

ALPHA *unbound*

Coverage of the 2006 Alternative Investment Conference

Set in gorgeous Arizona at the Fairmont Scottsdale Princess Resort, the 2006 Alternative Investment Conference marked the sixth year in a row that Canada's top institutional investors have met to discuss key trends in this burgeoning area. The conference theme was "The Hunt for New Sources of Alpha" and, as the presentations proved, the terrain in which investors are hunting has certainly grown a lot in just a few years. At our very first Alternative Investment Conference, for example, most of the discussion centred on hedge funds—how they work and where they fit in a pension portfolio. As our most recent conference showed, however, the alternative space has expanded.

While hedge funds were still a pivotal part of the agenda, this year's presentations covered an even broader range of issues, from market neutral strategies to the impact of hedge funds on

institutional investors.

Notably, the balance between alpha and beta was an ongoing theme, with presentations on how to efficiently allocate the two in a pension portfolio and which types of investment represent either alpha or beta. Portable alpha was again a hot topic—presentations discussed the challenges of finding alpha in a portable alpha strategy and how to use portable alpha in a credit-based debt strategy.

Infrastructure investing is also a growing area that has generated a great deal of interest among plan sponsors. One presentation looked at the challenges they face in defining the risks and pitfalls of investing in these types of assets, as well as an overview of exactly what it involved.

You'll find highlights of this year's presentations in the conference coverage that follows. We hope you will find it interesting and insightful. ■

—Caroline Cakebread

