

EMPOWER

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FUNDS

MASTERCLASS

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Liquidity Risk Management in Investment Funds

8th - 10th December 2020

Who we are

IOB is a professional community of 33,400 members who work in banking and international financial services in both the Republic of Ireland and Northern Ireland.

Professional development of our members through education is at the heart of what we do.

IOB provides university level programmes to enable our members achieve and sustain their professional qualifications and continuing professional development (CPD) – essential in meeting customer and regulatory expectations.

More than 9,800 individuals studied with us last year and over 23,800 members are registered for CPD schemes administered by IOB.

Excellence in education – a recognised college of UCD

As a recognised college of University College Dublin (UCD) and the standout banking industry educator, we offer qualifications of the highest standard.

We currently have more than 40 programmes ranging from Professional Certificates (level 7) on the National Framework of Qualifications (NFQ) to Masters Degrees (level 9). We design our programmes to be practical and relevant, and grounded in academic rigour.

Accredited Funds Professional

In 2020, IOB launched the new funds designation, Accredited Funds Professional, in collaboration with Irish Funds. This designation seeks to achieve IOB's purpose by supporting through education, high levels of competence in the funds and asset management industry in Ireland and across Europe. The Accredited Funds Professional designation is available to industry professionals who have completed the Professional Certificate in International Investment Fund Services (or earlier versions of the programme) and to those students who have completed the Financial Services Elective as part of the final admitting exams to Chartered Accountants Ireland. In addition, for a limited time, fund professionals with four or more years of relevant experience confirmed by their employer, who meet the programme competencies, may also apply for the designation. The designation will be retained by completing the annual continuing professional development (CPD) requirements.

Becoming an Accredited Funds Professional provides a demonstration of your expertise, client focus and professionalism including your commitment to lifelong learning and to continuously improving your skills and knowledge. It also provides a connection to your peers – a network of like-minded fund professionals. IOB is very grateful for the support that the industry has given to this designation.

Introduction

Welcome to the **Liquidity Risk Management in Investment Funds** masterclass, which is offered through IOB a recognised college of UCD.

Many open-ended investment funds provide daily liquidity to their investors. Managing the fund portfolio in order to ensure that a fund is able to satisfy investor redemption requests is a fundamental obligation of fund managers. However managing fund liquidity is important for any open-ended fund, irrespective of the redemption frequency and it is equally important for all funds, both open and closed, in order to ensure that they can meet other types of liquidity related obligations, including margin calls or creditor demands of whatever nature.

Liquidity risk management has been under the microscope of global regulatory authorities for some time and this continues to be the case, particularly in light of recent events arising from the impact of COVID-19 on financial markets.

This masterclass is designed to provide participants with:

- An understanding of liquidity risk and liquidity risk management in the context of investment funds;
- An understanding of the regulatory framework and issues considered by macro-prudential authorities;
- A practical insight into the operation of a liquidity risk management system and challenges encountered.

When:

8th, 9th and 10th December 2020 online from 8.30 to 10.30am each day.

Who should attend:

The masterclass will be particularly relevant to directors, senior managers and staff within fund management companies (i.e. UCITS ManCos and AIFMs), directors of self-managed funds and all other industry professionals within fund service providers.

We look forward to welcoming you to the programme.



Presenter profiles

Alastair Sewell CFA

Alastair Sewell is head of fund and asset manager ratings for EMEA and Asia-Pacific at Fitch Ratings. He has been in this role since 2017, having previously held roles with increasing levels of responsibility in the fund and asset manager rating group since 2008. In this role he has overall responsibility for all ratings and research on funds and investment managers in these regions. Alastair's coverage includes all areas of investment management, with specialisms in money market funds and liquidity risk.

Prior to his current role, Alastair was an analyst in Fitch's structured finance division, responsible for rating collateralized debt obligations and similar vehicles. Alastair joined Fitch in 2004. Prior to Fitch he began his career at a UK local authority.

Alastair earned an MBA with distinction from the University of Bath and a BSc from the University of Bristol. He is a CFA charterholder. Alastair is based in London.



Antonio Barattelli

Antonio Barattelli joined ESMA in August 2011 and he's Team Leader for Investment Management within the Investors and Issuers Department. Since May 2018 Antonio leads the work of the Investment Management team dealing with the EU legislation on asset management (including the UCITS Directive, AIFMD and MMF Regulation), while previously he worked in the team with focus on various topics, including remuneration and depositary-related matters.

Prior to joining ESMA, Antonio was a senior associate at a major law firm in Luxembourg where he advised a wide range of international clients on setting up investment funds. He qualified as a lawyer in Italy and was registered as an EU foreign lawyer in Luxembourg.

Antonio holds a law degree from the University of Padua, a master degree (DESS) in European Litigation from the University of Luxembourg and the University of Strasbourg "R. Schuman" as well as a Postgraduate Diploma in EU Competition Law from the King's College (London).



Presenter profiles

Conor Kilroy

Conor Kilroy is a Regulatory Affairs Manager at Irish Funds. Since joining in September 2019, Conor has been working closely with a number of asset management working groups with liquidity being a particular focus for the Investment Risk working group.

Prior to joining Irish Funds, Conor worked as Head of Investment Servicing for DMS Governance within their MiFID entity. Previous to this role he also worked within the DMS risk team. Conor began his career in fund administration working across multiple fund types in both the mutual and hedge fund space.

Conor is FRM certified by the Global Association of Risk Professionals and a member of the EFAMA Management Company Regulation and Services standing committee.



Eoin FitzGerald

Eoin FitzGerald is a Managing Director and Country Head for Brown Brothers Harriman in Ireland. Eoin has over 30 years of financial services experience having previously served as a Managing Director at Morgan Stanley and as a Director of AIB/BNY Fund Services (Ireland) Limited (now BNY Mellon Fund Services (Ireland) Limited).

Eoin is a member of the Consultative Working Group at the Investment Management Steering Committee of the European Securities and Markets Authority (ESMA). He is also a member of the Council of Irish Funds and of the IFSC Funds group.

Eoin is a director of Brown Brothers Harriman Trustee Services (Ireland) Limited, Brown Brothers Harriman Trustee Services (Hong Kong) Limited and Brown Brothers Harriman Institutional Trust Company of New York, LLC. He also serves on the board of the funds industry charity, Basis Point.

Eoin is a graduate of University College Dublin.



Presenter profiles

Martina Kelly

Martina Kelly is Director of Funds at IOB having joined in January 2020. Prior to that she was Head of Markets Policy Division within the Central Bank of Ireland with responsibility for the formulation of policy in relation to investment funds, investment firms, markets and market infrastructure.

Martina has considerable experience in investment funds policy and regulation having led the Central Bank's work in this area for many years. In that capacity she was directly involved with the development of the Irish regulatory regime applicable to funds and fund service providers.



Patricia Dunne

Patricia Dunne is Head of Securities Markets Supervision Division in the Central Bank of Ireland (Central Bank). This division is responsible for the supervision of securities markets including market transparency, market integrity and market abuse and the authorisation and supervision of Irish authorised investment funds.

Patricia has held various roles within the Central Bank including the authorisation, supervision and policy of investment firms and investment funds. She has also been directly involved in the development and implementation of the Central Bank's risk based approach to supervision (The Probability Risk and Impact System - PRISM). Patricia has also worked extensively with the European Securities Markets Authority (ESMA) in the development of the European regulatory and policy framework for investment funds and their service providers.



Presenter profiles

Robin Creswell

Robin Creswell is a Managing Director at Payden & Rygel and is a member of the firm's board of directors. He is responsible for the firm's London office; Payden & Rygel Global Ltd.

Creswell's 38-year career in the financial industry began in banking. He was then a leading figure in the development of the global hedge fund and derivatives industry in the 1990s. He was responsible for launching the first publicly offered hedge funds in a number of jurisdictions, including Japan, Australia and Hong Kong.

Prior to joining Payden & Rygel, Creswell was responsible for global distribution at ED&F Man. Subsequently he established the fund management company, Greystone International Ltd., for Chicago-based futures broker Gelderman, Inc. later acquired by the Man Group.

Robin Creswell was a Trustee of the Charities Aid Foundation until 2018 where he Chaired the Investment Advisory Committee and is also a Trustee of a number of other non-profit organisations. He is a Fellow of the Securities & Investment Institute and a member of the CFA Society of the UK.



Curriculum

Day 1 | 8th December 2020

Time	Topic	Presenter
8.30-8.35am	Welcome	Kevin Gallen Deputy Chief Executive, IOB
8.35-9.00am	Introduction to Liquidity Risk Management <ul style="list-style-type: none"> • What is liquidity risk management (LRM) • What is LRM in the context of investment funds and how it differs from the sell side liquidity risk • How it is part of the broader set of investment risks • How it is applied differently in different fund types 	Eoin FitzGerald
9.00-9.35am	Regulatory Landscape <ul style="list-style-type: none"> • What rules and guidance apply – UCITS, AIFMD, IOSCO Principles and Good Practices; ESMA LST Guidelines • Overview of the macroprudential focus on the potential for liquidity problems in funds leading to a systemic impact <ul style="list-style-type: none"> – G20 mandate in 2011; FSB focus on NBNI GSIFs – 2017 recommendations – IOSCO approach – ESRB recommendations – Views of other authorities (ECB, Bank of England, AMF) – Where regulation might head next (results from ESMA CSA and IOSCO review of implementation of IOSCO principles) 	Martina Kelly
9.35-10.00am	Fund Governance: Liquidity Risk Management Framework The Irish Funds View <ul style="list-style-type: none"> • Liquidity challenges • Liquidity risk through the funds lifecycle • Liquidity planning and strategy • Liquidity risk identification, assessment, monitoring and controls • Liquidity stress testing methodology • Liquidity crisis management • Communication and escalation 	Conor Kilroy
10.00-10.15am	Question time	

Curriculum

Day 2 | 9th December 2020

Time	Topic	Presenter
8.30-8.40am	Welcome back – Recap Day 1	Eoin FitzGerald
8.40-9.10am	Liquidity Risk Governance Framework <ul style="list-style-type: none"> What is a liquidity management framework: Process <ul style="list-style-type: none"> Product design; stress test, launch, monitoring, application of liquidity management tools (LMT) Governance <ul style="list-style-type: none"> Roles and responsibilities – 1st, 2nd, 3rd lines; Board, Liquidity Committee, Product Committee, Risk Committee Liquidity limits and escalation of breaches Application of LMTs and governance around their use 	Patricia Dunne
9.10-9.30am	Liquidity Risk Assessment and Identification <ul style="list-style-type: none"> Asset side liquidity Liability side liquidity Combined asset and liability risk metrics and LST scenarios Peculiarities of closed end funds Peculiarities of ETFs 	Alastair Sewell
9.35-10.15am	Liquidity Contingency Planning and Crisis Management <ul style="list-style-type: none"> Genesis of a liquidity crisis <ul style="list-style-type: none"> Great financial crisis Contagion across financial sectors COVID 19 and how this is playing <ul style="list-style-type: none"> Equity markets Fixed income markets Role of Central Banks 	Alastair Sewell Patricia Dunne
10.15-10.30am	Question time	

Curriculum

Day 3 10th December 2020		
Time	Topic	Presenter
8.30–8.40am	Welcome back – Recap Day 1 and 2	Eoin FitzGerald
8.40–10.00am	Liquidity Risk Management in Practice – an Asset Manager’s perspective <ul style="list-style-type: none"> • Maintaining trust in the liquidity of UCITS and open ended funds – matching fund assets to fund liabilities – a collective obligation of the industry • Challenges and Suitability – Asset Class Liquidity – Structural Liquidity Distinctions – Real Estate, Equities, Fixed Income • Structural failures in fund portfolios – a case study in shareholder illiquidity • UCITS Liquidity Policies in practice and Stress Testing • What does “worst case” mean and can we manage to that end? Or manage to the data? • Managing flows through a Liquidity Event – “shareholders versus subscriptions and redemptions” 	Robin Creswell
10.00–10.20am	Liquidity Risk Management – an ESMA perspective <ul style="list-style-type: none"> • Regulatory landscape and areas under particular scrutiny • Supervisory convergence – current activities • General outlook – 2021 and beyond 	Antonio Barattelli
10.20–10.30am	Question time and closing remarks	Eoin FitzGerald

Further Information

Commencement and Delivery

The masterclass is delivered on the mornings of 8th, 9th and 10th December 2020, from 8.30am to 10.30am.

The masterclass is a live online event delivered via Zoom.

Fee

€210 for IOB members
€250 for non-members

How to enrol

To enrol online please visit iob.ie/liquidity-management-masterclass

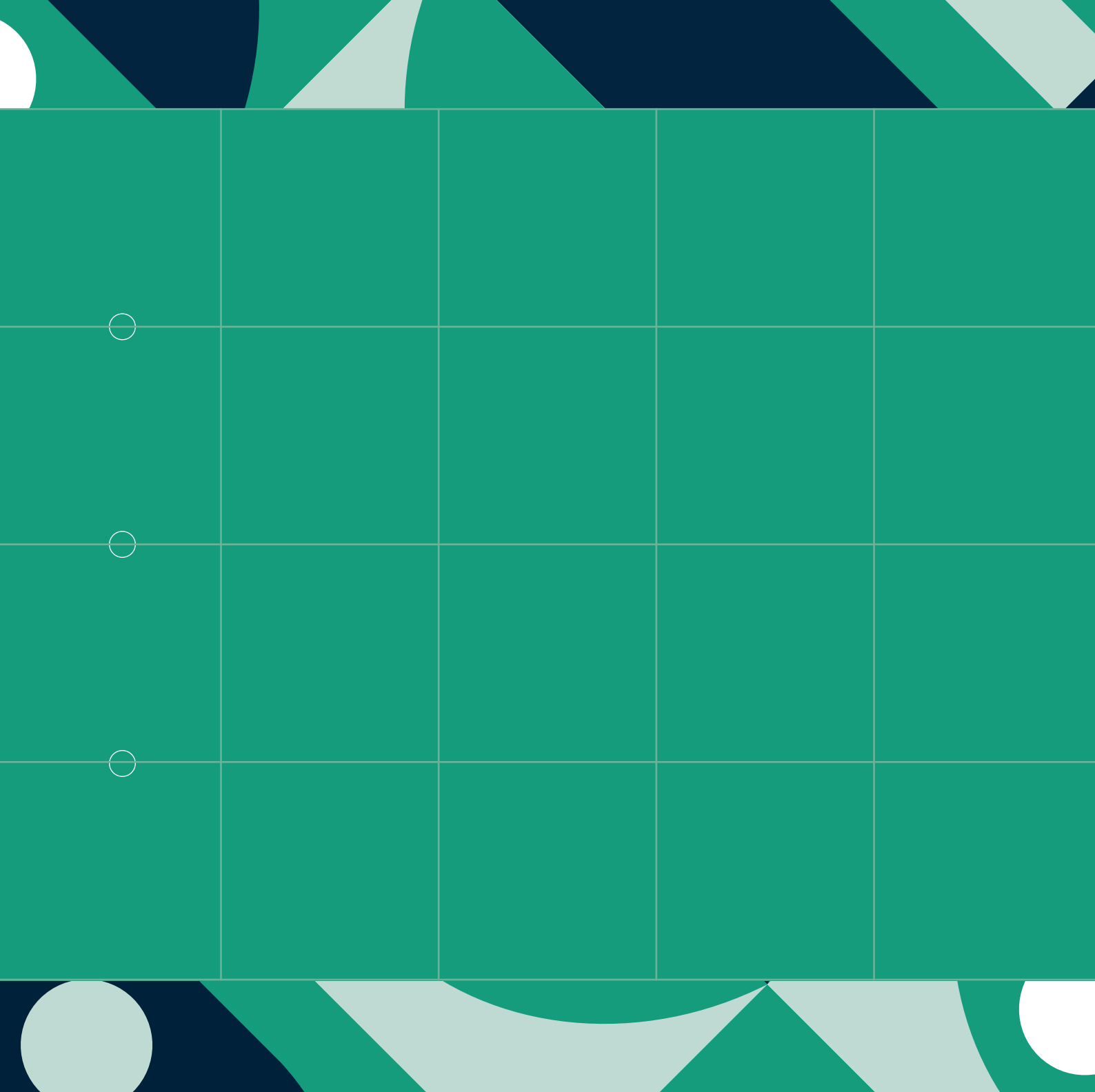
CPD

Accredited Funds Professional	4 hours
Chartered Banker	3 hours
CIFD	4 hours
FCOI	4 hours
LCOI	4 hours
Professional Banker	3 hours

Recommended pre-reads

- **Making the case for macroprudential tools for the market-based finance sector: lessons from COVID-19**
Speech by Governor Gabriel Makhoul Central Bank of Ireland
- **Building the Financial System of the 21st Century**
Speech by Luis de Guindos (Vice-President of the European Central Bank)
- **Financial Stability - the perspective of the non-banking financial sector**
Speech by Robert Ophèle, AMF Chairman





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