

FUND LEADERS FORUM: CHIEF EXECUTIVE OFFICERS

PART ONE

Wednesday 8 – Thursday 9 February 2012

Commences Wednesday morning and concludes Thursday afternoon

PART TWO

Tuesday 9 October 2012

Commences Tuesday afternoon and concludes Tuesday evening

LOCATION:

PART ONE,
YARRA VALLEY, VICTORIA

PART TWO,
MELBOURNE, VICTORIA

DEGREE OF FOCUS ON KEY THEMES

Calibrating the
Organisational Compass



Revisiting
Investment Strategies



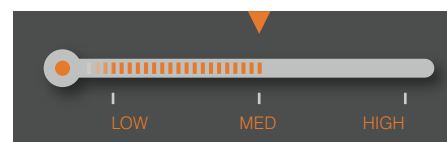
Assessing
Macroeconomic Drivers



Evolution of the
Regulatory Environment



INVESTMENT FOCUS OF FORUM CONTENT



In one of the most dynamic and rapidly changing industries in the world, chief executive officers are constantly facing new and increasingly complex issues requiring high-level and targeted knowledge. This forum will assist participants in meeting these needs by covering relevant investment and non-investment related issues, together with trends and practices imperative for CEOs in managing their funds. Participants will obtain a deeper understanding of the leadership skills, strategic vision and mindset required to enable clear focus on long-term member and fund goals.

Recognising the importance of the interaction between CEOs and chairs, CIE will be running the Fund Leaders Forum in two parts consisting of the CEO and Chairs investment forums. As such, the sessions on Thursday morning, 9 February 2012, will coincide with the commencement of the Chairs forum to ensure both groups engage in targeted discussion of key issues. Wednesday evening's function will be a joint dinner between both groups.

Topics to be covered at the Chief Executive Officers forum include:

- Ongoing implications of increasing regulation and industry consolidation
- The management and organisation of in-house teams
- Operational effectiveness and mandate management
- Post-retirement: strategies and product design
- Navigating the dynamics behind fund member groups: communication, engagement and behaviour

WHO SHOULD ATTEND?

Chief executives (or equivalent) of Institutional Investor entities with assets over A\$1 billion

ATTENDANCE:

Approximately 25 chief executive officers of superannuation funds and 10 sponsor delegates



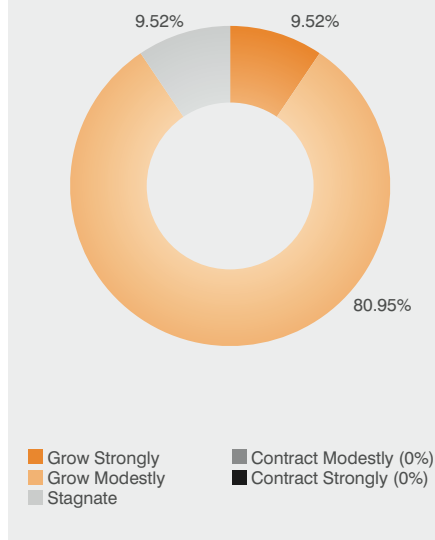
The 2012 Chief Executive Officers summit, as part of the Fund Leaders Forum, will address and build upon the key issues facing CEOs of superannuation funds, as identified during CIE's 2011 program.

With the impetus for consolidation remaining, albeit more so in the background, focus has shifted to the implications of changing regulations and characteristics of fund members. The recently released Stronger Super response to the Cooper Review has a number of broad implications for the industry in Australia, relating to both of these areas, as well as how funds approach management of risk, which presents numerous challenges for CEOs.

Content will also include analysis strategies for more effective member communication, which has long been a difficult and multi-faceted task for funds. Overarching these issues, to contextualise the global environment within which funds operate, the forum will provide fresh and unique insights on the macroeconomic picture and outlook for 2012.

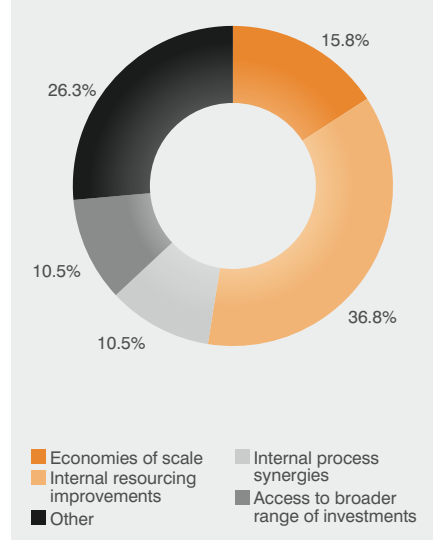
In 2011, attendees widely held the view that the global economy would grow (Fig 1) during the year. However, at the time they

(Fig 1) For the remainder of 2011, do you believe the global economy will:



expressed concern that there were a number of risks likely to persist over the following 12-24 months that threatened to stifle growth - most notably, sovereign debt default. Delegates indicated that they regarded developing economies of Asia as the key drivers of global economic growth over the coming ten years, led by China. Sentiment regarding these macroeconomic issues will be reassessed in 2012.

(Fig 2) What do you believe is the key benefit of mergers?



As an area that was front of mind at the time, delegates pointed to mergers as a strategy that smaller funds, in particular, those managing assets of less than \$1 billion, ought to be considering to maximise associated cost savings. The key benefits of mergers highlighted by delegates were internal resourcing improvements and economies of scale (Fig 2).

“CIE, as always, offer high quality in terms of forum organisation, content and quality of delegates.”

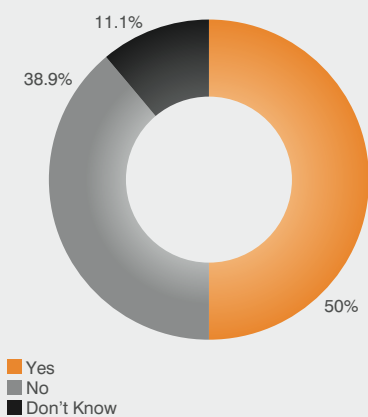
Brett Jollie,
*Managing Director, Australia
 Aberdeen Asset
 Management*

“The CIE forum was extremely topical. Great speakers and a forum to discuss topics pertinent to the industry.”

Nic Szuster,
*Deputy Chief Executive
 Local Super*

On the basis of CIE’s ongoing motive to stimulate and develop industry thinking, CIE’s 2012 CEOs forum will build on themes developed in 2011 to deliver a rich, focussed program targeted to the very specific requirements of superannuation fund CEOs.

(Fig 3) Have you considered a strategic partnership as an alternative to a merger?



However, some delegates expressed concerns that increasing fund size may negatively affect members, given that larger funds have a bigger and more diverse membership base, making it more difficult to act in the best interests of all members. For those funds not considering mergers, strategic partnerships were presented as a viable alternative at the CEO forum, though many CIE delegates had not considered this as a strategy to employ within their fund (Fig 3). Consolidation remains prevalent within the industry and is widely expected to continue into the

future, the associated complexity and the, as yet, unproven long term benefits to members means that this remains an ongoing issue for consideration and debate. As such, CIE will look to explore developments in this space in 2012.

Aside from the challenges funds face with respect to merger activity, the 2011 forum revealed that keeping up with the changing structure of the superannuation industry, particularly due to greater complexity and the rapid pace at which change is occurring, remains a challenge. Further, delegates opined that the impact of post GFC regulatory changes on funds and their operations was not clear. As such, a deeper understanding of the nature and implications of ongoing regulatory changes is enormously important to CEOs in performing their roles, which forms the basis for CIE’s decision to address these areas in 2012.

Also explored were other areas of relevance for CEOs, including requisite hard and soft skills and the impact of fraud on fund operations. This included the ability to manage growing internal teams, in particular, attracting, developing and retaining investment talent internally. Further, cybercrime was identified as an increasing threat to funds,

yet only a small percentage of delegates believed that their fund was investing a sufficient amount of resources in security and fraud protection. CIE is curious to ascertain if this trend has reversed in the coming year, as the growing impact and cost of online fraud is an area with which organisations and governments are increasingly coming to terms.

On the basis of CIE’s ongoing motive to stimulate and develop industry thinking, the 2012 CEOs forum will build on themes developed in 2011 to deliver a rich, focussed program targeted to the very specific requirements of superannuation fund CEOs. Today’s rapidly changing environment waits for no one.

Advisory committee

Terry McCredden
CEO, UniSuper

Anne-Marie Corboy
CEO, HESTA Super Fund

Rob Brooks
CEO, Vision Super

Michael Dwyer
CEO, First State Super