

November, 13–15, 2011 • Hyatt La Jolla, San Diego
Strategic Investments Sector Meeting



Rethinking Risk

LEADING INSTITUTIONAL INVESTORS



LARRY POWELL
Deputy CIO
Utah State
Retirement System



MICHAEL EDLESON
CRO
University of Chicago
Endowment



BOB MAYNARD
CIO
Public Employee
Retirement System
of Idaho



MARK NADOLNY
CFO
Susan G Komen
for the Cure



DAVID GREENBERG
Head of Absolute
Return Strategies
The California
Endowment



HOWARD COOPER
CEO
Cooper Family
Office



KRISTY WATSON
CIO
West Virginia
Investment
Management Board



DENNIS WILBER
Director, Investments &
Treasury
Visiting Nurse
Service of New York

KEYNOTE SPEAKERS



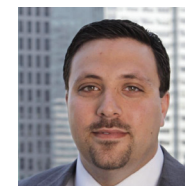
MICHAEL COVELL
Author
Trend Following & The
Complete Turtle Trader

The Secrets of Trend Following



STEVEN ENGLANDER
Head of G10 FX Strategy
CITI

Does the Euro Have a Future?



SEAN WEST
Director, US Policy Group
Eurasia Group

Making Sense of the
2012 Presidential Race

It was an honor to be included and I was most impressed by the folks in attendance.

BRAD ROTTER, CIO, Rotter Family Office

I have attended many industry events, but this was by far the most sophisticated and in-depth in terms of content, delivery, and peer group exchange that I have experienced.

MICHAEL BUNN, CIO, The Endowment Office



Dear Colleague,

Welcome to the 8th Strategic Investments Sector Meeting – a unique, invitation-only gathering of senior investment executives from pension funds, foundations and endowments, and family offices.

The forum is quite unlike a traditional conference. Attendance is restricted to 100 senior leaders from major investment organizations, creating an intimate atmosphere conducive to high-level knowledge-sharing and brainstorming. The emphasis is on small group discussions, roundtables and think tanks.

The format of the event gives participants the ability to gain insights that are never readily available or published. With the development of content coming directly from the investment community, Connex has continually received great feedback on the quality of presentations and usefulness of information shared.

Given the state of the global economy, senior investment leaders have plenty to discuss! With chronic sovereign debt problems in Europe, faltering growth in the United States and heightened volatility in markets around the world, CIOs have their work cut out for them simply keeping track of the changing investment landscape. At the same time, it's difficult for investors to meet and brainstorm away from money managers, who inevitably have a vested interest in promoting a particular point of view. Most investment events are organized according to the traditional conference model, in which the majority of speakers have an agenda they are seeking to promote rather than insights they're willing to share.

At Connex that model is reversed. With the exception of a handful of top keynote speakers, only allocators are invited to join the speaking platform, with important consequences for content integrity and impartiality of viewpoint. Our closed door discussion forums – or "Think Tanks" – are accessible only by investors and their consultants. No money managers or journalists are permitted to attend, creating a greater level of candor in the discussions between investors than is normally achievable in a traditional conference setting.

Money managers play an important role at the event away from the speaking platform. A select group of top managers will be conducting meetings at the venue, which forum attendees are invited (but not obligated) to participate in as part of their fully-customizable program agenda.

I look forward to meeting you in San Diego in November!
Best wishes,

TOBY DONOVAN
Director, Institutional Investments Business Intelligence
Connex

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A unique experience.
I made a number of great
'connexions' for future business.

JERRY DAVIS, CHAIRMAN
Board of Trustees,
New Orleans Employees'
Retirement System

The best such event in my many years
of attending and participating
in investment seminars."

ANDREW PARRILLO
CEO,
Newport Capital Advisors

It was a great forum ...
I made many solid connections.

ROY ALLEN
Chief Investment Officer,
Meredith Family Foundation

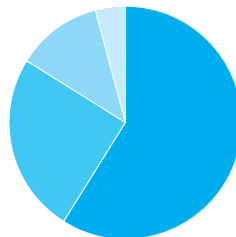
Confirmed Investor Speakers

- | | | | |
|--|---|--|--|
| URS
Larry Powell, Deputy CIO,
Utah State Retirement System | DIRECTV
Jon E. Lara, Senior Director,
Benefit Finance, DirecTV | CalPERS
Ho Ho,
Quantitative Portfolio Manager,
CalPERS | LIVESTRONG
Lance Armstrong Foundation
Greg Lee,
CFO,
Lance Armstrong Foundation |
| THE UNIVERSITY OF CHICAGO
Michael Edleson, CRO,
University of Chicago | LEHIGH UNIVERSITY
Mark Siddoway, Director, Public Markets,
Lehigh University | WILSHIRE
Jonathan Miles, VP,
Head of Hedge Fund Research,
Wilshire Associates | apg
Robert De Rito,
Head of Investment Control,
APG Asset Management |
| BALL STATE UNIVERSITY
Tom Heck, CIO,
Ball State University | Strategic Capital Allocation
Brian Hunter, CEO,
Strategic Capital Allocation Group | New England Retirement Consultants, LLC
Jay Gepfert, Managing Director,
New England Retirement Consultants, LLC | TIGER 21
Lewis Haskell,
San Diego Chapter Leader,
Tiger 21 |
| TRS
Nigel Lewis, Managing Director,
Strategic Research,
Stuart Bernstein,
Head of Emerging Manager Program,
Teachers' Retirement System of Texas | Strategic Investment Solutions, Inc.
Deborah Gallegos,
Director of Manager Research,
Strategic Investment Solutions | PERSI
Bob Maynard, CIO,
Public Employee Retirement System of Idaho | The California Endowment
David Greenberg,
Head of Absolute Return Strategies,
California Endowment |
| TEACHERS' PENSION PLAN ONTARIO
Daniel MacDonald, Portfolio Manager,
Alternative Investments,
Ontario Teachers' Pension Plan Board | WAKE FOREST UNIVERSITY
Mary Law, Portfolio Manager,
Wake Forest University | West Virginia Investment Management Board
Kristy Watson, CIO,
West Virginia Investment Management Board | Holyoke Retirement Board
Daniel Owens,
Executive Director,
Holyoke Retirement Board |
| VISITING NURSE SERVICE OF NEW YORK
Dennis Wilber, Director,
Investments & Treasury,
Visiting Nurse Service of New York | MERCER
Troy Saharic, Principal,
Mercer Investment Consulting | New Mexico Educational Retirement Board
Mark Canavan, Senior Portfolio Manager,
New Mexico Educational Retirement Board | NVEnergy
Bob Connolly, Principal,
Benefits & Investments,
NV Energy |
| NEWPORT CAPITAL ADVISORS, LLC
Andrew Parrillo, CEO,
Newport Capital Advisors | MICHIGAN
Rafael Castilla, Director of
Investment Risk Management,
University of Michigan | CALLAN ASSOCIATES
Eugene Podkaminer,
Vice President, Capital Markets Research
Group, Callan Associates | PERELLA WEINBERG PARTNERS
Eric Haskel,
Managing Director,
Perella Weinberg Partners |
| Russell Investments
Cynthia Steer, Managing Director,
Russell Investments | DENVER WATER
Usha Sharma,
Treasurer,
Denver Water | susan g. komen FOR THE CURE
Mark Nadolney,
CFO,
Susan G Komen for the Cure | TRIS
Richard Ingram,
Executive Director,
Teachers' Retirement System of Illinois |
| W
Eric Petroff, Director of Research,
Scott Whalen, Executive
Vice President & Senior Consultant,
Wurts & Associates | MIDDLESEX COUNTY RETIREMENT BOARD
Tom Gibson,
Chairman & CEO,
Middlesex County Retirement Board | FPPA
Fire & Police Pension Association
of Colorado
Dan Slack,
CEO,
Fire & Police Pension Fund
Association of Colorado | TTU
Michael Horst,
Assistant Vice Chancellor
& Investment Manager,
Texas Tech University |

Attendee Breakdown

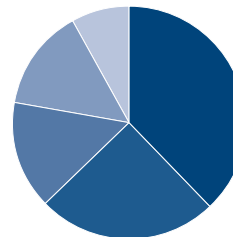
SENIORITY / JOB FUNCTION

- 59% Chief Investment Officer / Executive Director
- 25% Senior Investment Officer / Portfolio Manager
- 12% Controller
- 4% Trustee



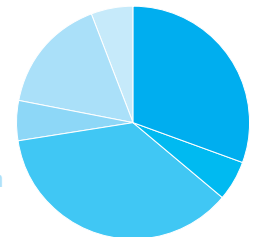
TYPE OF INVESTMENT ORGANIZATION

- 38% Public Pension Plan
- 25% Corporate Pension Plan
- 15% Controller
- 14% Foundation
- 8% Family Office



SIZE

- 14% \$10bn+
- 7% \$5-10bn
- 45% \$1-5bn
- 7% \$500m-\$1bn
- 20% \$200m-500m
- 7% <\$200m



Why Attend?

YOUR ITINERARY

Connex's executive sector meetings are designed specifically for senior executives whose time is one of their most limited and important resources. The unique format is designed to allow each participant to create their own individual, entirely customized itinerary, ensuring time is spent focused only on issues and topics they find relevant.

Besides maximizing limited time, this format guarantees that invited participants are able to gather and take away precisely what they need to meet the goals of their organizations. We ensure this by limiting attendance to 100 senior executives, and by emphasizing small peer group sessions, think-tanks and one-on-one meetings.

Customization is about tailoring an event to meet your specific needs. By accepting this invitation, your participation in the meeting will prove to be the most valuable one or two days in your quarter. If you would like to discuss our unique format with one of the participants at a past event, please feel free to ask.

Benefits of Participating

Maximize your time

We take your time very seriously. Our approach allows you to create a personalized agenda, focused only on those topics that are most relevant to your investment strategy. By beginning the event on Sunday afternoon and ending at lunchtime on Tuesday, we also limit your time out of the office to a maximum of two days, including travel time.

Find solutions and get results proven to work

The focus is on identifying investment strategies and tactics that have proven to be effective. The meeting puts you in close contact with executives at similar investment organizations, many of whom have implemented – or chosen not to implement – asset allocation models and risk management strategies that you're currently in the process of evaluating. The whole point of the meeting is for you to leverage the wisdom of your peers, getting candid insights into what worked, what didn't work, and what to be aware of – the sort of information that is seldom available in the public domain.

Reliable and actionable information developed solely by investors

We provide unbiased content developed only by other investors, never money managers or other solution providers. We do not accept sponsorship dollars to allow money managers to speak on our platform in any way. Money managers are represented only at the most senior level and in very small numbers; furthermore, they are not permitted to attend any of the closed-door discussion sessions, which helps maintain the intimate atmosphere of the event.

Intimate and high level networking to create strategic and long-term relationships

All investors selected to attend the meeting must meet specific qualifying criteria. To optimize the networking and relationship-building opportunities, we cap attendance at 100. This provides an intimate environment that enables attendees to create meaningful business relationships that extend well beyond the boundaries of the event.

I was skeptical at first, but the result was the best day and a half out of the office I've spent this quarter. I'm returning to the office with invaluable new content and contacts.

ANDY DEITCH
CIO,

Children's Hospital of Philadelphia

DOES THE EURO HAVE A FUTURE?

European Sovereign Debt and the Future of the Single Currency

In July of this year, European leaders approved a second Greek rescue package of €109bn. It takes the total amount given to Greece to €219bn – a stunning \$314bn – in less than two years. Many believe that even this is insufficient to offer anything more than a temporary respite to Europe's debt travails, especially in light of emerging concerns around the sustainability of the debt burden in Portugal, Spain, and particularly Italy. The jumpiness of global markets at the time of writing (August 2011), is at least partially a response to the uncertainty hanging over the Eurozone and the fate of its troubled currency, the Euro. CITI's Steven Englander, one of the world's leading currency experts, will deliver an eagerly-awaited keynote address on this crucial topic, delivering critical insights on:

- The situation as it currently stands with regard to the PIIGS (Portugal, Italy, Ireland, Greece and Spain)
- Sovereign debt problems in other parts of Europe including the UK, France and Germany
- The health of the Euro and the possible implications for future European fiscal integrity
- Understanding the role of the ECB and the IMF in future debt restructuring and bail-outs
- What the crisis means for investors in the United States, particularly with regard to sovereign debt, corporate fixed income, precious metals and European equities



STEVEN ENGLANDER
Global Head of G10 Strategy
Citi

Dr. Steven Englander returned to Citi as Global Head of G10 strategy in April of 2010. Since then he has met with close to 500 investor, corporate and official clients. Since he has returned, Citi G10 FX Strategy has claimed the #3 spot in the Euromoney poll on G10 Research vs. the #6 spot the year before. He has been referred to as one of Citi's 'thought leaders' and frequently meets with investors outside of the FX client base to discuss global macro and asset market developments.

Steve publishes frequently in CitiFX Strategy publications and is a frequent consultant to Citi's internal and external clients on how macroeconomic policy, regulation and asset markets affect FX markets. His unique approach to investor positioning in FX markets is used by Citi traders and clients. His expertise is on reserves management, earnings repatriation, capital flows, and global imbalances; his research in these areas is frequently quoted by academics, policymakers and investors.

Before moving to the private sector, he spent four years at the Organization for Economic Cooperation and Development as the Principal Economist in the Economic Prospects Division covering preparations for European Monetary Union among other assignments. His research on monetary union, labor markets and productivity was presented to senior policymakers at meetings of the OECD's Working Party #1 and #3.

THE SECRETS OF TREND FOLLOWING:

How Great Traders Build Fortunes in Good Markets and Bad

Do winning traders all have some special talent? Do they have a special inborn gene or divine gift? Do they have the innate talent of a child prodigy? Do they have some inside knowledge? Do they have huge starting capital?

According to Michael Covel – author of the *The Complete Turtle Trader* and most recently *Trend Commandments* – there is one answer and it's the same answer: No. The reality of big money trading is far simpler. In his communications with great traders certain truths have been revealed: that innate talent is overrated, for example, that intense practice and persistence is the reason great traders make millions, not I.Q. In fact, Covel argues, E. Q. is more important. In this keynote address, Covel will identify the major secrets of trend-following, including:

- Examining the methodologies, risk management approaches, and psychologies of legendary traders
- Understanding how successful traders make millions in up or down markets without knowing anything about the underlying assets
- Buy-and-hope? Considerations on the effectiveness of long-only investing
- Exploding myths surrounding successful traders



MICHAEL COVEL

Author

**The Complete Turtle Trader,
Trend Following & Trend
Commandments**

Michael W. Covel is the author of *Trend Commandments* (FT Press; Jul, 11) and *The Little Book of Trading* (Wiley; Aug, 11). Mr. Covel's past bestsellers include *Trend Following* (FT Press; 09, 07, 05, 04) & *The Complete TurtleTrader* (HarperCollins; 09, 07). His trend following books have been translated into more than a dozen languages. Mr. Covel also directed the documentary film *Broke: The New American Dream* (Nature Nurture Productions LLC; 09). He has presented live to audiences in Chicago, Dallas, Hong Kong, Las Vegas, Macau, Miami, Paris, São Paulo, Tokyo and Vienna. Mr. Covel's research firm (www.trendfollowing.com) has been training trend following traders since 1996 across 70+ countries. His original website was TurtleTrader®, which has drawn millions of visitors.

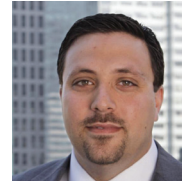
Mr. Covel holds a B.A. in politics and government from George Mason University and an MBA from The Florida State University.

MAKING SENSE OF THE 2012 PRESIDENTIAL RACE:

The Candidates, the Policies, and What Each as President Would Mean for the US Investment Landscape

On 6th November 2012 – almost one year exactly from the date of the 8th Strategic Investments Forum – Americans will elect the 45th President of the United States. The consequences of that election will be felt far around the world and will inevitably have major implications for the investment landscape, both domestically and globally. Connex is honored to welcome Sean West, Director of US Policy at geopolitical consultancy Eurasia Group, to make sense of the contest:

- Examining the 2012 presidential line-up: Identifying the serious contenders
- Reading between the policy lines: What each candidate says they will do and how that will translate into concrete policy proposals upon entering office
- Politics and the art of the possible: Understanding how the successful candidate is likely to be constrained by the political and economic reality in 2013
- Exploring several presidential scenarios and their implications for the US investment landscape



SEAN WEST
Director of US Policy
Eurasia Group

Sean West is a director in Eurasia Group's Comparative Analytics practice group. His research focuses on US fiscal, financial, and trade policy and politics. He also works on comparative political risk methodologies.

Previously, Sean worked for Deloitte as a management consultant in the areas of financial management and enterprise risk. He has also worked at the Federal Reserve on secondary mortgage market policy, and has held positions at the office of a US congressperson, an investment bank, and a major think tank. He holds a master's degree in public policy from UC Berkeley and a bachelor's degree in international politics from the School of Foreign Service at Georgetown. He also studied politics and government at the London School of Economics.

WHY PROCESS BEATS GENIUS:

Extracting Alpha from Strategic Asset Allocation

When it comes to 'winning' in the investments race, attention has rarely focused on whether the 'hare-like' manager is at an advantage or a disadvantage to the 'tortoise-like' institutional investor, which may be invested in hundreds of different managers across a wide range of different asset classes and strategies. Dr Lewis – who currently serves as managing director of strategic research at the Teachers' Retirement System of Texas – will argue in this keynote address that the institution's ability to allocate assets strategically actually constitutes a unique source of alpha that is rarely emphasized in discussions around long-term investment management. Dr Lewis's keynote address will focus on:

- How to focus on the search for value
- Know when to take advantage of market dislocations
- Gain crystal clarity on the role of risk management
- Extract incremental alpha from your strategic asset allocation



DR NIGEL LEWIS
Managing Director,
Strategic Research
**Teachers' Retirement
System of Texas**

Dr. Nigel Lewis is the Managing Director of Strategic Research at the \$100bn Teachers' Retirement System of Texas. Dr Lewis has written widely, presenting his ideas at international conferences, in academic settings and in the press. His innovative and thought provoking research on wealth creation through rational investing has recently appeared in the Journal of Wealth Management, Journal of Investing and Journal of Pensions. He has worked as an investment professional on Wall Street, the City of London and taught in academia. Dr. Lewis obtained his PhD from the University of Cambridge; And holds four Master degree's: In Statistics, in Finance, in Economics and in Advanced Computer Science, all from the University of London.

RISK MANAGEMENT AT THE UNIVERSITY OF MICHIGAN

A Project-Oriented Approach

Risk management starts with good asset allocation and proper portfolio construction. At the University of Michigan the focus is less on VaR-type analysis and strategic delta hedges, and more on customized risk projects that seek to provide portfolio managers and the CIO with concrete and potentially actionable additional insights to specific and overall portfolio risks – as well as returns.

Rafael Castilla – Director of Investments Risk Management at the University of Michigan – will provide a detailed overview of the project-oriented risk management framework and then present one project in greater depth: potential saturation in segments of the U.S. private equity market:

- Comparing VaR-type analyses and strategic delta hedges with customized risk projects delivering actionable insights
- Examining the implications of the UMich approach on portfolio construction and asset allocation
- A deeper analysis of one risk project: Potential saturation in segments of the U.S. private equity market



RAFAEL CASTILLA
Director of Investment Risk
Management
University of Michigan

Rafael Castilla is Director of Investment Risk Management with the University of Michigan's Investment Office. Previously, he has held positions with JPMorgan Chase & Co. and Merrill Lynch & Co., and was a Principal with a private equity firm investing in the CIS. He received an A.B. in Applied Mathematics from Harvard College and a J.D. from Yale Law School.

THE OPERATIONAL CHALLENGES OF EFFECTIVE RISK MANAGEMENT:

Gaining At-a-Glance Visibility Over the Risks in Your Portfolio

The Visiting Nurse Service of NY (VNSNY) is a not-for-profit organization that provides in-home nursing care, therapy and hospice and palliative services to New Yorkers of all ages and backgrounds. The investment portfolio (approx. \$1bn) incorporates a 30% allocation to alternatives as well as more flexible investment approaches, such as Global Asset Allocation (GAA), which gives managers more ability to add value. This approach distributes the risk more evenly among the asset classes but also makes the portfolio more susceptible to concentration risk – a threat that Dennis Wilber, the Investments Director, has been taking seriously. One of the tools Wilber has been evaluating is a risk management tool that will, he hopes, provide greater transparency into the portfolio’s exposures and vulnerabilities.

- Strengthening risk management by delivering real-time insights into portfolio exposures
- Determining which factors to measure:
 - Equity risk
 - Interest rate risk
 - Credit risk, etc
 - Business risk
- Designing a course of action in the event that the system identifies an unacceptable level of concentration risk
- Determining how much data is needed for a truly effective risk management system



DENNIS WILBER
Director, Investments &
Treasury,
Visiting Nurse Service
of New York

Dennis holds a bachelor’s degree in Banking and Finance cum laude from Hofstra University. He joined Visiting Nurse Service of NY in 2002 and has over sixteen years of investment experience. His responsibilities as a Director of Investments and Treasury include managing the organizations corporate and pension investment programs, totaling over \$1 billion. Management of the investments includes strategic asset allocation modeling, portfolio risk management, tactical portfolio rebalancing, manager selection, research of new investment products and strategies, investment policy development, manager due diligence, financial reporting, audit compliance and ongoing analysis of the markets. Dennis is also responsible for managing the organization’s Treasury & Banking functions, and was part a team which established the organization’s overall risk management program.

Prior to joining VNSNY Dennis spent nine years with Delta Funding Corporation, a mortgage-lending firm headquartered in Woodbury, N.Y. He oversaw the company’s Treasury, Banking, and corporate investment programs.

TAIL RISK HEDGING:

Cost-Effective Solutions for a Fire-Proof Investment Portfolio

If a single word were to encapsulate the mood of the current investment climate, it would be “uncertainty.” Uncertainty about inflation, uncertainty about the global economic recovery, uncertainty about the geo-political environment, uncertainty about sovereign debt. Given all of the risks on the horizon, what steps should investors take to fire-proof their portfolios without dragging too severely on their returns? Mike Edleson, University of Chicago’s first ever Chief Risk Officer, will take you under the hood of the tail-risk hedging strategy at the \$5bn endowment:

- A closer look at “crisis” asset classes:
 - Volatility
 - Dollar
 - Treasuries
 - Gold
- Understanding the extent to which crisis asset classes are under-utilized in institutional portfolios
- Comparing crisis assets with hedging strategies utilizing options
- Bringing it together in a cost-effective framework



MICHAEL EDLESON
CRO
University of Chicago

Mike joined the University of Chicago Office of Investments as Managing Director in early 2010, responsible for the risk management of the University’s endowment. From 2003 to 2010, he ran risk management globally for four divisions of Morgan Stanley as Managing Director, including Equities and MSSB (brokerage). Previously, he worked as Chief Economist and Senior Vice President of NASDAQ and NASD, and served on the boards of directors of several organizations and publicly-traded companies. Mike was a finance professor at Harvard Business School for over six years, following four years on the faculty at West Point; he was an Army engineer officer and served over 29 years in uniform, active and reserve. He has written a few books and has been co-editor or associate editor of two finance journals. Mike earned a B.S. from West Point and an M.S. and Ph.D. in economics from MIT, and is a CFA charterholder.

TRANSLATING INSTINCT INTO ACTION

Positively Skewed Dynamic Allocation With Embedded Risk Management

High Anxiety. Today's investors seem more like Mel Brooks' paranoid psychiatrist than ever before. Markets are awash with liquidity, risk assets are getting more correlated and investors are not getting paid sufficiently for locking up capital. Improving risk-adjusted upside purely by strategic diversification between managers is getting harder, in part due to this increased cross correlation. In order to materially improve upside potential while containing downside beyond what can be achieved by manager diversification, an embedded risk management discipline must be actively integrated into a dynamic asset allocation framework that can nimbly target opportunities and hedge risks across the entire portfolio - well in advance of severe market stress. This session will impart a practical next step beyond conventional wisdom.

- What really factors into ongoing asset allocation discussions?
- A practical, timely palette of skewed risk-return tradeoffs enables informed decision-making
- Managing the full spectrum of possible realities as they are forming new opportunities
- Focusing on attenuating losses rather than minimizing volatility - good cholesterol v bad cholesterol
- Correlations matter – especially correlation patterns at times when diversification is needed most
- Perceiving and capturing reliable correlation patterns as they evolve well in advance of market stress
- Guiding tactical allocation adjustments around an evolving strategic vision can contribute to alpha
- Harnessing the benefits of sufficiently long lead times for reallocation to support good governance
- "Peeling the Onion" to arrive at high conviction decisions and actions - Positioning portfolios to capture upside optionality while preserving principal during times of market stress



BRIAN HUNTER,
Managing Director,
Strategic Capital
Allocation Group LLC

Mr. Hunter is currently the Managing Director of Strategic Capital Allocation Group LLC ("SCA"), a firm he founded on October 1, 2001.

Previously, Mr. Hunter was with Prudential Securities, Morgan Stanley Dean Witter and Smith Barney. Throughout these affiliations, he has built a unique corporate and institutional consulting practice that concentrates on achieving maximum capability for risk-controlled assets. Mr. Hunter holds U.S. and international patents for his state-of-the-art, dynamic asset allocation and risk management platform, known as Quatrain - No Prophecy, Just Vision.

Mr. Hunter has consulted on over \$2 billion in SCA client assets with a goal of enhancing those assets towards improved levels of efficiency. His clients have included a renowned hospital system encompassing endowment, ERISA pension plan and funded depreciation account portfolios, foundations, trusts, and ultra high net worth individuals.

MAKING SENSE OF THE MACROECONOMIC OUTLOOK:

What Near-Term and Long-Term Economic Prospects Mean for Asset Class Selection and Portfolio Structure

The volatility of recent weeks is a reflection of the unprecedented uncertainty looming over the financial markets. Is the US experiencing a “soft patch”, or is it poised over the precipice of another recession? Are the sovereign debt murmurs emanating from Europe the harbingers of a fully-fledged crisis, or are they just a storm in a teacup? How will the immense unknown that is the 2012 presidential election play into the macroeconomic outlook? With only probabilities to grapple with, how should investors structure their portfolios? Stress-tested against possible economic scenarios, how do popular allocation strategies hold up?

- Forecasting near-term changes to key economic variables, including tax, M&A activity, fiscal stimulus, and interest rates
- Forecasting longer-term economic changes, including inflation, the increasing percentage of economic activity accounted for by the government, and GDP
- What near- and long-term economic prospects mean for specific asset classes and asset allocation strategies
- Strategies for tying macroeconomic growth & volatility into valuations
- Stress-testing sample portfolios against likely economic scenarios



ERIC PETROFF
Director of Research
Wurts & Associates

Eric Petroff is the director of research of Wurts & Associates, an institutional consulting firm advising nearly \$40 billion in client assets. Before joining Wurts & Associates, Petroff spent eight years at Hammond Associates in St. Louis, another institutional consulting firm, where he was a senior consultant and shareholder. Prior to Hammond Associates, he spent five years in the brokerage industry advising retail clientele and even served as an equity and options trader for three of those years. He speaks often at conferences and has published dozens of articles for Investopedia.com and the New Zealand Investor Magazine. Additionally, Petroff serves as a subject matter expert for Becker Professional Review in its efforts to develop study materials for CFA exam candidates, and has taught CFA review courses as well. Petroff has been a CFA charterholder since 2000, has an MBA with an emphasis in finance from Webster University, and a bachelor's degrees in economics and Russian from DePauw University. He also served as president of the St. Louis CFA Society and chairman of its Education Committee.

THE LIMITATIONS OF DREAM-WORLD ASSET ALLOCATION:

New Approaches to Portfolio Construction & Risk Management

Prior to 2008, a number of assumptions about financial markets went broadly unquestioned: that returns were normally distributed, for example, or that standard deviation was sufficient to understand risk. Extreme negative events were felt to be highly improbable, or even (in some cases) impossible.

Then September 2008 came along and changed all that. The repercussions were not merely economic but intellectual – as the dust settled on one of the worst financial upheavals of the modern era, investors and economists started to realize that many of their preciously held assumptions were dead wrong. The experience of the last few weeks, furthermore, suggests that extreme volatility may not merely be less unusual than previously thought – it may become a permanent fixture of an increasingly complex and interconnected investment universe.

In an update to his well-received presentation at the last Strategic Investments Forum, Ho Ho – Portfolio Manager in the Quantitative Team at CalPERS – will examine this shift in economic thinking, specifically as it pertains to risk:

- [Dream World vs. Real World](#)
- [A closer look at real world return distributions and characteristics](#)
- [Developing new approaches to portfolio construction and analytics](#)
- [Designing effective risk management systems](#)



HO HO
Quantitative Portfolio
Manager
CALPERS

Ho Ho is a Quantitative Portfolio Manager in the Global Equity Unit for the California Public Employees Retirement System. Ho leads a team responsible for research, development, and ongoing portfolio management of internally-run quantitative alpha strategies. Ho's team has also developed systems used for hedge fund risk management & portfolio construction, external manager portfolio construction & analytics, and is currently working on expanding their platform to include a robust, quantitative approach to global equity allocation decisions. Prior to joining CalPERS, Mr. Ho was derivatives manager for Transamerica Life Insurance Company. He also worked for KPMG as manager of their Structure Finance Consulting Group. Ho holds an MBA in finance from the University of Chicago and a BA (Phi Beta Kappa) in Economics from the University of California, Irvine.

MAKING THE TRANSITION TO A LIABILITY-DRIVEN INVESTING MODEL:

Considerations Around Timing, Performance Measurement, and Asset-Liability Matching

LDI has grown in popularity in recent years, as concerns around interest rates and longevity improvements have focused attention on the liability stream. But when should pension funds make the transition to a liability-driven investing model, and how should they execute? Bob Connolly, from the \$670m NV Energy pension fund, was a recent recipient of the PlanSponsor.com's LDI award, and so is in a particularly strong position to talk about the lessons learned. In this presentation he will deliver an update to a highly acclaimed talk presented at the 6th Strategic Investments Forum in Dallas last December, providing additional insights into rolling the program out and effectively transitioning the portfolio:

- Examining the characteristics of the LDI framework
- Evaluating the benefits of aligning asset allocation with the liability stream
- Comparing execution options:
 - o Physicals, swaps, or both?
 - o Evaluating the benefits of a phased approach to LDI
- Timing the transition: Considerations for determining whether to make the switch now, and miss out on future equity gains, or delaying the transition to enhance affordability



BOB CONNOLLY
Principal, Benefits &
Investments
NV ENERGY

Bob Connolly is currently the Principal, Benefits at Las Vegas based NV Energy. His most recent accomplishment was being awarded Corporate Plan Sponsor of the Year in 2010 by the PLANSPONSOR organization for his creative management of both the assets and liabilities of the company's pension plans.

Bob has over twenty-five years experience in the design and funding of defined benefit, defined contribution and retiree medical plans at major electric, telecommunication and natural gas utilities. Bob has an MBA in Finance from University of Southern California and a B.A. from Dickinson College. He resides in Las Vegas with his wife and two girls.

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GASB's Proposed Rules- What Do They Mean For Public Plans?

USHA SHARMA
Treasurer
Denver Water



- Considerations on counting the entire unfunded liability on the balance sheet
- Examining the implications of using lower discount rates (high grade 30 year municipal bond) for unfunded liabilities
- Reflecting market values of assets at the valuation date
- Immediately recognizing changes to net pension liabilities

Why Big Isn't Always Beautiful: Designing and Implementing Effective Emerging Manager Programs

STUART BERNSTEIN
Head of Emerging
Manager Program
Teachers' Retirement
System of Texas



- Tracking the growth of emerging manager programs in the United States
- Determining the most appropriate size for your emerging manager allocation
- Strategies for selecting between emerging managers in the early phases of the program
- Creating a framework for measuring performance and rebalancing in favor of higher-performing managers at pre-determined milestones

OPTIMIZING EXPOSURE IN EMERGING MARKETS:

Identifying the Most Compelling Opportunities for 2012

CYNTHIA STEER
Managing Director
Russell Investments



MICHAEL HORST
Assistant Vice Chancellor
& Investment Manager,
Texas Tech University



GREG LEE
CFO
Lance Armstrong
Foundation



Will emerging markets take over as the engines of global economic growth? Have they already done so? Emerging market performance has been inspiring over the past decade, but investors know that including emerging markets within the portfolio can introduce significant volatility and additional risk. Optimizing the allocation – the geographical distribution of the countries represented and the type of asset class- can make a significant impact to the performance of the portfolio.

- Measuring the growth prospects in key regions including Central & Eastern Europe, Latin America, China, India, Russia and New Asia
- Comparing allocation options, including:
 - Utilizing local investment managers
 - Utilizing global managers
 - Investing in emerging market ETFs
 - Investing in publicly-traded, individual emerging market stocks
 - Investing in emerging market private equity
- Capturing growth while controlling volatility: Optimizing your allocation to emerging markets within a balanced portfolio

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Everything You Wanted to Know about Manager Selection but were Too Afraid To Ask: Making the Best Choice on the Basis of Your Investment Mandate

DEBORAH GALLEGOS
Director of Manager Research
Strategic Investment Solutions
STRATEGIC INVESTMENT SOLUTIONS, INC.

- Examining changes to search and hire activity in light of the financial crisis and rebounding economy
- Understanding the growth in particular types of mandate including managers for TIPS and active domestic growth equity funds
- Creating effective, transparent selection criteria for new managers
- Cost effective approaches to the transition management process

Does Size Matter? Exploring Correlations Between Manager AUM and Performance

ANDREW PARRILLO
CEO
Newport Capital Advisors



- Identifying the advantages and disadvantages of small, medium, and large asset managers:
- Nimbleness vs. economies of scale
- Operational risk vs. lack of agility
- Intellectual resources: armies of PhDs vs. One great idea
- Understanding the extent to which the optimum size varies between asset classes and investment strategies

R.I.P. ASSET ALLOCATION...

...Long Live Risk Budgeting?

MARK SIDDOWAY
Director, Public Markets
Lehigh University



EUGENE PODKAMINER

Vice President,
Capital Markets Research
Group, Callan Associates
CALLAN ASSOCIATES

JERRY ALBRIGHT
Deputy CIO
Teachers' Retirement
System of Texas



If the financial crisis had a positive effect, it was in refocusing institutional investors on the many risks facing their portfolios and the weaknesses of conventional approaches to diversification. One of the many methodologies that has been strengthened is risk budgeting, whereby investments are structured in the portfolio according to the risk they bring rather than the asset bucket they belong to. In this panel discussion we ask leading institutional investment strategists to talk about how they are incorporating the new diversification methodology in their own portfolios:

- Examining the shift in investment philosophy away from allocation among asset buckets and towards diversification between risks
- Considerations on portfolio construction using a risk budgeting methodology
- Understanding the implications of risk budgeting for portfolio turnover
- Suitability: To what extent is risk budgeting appropriate for all types of investor?

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Funds of Funds vs Direct Hedge Fund Investments

DANIEL MACDONALD
Portfolio Manager,
Alternative Investments
Ontario Teachers'
Pension Plan Board



- Understanding the pros and cons of funds of funds vs direct hedge fund investments
- Comparing the performance of select funds of funds with typical hedge fund portfolios over specific periods: Who comes out on top?
- Exploring the possibility of using funds of funds in an advisory capacity, rather than as an investment agent
- Considerations on the suitability of funds of funds and individual hedge funds for specific investment objectives and levels of risk tolerance

Why Foundations Should Care About UPMIFA

GREG LEE
CFO
Lance Armstrong
Foundation



- UPMIFA explained
- Understanding which foundations are subject to the investment rules of UPMIFA
- A closer look at the investment standards imposed by UPMIFA, and the implications of clauses relating to the consideration of "general economic conditions", "possible effects of inflation or deflation" and "expected tax consequences"
- Examining a typical foundation investment portfolio and measuring its adherence

DESTINY & DEMOGRAPHICS:

The Growth of Agriculture as an Asset Class

MARY LAW
Portfolio Manager
Wake Forest University



ERIC HASKEL
Managing Director
Perella Weinberg Partners



MARK CANAVAN
Senior Portfolio Manager
New Mexico Educational
Retirement Board



The macro case for agriculture is strong. The global population is growing robustly, and is forecasted to reach 9 billion by 2050: that is, an additional 2 billion mouths that will need to be fed. The global population is also growing richer, and as more of the world's poor make the transition to the middle class the demand for meat is forecasted to spike – especially in China and India. At the same time, as cities extend their boundaries into land that might otherwise be available for agriculture, the amount of land that will have to support the world's population is expected to shrink. This classic supply/demand squeeze points toward a future spike in agricultural values, but there are also plenty of unknowns. Which regions represent the most compelling investment opportunities, and how can investors gain exposure to them? Moreover, how can investors manage the risks in investments which are typically long-term in nature and in areas of political and social instability?

- Getting a handle on demographic shifts: the expansion of the middle class and associated pressures on meat consumption, rearing of livestock, and use of agricultural land
- Identifying the regions that stand to benefit from the shift: Brazil, Russia, China, Sub-Saharan Africa & Turkey
- Understanding trends in food security and supply
- Incorporating agriculture into the portfolio: considerations on geography, investment type, and performing due diligence on farmers

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to UPMIFA guidelines

Investment Opportunities in Africa

CYNTHIA STEER
Managing Director
Russell Investments



- Understanding how the investment landscape varies country-by-country on the basis of:
 - Political risk
 - Currency stability
 - Resources
 - Legal considerations
 - Contrasting the investment reality on the ground with popular perceptions in the media
- Evaluating performance: Taking a closer look at the rate of return on foreign direct investment (FDI) in comparison with other regions
- A closer look at China's involvement in the continent
- Identifying the most exciting African investment opportunities in the short-, medium-, and long-term

EXPLORING THE RELATIONSHIP BETWEEN FUNDED STATUS AND ASSET ALLOCATION:

Evaluating Investment Strategies across the Funding Spectrum

USHA SHARMA
Treasurer
Denver Water



HO HO
Quantitative
Portfolio Manager
CalPERS



SCOTT WHALEN
Executive Vice President
& Senior Consultant
Wurts & Associates



RICHARD INGRAM
Executive Director
Teachers' Retirement
System of Illinois



The equity markets have roared to the upside since the March 2009 low, but many funds – both public and corporate – are still dangerously underfunded. What solutions are available to these funds as they grapple with the problem of meeting current and future obligations? How should different levels of funding affect asset allocation decisions for those funds?

- Understanding how funding challenges vary across the United States
- Exploring considerations for heavily underfunded plans: play catch-up or lock in losses?
- Exploring considerations for well-funded plans: take affordable risk or lock in a high funded ratio?
- Translating risk tolerance into specific asset class choices and investment strategies

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The “Traditional Alternative” Choice: Accessing Hedge-Fund Style Strategies through Mutual Funds

GABRIEL BURSTEIN
Former Head of Investment & Fund Research
Lipper

- Taking a closer look at the new mutual funds offering hedge fund style strategies
- How does the performance of mutual fund-nested alternative strategies compare with actual hedge funds?
- Exploring different varieties of “traditional alternative”, including: global macro and absolute return
- Understanding the suitability of absolute return mutual funds for liability-matching investment strategies

A Family Office Perspective on Tail-Risk Hedging: Preserving Wealth at a Time of Acute Uncertainty and Market Volatility

HOWARD COOPER
CEO
Cooper Family Office

- Identifying the most significant threats to HNWI investment portfolios
- Considerations on “safe haven” asset classes including gold, sovereign debt and land
- Examining hedging strategies utilizing options
- Creating investment portfolios with true, long-term durability

WHEN PRESENTATIONS GO WRONG:

Why Money Managers Continue to Make Mistakes when Marketing to Investment Boards

DANIEL OWENS
Executive Director
Holyoke Retirement Board



JOHN KEANE
Executive Director
Jacksonville Police & Fire Retirement System



TOM GIBSON
Chairman & CEO
Middlesex County Retirement Board



Central as it is to their profitability and overall success, many money managers make surprising mistakes when presenting to investment boards. From basic things like etiquette and dress to complicated issues relating to the types of information that can be presented during initial meetings, the consensus from investors is that managers are very far from hitting the mark with any degree of consistency. In this panel we ask leading allocators to talk about the most frequent mistakes made by managers and to identify the most important pieces of information to convey during the initial meeting:

- Understanding the purpose of the initial meeting: what to say, what not to say, and the specific pieces of information that investment boards require during the initial meeting
- Exploring differences between the board meetings of pension funds, endowments and foundations, and family offices
- Tailoring your message to the audience: Determining how much detail is too much and how much simplification is condescending
- Common mistakes and faux pas made during meetings with investment boards

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Are Your Actuarial Assumptions Realistic?

RICHARD INGRAM
Executive Director
Teachers' Retirement
System of Illinois



- Understanding the errors sometimes made in the formation of pension fund actuarial assumptions:
 - Using a lower interest rate for discounting liabilities than the expected rate of return on the plan's assets
 - Being overly conservative with regard to longevity extension
 - Being overly optimistic regarding expected investment returns
- What actuarial errors mean for pension fund accounting assumptions, asset allocations, and long-term financial planning

Fee Negotiation: Risk-Free Alpha or an Exercise in Futility?

- Understanding the scope that may exist for fee negotiation with investment managers
- Structuring the conversation: How to use your investment consultant
- Comparing prospects for negotiation success between different styles, sizes, and varieties of investment managers
- Knowing what to aim for: Having a clear

DE-RISKING THE PORTFOLIO:

Evaluating the Full Spectrum of Strategies Designed to Strip Risk from Investment Portfolios

MICHAEL EDLESON
CRO
University of Chicago



BOB CONNOLLY
Principal, Benefits
& Investments
NV Energy



DAN SLACK
CEO
Fire & Police Pension
Association of Colorado



As volatility spikes on the back of weak economic metrics and apparently intractable sovereign debt travails in Europe, investors are again turning to the risks in their portfolios and evaluating the most effective strategies for fire-proofing them against the troubles ahead. In this panel we ask leading investors to discuss their de-risking strategies both by asset class and at the portfolio level, and we also investigate holistic de-risking strategies like LDI:

- Exploring multiple strategies for removing risks from institutional portfolios
- Exploring de-risking strategies by asset class: equities, fixed income, alternatives
- Considerations around asset allocation, diversification, multi-directional investment strategies, and dynamic rebalancing
- Putting a lens into your portfolio: Gaining greater visibility into your exposures
- Is there such a thing as a risk-free asset? In search of the ultimate safe haven

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understanding of realistic discount

Opportunity and Risk in the Fixed Income Market

- Navigating the current fixed income environment: US Dollar strength, credit risk, yield curves and interest rates
- Examining the threat posed to US institutional investors by the Eurozone sovereign debt crisis
- Considerations on selecting between fixed income managers
- Portfolio construction, risk management and diversification in the fixed income space

Timberland: The Ultimate Inflation Hedge?

- Tracking the performance of timberland over the past 50 years, both in absolute terms and as a hedge against inflation
- Examining the attractiveness of the asset class in terms of low volatility, biological growth, and reduced correlation with equity markets
- Performing accurate valuations: the 5 most important things to be aware of before allocating capital
- Considerations on the choice of Timberland Investment Management Organization (TIMO), including comparisons of fees, lock-up periods,

THE OUTSOURCED CIO MODEL:

One Size Fits All?

TOM HECK
CIO
Ball State University



TROY SAHARIC
Principal
Mercer Investment Consulting



JON E. LARA
Senior Director
Benefit Finance, DirecTV



JAY GEPFERT
Managing Director
New England Retirement Consultants, LLC



Most investment organizations employ a consultant, providing advisory, manager research, due diligence, and other related services. In recent years, however, increasing numbers of investment organizations have taken an additional step and opted for the outsourced CIO model, in which a 3rd party investment advisor assumes actual decision-making power for the portfolio, including the ability to hire and fire managers at will, as well as (in some circumstances) the ability alter the asset allocation. What are the advantages and disadvantages of such a strategy, and what challenges can be encountered during the transition process?

- Comparing the "Outsourced CIO" model with other investment rationalization strategies like multi-institution investment management
- Determining when the co-fiduciary model makes sense for investors, and when it should be avoided
- Navigating the compliance and fiduciary issues involved in making the transition to an outsourced model

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and service provision

Isolating Opportunities in the Real Estate Market

- Understanding the regional nature of real estate opportunities
- Identifying areas with attractive prices and significant upside potential
- Examining the outlook for mortgage rates and the effect upon likely returns
- Strategies for identifying the most lucrative opportunities in an uncertain economic and lending environment
- Considerations on the choice of real estate investment manager

Private Equity: The Future of the Venture Model

- Examining the liquidity problems caused by private equity allocations during the financial crisis
- Strategies for avoiding similar problems in the future: The importance of active liquidity management and planning
- Prospects for private equity in light of the current

WHAT INVESTORS WANT FROM HEDGE FUNDS:

Liquidity, Fees, and the New Transparency Initiative

LARRY POWELL
Deputy CIO
Utah State
Retirement System



JONATHAN MILES
VP, Head
of Hedge Fund Research
Wilshire Associates



BOB MAYNARD
CIO
Public Employee
Retirement System of Idaho



ROBERT DE RITO
Head of Investment
Control
APG Asset Management



While interest in the hedge funds sector is high, so too is dissatisfaction with individual managers and impatience with some long-standing business practices. What is the consensus among investors regarding lock-up periods, for example? How transparent is transparent is enough? What sign is there of the situation changing with regard to the 2 and 20 fee structure? In general terms, we ask an elite group of investors what they want from their hedge fund managers and how their demands are changing:

- The evolution of hedge funds and their changing role within institutional portfolios
- Assessing the impact of new reporting and regulatory requirements on the formation of hedge funds
- Liquidity and gating provisions: Gauging investor tolerance for lock-ups
- Do hedge funds offer good value for money? Fees, hurdle rates, and the difficulty of effective performance attribution
- A tainted industry? Considerations on recent insider trading scandals and the need for greater transparency

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- economic situation: Gauging opportunities
- Selecting between private equity managers

Examining Opportunities in Insurance-Linked Securities: Are Catastrophe Bonds a Suitable Asset Class for Institutional Investors?

- Insurance-linked securities explained: Risk transfer mechanism and non-correlated asset
- Selecting between different varieties of catastrophe bond on the basis of peril, duration, and risk transfer mechanism
- Challenging the non-correlation claim: Are there any circumstances in which catastrophe bonds can be affected by broader financial markets?
- Understanding the role that can be played by catastrophe bonds within a well-diversified portfolio

Psychology and Decision-Making: How to Make More Rational Investment Decisions

- How decisions are made: Comparing the rational and irrational components of the decision-making process
- Understanding how decision-making can veer towards the irrational during periods of high pressure or stress
- Creating an investment decision-making framework that preserves some measure of individual autonomy while protecting against panic and greed reflexes

BUILDING AN EFFECTIVE HEDGE FUNDS PROGRAM:

Optimizing Strategy Diversification for Maximum Alpha

DANIEL MACDONALD
Portfolio Manager,
Alternative Investments,
Ontario Teachers'
Pension Plan Board



MARK NADOLNY
CFO
Susan G Komen
for the Cure



KRISTY WATSON
CIO
West Virginia Investment
Management Board



DAVID GREENBERG
Head of Absolute
Return Strategies
The California Endowment



The construction of high-performing hedge fund portfolios presents some interesting challenges from the viewpoint of diversification. With many hedge fund managers insisting on some level of secrecy regarding their holdings, how can investors ensure they aren't over-exposed via their managers to particular securities? Moreover, how do different strategies – credit arbitrage and equity long-short, for example – tend to complement each other during particular investment cycles? And given that managers of different sizes have different advantages, what is the correct approach to using AUM as an additional source of diversification in a hedge funds portfolio?

- A closer look at the performance of hedge funds over the last 12 months: which strategy sectors have added the most alpha?
- Considerations on the choice between funds of funds and direct investments in hedge funds
- Getting the right mix of strategies in your hedge funds program: Blending equity, credit, and commodities-oriented hedge fund strategies
- Is big beautiful? Or do good things come in small packages? Considerations on diversifying by manager AUM