

WORLD BANK INVESTMENTS IN PRACTICE SESSION

RETIREMENT AND INVESTING: THE BIG PICTURE

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CFA Institute

“The majority of investors (87%) believe that meeting their own unique investment objectives is more important than outperforming relative to their chosen benchmarks.”

A Northern Trust/Greenwich Associates survey of institutional investors who collectively have 2.5 million employees and more than \$500 billion in assets under management.

**Sophisticated investors are starting to modify
policies built on fixed allocations to
narrowly-defined asset classes**

Source: Casey Quirk's "Life After Benchmarks" February 2014

SIX CATEGORIES OF NEW ACTIVE STRATEGIES

- Broad debt investments
- Benchmark-agnostic equity
- Private capital strategies
- Trading strategies
- Dynamic multi-asset class solutions
- Real assets platform
- Asset managers can employ levers to retool

**Erase the line
between traditional and
alternative investments
by incorporating
more innovative
techniques in
friendlier
packaging**

Source: Casey Quirk's "Life After Benchmarks" February 2014

RETIREMENT SECURITY CHALLENGES

- Behavioral Issues
- Knowledge/Financial Literacy
- Sufficiency of Retirement Savings (liability side)
- Investing Retirement Savings (asset side)
- Plan Structures
- Political/Socioeconomic (entitlements)
- Demographics
- Macroeconomic Factors

SUMMARY THOUGHTS

- Challenges are intermingled and inter-dependent
- Greater focus on challenges rather than solutions
- Socio-economic issues are country-specific
- Retirement security challenges of greatest importance = driven by individual circumstance



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