

Liability Driven Investment

This session will examine what Liability Driven Investing (LDI) is and how changes in funding legislation and accounting rules are driving more pension funds to adopt LDI. It will also look at how asset liability modeling would help pension funds approach LDI appropriately given the fund's specific situation.

The session will include discussion of:

- Driving the Change:
 - Traditional Liabilities versus
 - Mark-to-Market Liabilities
- Asset Liability Modeling
 - Monte Carlo/Stochastic Modeling
 - Capital Market Assumptions
 - Interaction of Benefit, Funding, and Investment Policies
- Sample Case
 - Asset Class Breakdown
 - Alternative Asset Allocations
 - Efficient Frontiers
 - Asset Only
 - Asset and Liability
 - Reflecting Funding Rules
 - Setting the Right Risk Level
 - Improving Efficiency
- Other Cases
 - Frozen Plan
 - Underfunded Plan
 - Plan with Lump Sums
 - Well Funded Plan
- Tools for Managing Risk
 - Payout/Liability Hedging
 - Better Diversification
 - Risk Steering
 - Risk Pricing
 - Long-Termism Risk Return Concepts
 - Beyond Investment Policy