



Masterclass

Mastering change in Lifecycle and DC Investing

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Why this module?

Defined Contribution (DC) is rapidly becoming the dominant investment approach in retirement management. The central ideas of lifecycle and DC investing have become a core element in pension reforms in the Netherlands. Trustees and advisors of a DC, whether individually or collective, scheme will need to design default arrangement investment strategies that cater for all members invested in it with a wide range of needs.

Long-term success in DC investing hinges on innovative thinking on how to further develop DC strategies while effectively exploit synergies with collective investing. But in a complex and uncertain environment, how do you set a clear agenda and change the investment organization in an effective and meaningful way?

About this module

Mastering Change in Lifecycle and DC Investing provides an integral view of the latest research and debates with defined contribution, lifecycle theories and studying the different factors that influence the optimal mix between the portfolio weight of risky assets and age based on the concept human capital. Through a combination of lectures, discussions and interactive cases, this intensive two-day masterclass exposes participants to the critical challenges in lifecycle theories, risk preferences, and behavioral insights, contrasting it with the latest research findings. Exploring a wide range of perspectives, best practices and approaches for implementation, the program challenges you to pinpoint where your own investment organization should be strategically heading in the Dutch and international DC markets.

How You Benefit

You will learn about the role of DC in the specific Dutch pension reforms context, the differences, and commonalities with “traditional” DC investing. At the end of this masterclass, you will be able to develop a lifecycle model within a collective pension scheme, understand how asset allocation is managed effectively in a DC-pension plan context, and be able to develop a realistic implementation strategy for your organization.

- Explore how lifecycle and DC investing changes the investment industry and advance your understanding of the latest research, strategies and insights.
- Understand how asset allocation is managed in a DC-pension plan context, develop a realistic implementation plan, recognize when things need to change.
- Design and apply DC/lifecycle insights in your own investment organization.
- Cut through the jargon to make sense of the DC industry – explore valuation, structuring, value creation, impact and more.

The program will bring you close to thought leaders and experts – who will share insights and hands-on experience in designing, executing, and measuring DC and lifecycle strategies in their own organizations.

Topics

- Underpinnings of DC investing: Lifecycle theories, role of human capital theories.
- Differences and commonalities between DC investing and the proposed pension schemes under the Dutch pension reforms. To what extent does the Dutch pension agreement absorb, innovate or amend insights from DC / lifecycle investing – what cross- pollination/learning is there from these perspectives?
- Role of risk tolerance, capacity and attitude, existing theories, how it can be measured. You will learn to form a well-founded opinion on this.
- Translate risk appetite into an implementable investment mix for different groups/cohorts, including hedging of inflation and interest rate risk.
- Understand how the assumptions of risk premiums of assets influence the composition of investment mixes within DC investing, the role of illiquid assets in the de-risking phase.
- Get an overview of DC implementation technologies, and how it affects implementation: pooling/unitizing, NAV, platform distribution, automated advice on (risk) preferences.

Participant Profile

Mastering Change in Lifecycle and DC Investing is designed for mid to senior professionals in the investment sector: portfolio managers, risk managers, investment advisors, who need to understand the dynamics for defined contribution and how to implement new investment strategies across their organizations. The masterclass is also well suited to board members and investment committee members who need a thorough understanding of the strategic opportunities and challenges of DC investing, as well as what is required at a strategic level within their organizations.

Prerequisites

There are no formal prerequisites for this course, though participants with a background in investing will benefit most from the course.

Classes & info

Date in 2023

- 17th of November 2023 (10:00 – 20:00h)
- 8th of December 2023 (10:00 – 17:00h)

Lecturers

Dr Rogier Potter van Loon

Rogier is a behavioral economist at TKP. He studied Econometrics and obtained a PhD in Behavioral Finance. After his PhD, he briefly worked as an assistant professor of Econometrics. In 2016, he joined the pensions industry to apply his research on risk preferences in practice. At TKP, he develops tools that help guide pension participants to the risk that best suits them.

Dr Roel Mehlkopf

Roel Mehlkopf is a pension fund advisor at Cardano. Roel is part of the client team, where he helps pension funds to manage their financial risks. Roel also works parttime at

Tilburg University as a postdoctoral researcher. Roel teaches a course on pension economics for master students. His research is focused on lifecycle investing and risk sharing. Before joining Cardano, Roel worked in the public sector, including the Ministry of Social Affairs and Employment. Working for state secretary Jetta Klijnsma, he contributed to the legislation for variable annuities (in Dutch: Wet Verbeterde Premieregeling). Roel graduated cum laude in financial econometrics in 2006. He obtained a Ph.D in Finance from Tilburg University in 2011 and was a visiting scholar at the University of Pennsylvania.

Other lecturers to follow!

RBA Program

This masterclass can be attended standalone, but additionally qualifies as one of the required modules for the RBA program. Successful completion of all 12 modules qualifies for the RBA designation. The RBA accreditation is awarded by CFA Society Netherlands.

Registration & admission

If you would like to apply for this module or the complete RBA program, a short motivation letter and resume are requested. Admission will be based upon your pre-education and the level of relevant work experience.

Please send your application to:
annemarie.munnik@cfasociety.nl

Colophon

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