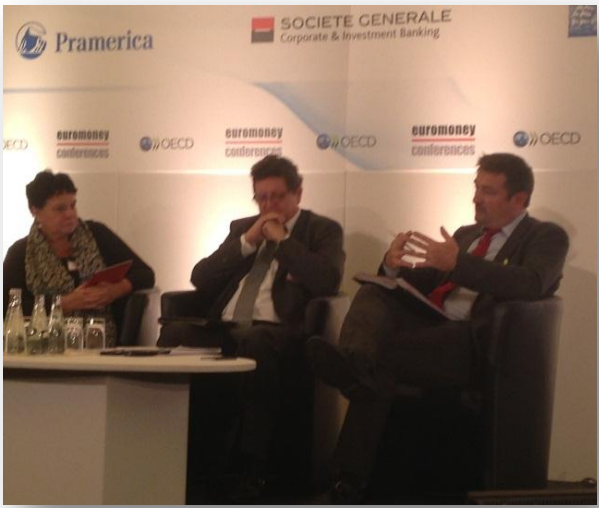
Althpugh technology has made significant progress towards a green economy (specifically the price of photovoltaic systems has dropped dramatically) it was recognised that in general, the transition to a green economy has been very slow. Three elements have been identified as the most important causes: the lack of importance given to the issue by the trustees, the low number of bankable projects, and the lack of informed demand for green investment by the end investor. These three factors must be jointly addressed by a stable policy framework. The energy sector for example still bears significant regulatory risk: one participant stated that they only make green investments in Europe and North America because outside of these regions the regulatory framework was not stable enough. It is the role of policy makers to change this, providing a comprehensive, stable and transparent investment framework. It is in the interest of the eventual beneficiaries to put pressure on policy makers to foster green investment. The other side of the issue is to enhance financial literacy in the population and to explain why green investment is a crucial issue.

Special Session: The Role of Policy Makers

The discussion in this panel focused around two issues: the interest of beneficiaries in where their long-term savings are invested, and the role of governments in the process.

It was argued that investing in the interest of plan members meant investing in the real economy. Pension funds should invest in real assets, creating jobs, which in turn contribute to growth. Infrastructure should only be considered as one of many options, and projects must be chosen with care. As workers are relying on their retirement savings to be available at retirement, guaranteeing this was regarded as the most important task of pension funds.

Long-term investment was highlighted as a crucial factor for growth. And this would mean not only investment in physical assets, but also in human capital. It was argued that the shortage of high-skilled workers in Europe was holding back growth and investment in human capital was therefore needed. Investment in physical assets should help to create the jobs that would make such education more attractive to the population. It was argued that the human capital issue must be jointly addressed including via international cooperation, otherwise social unrest would destabilise society. Furthermore, the overall claim made by governments and international organisations for a stable financial system and the commitment to prioritise investment in growth has not been followed by practical steps, for example making it part of official mandates.



It was contended that the claims of a lack of investable projects were getting it wrong: where there are needs there are opportunities. The role of governments was to step in where the market fails to allocate resources in a productive way, as in the project pipeline part of the announced Juncker plan. The back bone of the plan is a new EUR 315 bn investment fund focusing on long-term projects, backed by EUR 21 billion in guarantees provided by the EU budget and the EIB. The public guarantees are expected to attract private participation for long-term investment, particularly for infrastructure. It was regarded as not sufficient to have resources, the issue how to invest them being equally important and crucial to the success of the plan.

Policy makers could fuel long-term investment through a stable regulatory framework. It was argued that the changes made after the crisis may have been partly an overreaction, but now it was time to see which areas need further adjustments. It was noted that making institutions safer has a cost of financing, and the financial business is inherently risky.

Key Note Address of the OECD Secretary General Angel Gurría: "Tomorrow's Growth Calls For Investment Today"

Long-term investment is fundamental to the pursuit of stronger, greener, fairer growth. In fact, investment is where all of these challenges intersect. Intelligent investing today can support demand and begin to improve living standards tomorrow, while laying the foundations for higher productivity and durable growth in the coming years and decades. Traditional sources of investment, namely the banking sector, are now subject to stronger regulation, and will not be able to meet the financing challenge. Big corporations, normally a major source of investment capital in an economy, are hoarding cash, reluctant to deploy new investment in such times of uncertainty. Global flows of foreign direct investment remain 40% below the peak levels reached in 2007. We can consider investment to be the very backbone of the economy, and a critical ingredient for growth. Infrastructure is a prime example.

Even still, the impact of smart investment goes beyond the economy. Investing in infrastructure, especially social infrastructure, can connect communities, helping strengthen society and the sense that the economic system works for people. To put this into perspective, the OECD estimates that some USD 70 trillion will need to be invested in infrastructure by 2030. Furthermore, investment gaps are large in many countries, not only in relation to past norms but also relative to projected future long-term trends.

To this end, the OECD will prioritise policy efforts to support capital market development as a means of unlocking pools of alternative, non-bank sources of finance for long-term investment. We shouldn't lose sight, however, of the still important role of banks in financing growth. Traditional sources of credit are still repairing their balance sheets after the financial crisis, while more stringent lending standards can also constrain credit, particularly for SMEs. We need to get the balance right!

Next year, the OECD will work with the Turkish G20 presidency both to deepen and broaden the analysis on LTI financing. This work will include a comprehensive taxonomy for infrastructure financing that covers the wide range of both financing options and risk mitigation methods.

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Hotel du Collectionneur Arc de Triomphe

AGENDA

08.00-09.00	**Registration and Coffee**
09.00-09.10	OECD Welcome: **Adrian Blundell-Wignall, Special Advisor to the Secretary General and Acting Director, Directorate for Financial and Enterprise Affairs, OECD**
09.10-09.15	Euromoney Welcome: **Richard Ensor, Chairman, Euromoney Institutional Investor**
09.15-09.30	*The Case for Long-termism* Keynote Address: **Keith Ambachtsheer, Director Emeritus ICPM Rotman, University of Toronto**
09.30-09.45	Keynote Address: **Brett Hammond, Managing Director and Head of Index Applied Research, MSCI and Adjunct Professor at The Wharton School of the University of Pennsylvania**
09.45-10.00	The OECD Long Term Investment Project: **Raffaele Della Croce, Lead Manager LTI project, OECD**
10.00-11.00	Panel I: **Long-term Investing, Asset Allocation Concepts, and the Role of Policy Makers**
	Institutional Investors' assets under management have grown over the years and have experienced changes in asset allocation. Part of these changes represent an adaptation to the evolving investment environment, most notably during the post credit-crisis period. • What are the recent trends in the asset allocations of institutional investors? What is the impact of the current low yield environment? Is there a continued shift away from 'core' fixed income towards high yield and other yield enhancing sectors? Are institutional investors continuing to increase exposure to emerging markets? • Where can investors genuinely reap an illiquidity premium, and are incentive structures and capital markets efficient at facilitating investment? • Assessing the impact of investment restrictions and constraints, such as limitations on foreign holdings or illiquid investments • Are there recent examples of financial innovation, new investment instruments, or investment products in the institutional marketplace that support long-term investment? • What can governments and regulators do to stimulate long-term investment by institutional investors? How to ensure the implementation of the High Level Principles for Long-term Investment by institutional investors?
	Moderator: **Mike Carrodus** Global Director, **Ned Davis Research** Panellists: **Edwin Cass,** Senior Managing Director and Chief Investment Strategist, **Canada Pension Plan Investment Board** **Stefan Dunatov,** Chief Investment Officer**, Coal Pension Trustees Services Limited, UK** **Guido Fürer,** Group Chief Investment Officer, **Swiss Reinsurance Company** **Timo Löyttyniemi**, Managing Director,**State Pension Fund, Finland** **Chirag Patel**, Managing Director and Head of Europe Middle East and Africa, **State Street Associate**
11.00-11.30	**Coffee Break**
11.30-12.10	Special Session: **Pension Design and Long-term Investing** *As the defined contribution sector continues to grow apace relative to defined benefit funds, what are the implications for long-term investment of pension assets?* Keynote Address: **David Blake,** Professor**, Pension Institute, Cass Business School, London** Discussants: **Pablo Antolín**, Head, Private Pensions Unit, Directorate for Financial and Enterprise Affairs, **OECD** **Stefan Lundbergh**, Non-Executive Board Member, **AP4** Sweden and Head of Innovation, **Cardano Risk Management**

12.10-13.10	Panel II: **Getting Real on Real Assets: Infrastructure as an Asset Class?**
	Institutional Investors as long-term investors: the case for long term illiquid real assets such as infrastructure • Is there still a strong investor appetite for adding real assets such as real estate, infrastructure, natural resources and commodities? • Amid a sea of high valuations, where can investors still find attractive opportunities? How are high valuations affecting investor demand? • What is the illiquidity premium for real assets such as real estate and infrastructure? What are the virtues of investing in infrastructure through equity or debt instruments? • What are some of the barriers -regulatory or market- that institutional investors face when considering infrastructure investments? How can they be overcome? • To what extent do various real assets actually provide inflation protection? • Are governments acting to improve the supply of high-quality appropriately-structured infrastructure opportunities relative to high demand? How can this be accomplished?
	Moderator: **Kathryn Saklatvala,** Content Director, **Investor Intelligence Network, Institutional Investor** Panellists: **Ang Eng Seng**, Head of Europe, **GIC Singapore** **Jim Barry**, Global Head of Infrastructure, **BlackRock, US** **Dominique de Crayencour**, Secretary General, **Club of Long-term Investors** **Ousmène Mandeng**, Managing Director, Global Institutional Relations Group, **Pramerica Investment Management** **Ernesto Lopez Mozo**, Chief Financial Officer, **Ferrovial, Spain**
13.10-14.10	**Lunch**
14.10-14.20	*Long Term Investment Financing and G20: the OECD contribution* Keynote Address: **Gabriela Ramos, Chief of Staff and G20 Sherpa, OECD**
14.20-15.20	Panel III: **Governance for Long-term Investors: Practices in a Dynamic Investment Environment**
	When describing the role of institutions as long-term investors - addressing infrastructure deficits, providing a source of productive capital, and strong corporate governance and accountability become essential. • What changes to the investment process and governance structure can be made to better take advantage of market opportunities? • How have Investment Policy Statements evolved to adapt to changing market conditions? • How important is active ownership engagement within the institutional business model? • How can one make sure that an investor's governance model does not undermine a long-term investment view? • Fiduciary duty and impact investing – balancing the interests of many stakeholders • Do governments, policy makers and industry leaders do enough to encourage good governance practices? What are the emerging best practices?
	Moderator: **Mats Isaksson,** Head of Corporate Affairs Division, **OECD** Panellists: **Bernhard Langer**, Chief Investment Officer, Global Quantitative Equities, **Invesco** **Fiona Reynolds,** Managing Director, **Principles for Responsible Investment** **Marco Geovanne Tobias da Silva**, Executive Director of Governance and Holdings, **PREVI, Brazil** **Daniel Summerfield,** Co-Head of Responsible Investment, **USS Investment Management, UK** **Victoria Barbary**, Director, **The Sovereign Wealth Center**

15.20-16.10	Panel IV: **Charting the Future: The Regulatory Environment, Taxation, and its Impact on Long-term Investors**
	Regulation is an important driver of institutional investors' asset allocation. Major changes recently proposed or currently in discussion may have unintended consequences on the ability of investors to invest over the long-term • How do financial reporting, accounting rules, and disclosure requirements negatively affect insurance and pension funds' ability to maintain a long-term view? • Are return requirements for many investors, such as pension funds, unrealistically high? Are rules related to liability discount rates and assumptions conducive to long-term investing? • To what extent may this drive investments that are not in the long-term best interest of stakeholders? • How will tax reforms discussed at G20 level (e.g BEPS) affect institutional investors? Are there potential unintended consequences for them? • How do regulatory pressures, such as the need to mark assets to market, affect institutional investors' ability to deliver long-term success? Does this fuel procyclical behaviour?
	Moderator: **Christophe Bories**, Head of International Financial System and Summit Preparation Office, **Ministry of Finance, France** Panellists: **Carlos Flory,** President, **São Paulo Pension Fund, Brazil** **Ashok Gupta,** Chairman, **AA Insurance Services, UK** **Vincent Oratore,** Senior Managing Director and Co-Head Portfolio Solutions Group, **AIG, US** **Eric Viet**, Global Head of Financial Institutions Advisory, Global Markets, **Société Générale Corporate and Investment Banking, France**
16.10-16.35	**Coffee Break**
16.35-17.20	Panel V: **The Green Revolution – ESG Factors in Long-term Investment Decisions**
	Green investing related to a transition to a low-carbon and climate resilient economy (e.g. in renewable energy, energy efficiency, etc.) - important opportunities and challenges. • Renewable energy and green infrastructure investment: what are the concrete examples? • Green bonds: what are the opportunities in the world's largest asset category, and how can the emerging green bond market mature into a liquid, mainstream and investable sector? • Direct investment and YieldCos on the equity side have emerged as new channels for institutional investment in green infrastructure: what are future expectations for these channels? • How can policy makers support green investment by institutional investors and the further use of ESG criteria? • What are the challenges to green investment particular to developing economies? How can they be overcome?
	Moderator: **Chris Ostrowski,** Conference Director, **Euromoney Conferences** Panellists: **Adrian Bertrand,** Environmental, Social and Governance Manager, **Government Employees Pension Fund of South Africa** **Christopher Kaminker,** Economist/Project Manager, **OECD** **Jens-Christian Stougaard,** Director**, PensionDanmark** **Steve Waygood**, Chief Responsible Investment Officer, **Aviva Investors**
17.20-17.45	Special Session**: Challenges in Long Term Investment -The Role of Policy Makers** Moderator: **Andre Laboul**, Counsellor, **Directorate for Financial and Enterprise Affairs** **Sharan Burrow**, Secretary General, **International Trade Union Confederation** **Olivier Guersent,** Deputy Director General**, DG Financial Stability, Financial Services and Capital Markets Union, European Commission**
17.45-17.55	Closing Remarks: **Angel Gurría, Secretary-General, OECD**
18.00-19.00	**Cocktail Reception**