

Alternative investments and innovative allocation strategies in a low rates environment: improving performances and managing risks

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Do we need alternative assets and innovative strategies?

- Alternative assets do provide investment opportunities that are ex-ante (and hopefully ex-post!) low correlated with traditional asset classes
- They do provide, in general, improvements in the risk-return profile of diversified portfolios
- They are, in general, less liquid than traditional asset classes (but liquid alternative investment vehicles are more common after the great financial crisis)

Alternative assets?

- Hedge funds
- Real estate
- Commodities (including precious metals)
- Private equity
- Venture capital
- Arts
- ...

Innovative strategies?

- Innovation in asset management from the allocation point of view
 - Allocation following Smart Beta approaches
 - Risk Budgeting
- Innovation in asset management to meet investor's needs
 - Target date funds
 - Life-cycle programs
 - Liquid alternative vehicles
 - Active ETF
- Innovation in asset management for non-liquid instruments
 - Mini bonds
 - Private debt

Panelists

- Jiri Krol, AIMA (UK): hedge funds with a focus on private debt investments
- Steve Clark, OMNI Partners (UK): alternative strategies based on credit/lending products
- Cedric Kohler, Fundana SA (CH): hedge funds with a focus on the long/short investment strategy
- Maurizio Atzori, APE Sgr (IT): private equity and pension funds
- Gianni Villanova, Alpha Management (IT)

Topics and questions for discussion

- What is the role of alternative assets/strategies in a diversified portfolio? ...search for decorrelation, improving returns or reducing/efficiently managing risks?

Topics and questions for discussion

- What should be the weight alternative assets receive in a diversified portfolio pointing at retirement schemes or long-term investment?
- Do you think alternative strategies might be an optimal solution for the management of a portfolio for retirement schemes or long-term investment?

Topics and questions for discussion

- What is your view about the future trends in asset management? What do you forecast to be the “winning” strategy/asset or the most innovative and attracting strategy/asset?

Topics and questions for discussion

- We have been in a low (recently negative on the shorter maturities) rates environment for years. Did alternative assets/strategies provided (ex-post) benefits for fixed income portfolios (or portfolios with large fraction of fixed income)?
- How could innovation (in asset management) improve the risk-return profile of fixed income portfolios in the actual environment?

Topics and questions for discussion

- For non-Italian panelists: in your opinion, what is the effect of a presence of constraints that limit or prevent pension funds, retirement schemes, long-term investment portfolios from investing in alternative assets/strategies?
- For Italian panelists: the recent changes to the regulation (from d.m. 703/96 to d.m. 166/14) redesign the limits imposed to pension funds investments; how pension funds should take advantage of this new flexibility?