



**HEDGE FUND INSTITUTIONAL FORUM
INSTITUTIONAL INVESTOR INSTITUTE**

CORPORATE FUNDS ROUNDTABLE

New York City ♦ Metropolitan Club
March 8-10, 2010

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Director, Trust Investments
BP America Inc.

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Executive Director – Investments
AT&T Inc.

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HEDGE FUND INSTITUTIONAL FORUM

Musical Chairs: Which Hedge Funds Will Be Left Standing?

Hedge funds are having their best year since 1999. Many believe that investor confidence is rising and the desire to close the funding gaps left by poor returns on traditional stock and bond portfolios could lead many investors back to hedge funds. Are pension plans ready to return to these investments, and if they are, what will they find in the hedge fund space? What will the hedge fund industry look like in the wake of a bear market? Who will have weathered the storm, and who will have fallen? What role will alternatives play in corporate plan portfolios going forward?

This year's Forum will address these issues and others through a series of workshops, discussion groups and plenary sessions. The day will conclude with an informal dinner allowing participants to continue to share thoughts with peers.

MONDAY, MARCH 8TH

7:00 - **CONTINENTAL BREAKFAST AND REGISTRATION**
8:00 AM

8:00 - **WELCOME AND INTRODUCTORY REMARKS**
8:05 AM

Barbara Munder
Executive Director
Institutional Investor Memberships
New York, NY

Gregory T. Williamson
Chief Investment Officer
Director, Trust Investments
BP America Inc.
Warrenville, IL

8:05 - **ASSISTANT SECRETARY OF LABOR PHYLLIS BORZI SPEAKS OUT**
8:35 AM

The U.S. Labor Department's Employee Benefits Security Administration has a full agenda for 2010 including possible rule changes/clarifications for ERISA plans, health plans and other welfare benefit plans that provide benefits to approximately 150 million Americans. Phyllis C. Borzi, Assistant Secretary of Labor of EBSA will provide insights into what is in the offing.

Phyllis C. Borzi
Assistant Secretary of Labor for Employee Benefits Security Administration (EBSA)
Department of Labor
Washington, DC

8:35 - **THE FED AT A CROSSROADS**
9:05 AM

Over the past two years, the Federal Reserve has moved aggressively to stabilize the financial system, devising novel programs and drawing on innovative tools. While it is now preparing an orderly exit from its emergency support role, it is also seeking new supervisory powers--even as its independence has come under attack. Fed Governor Kevin Warsh will provide his perspective.

Gregory T. Williamson *Moderator*

Kevin M. Warsh
Member, Board of Governors
Federal Reserve System
Washington, DC

9:05 - **VIEWS FROM WASHINGTON**

10:00 AM

Congress is tackling a number of issues that could have a significant impact on corporate pension plans. With regulatory reform a top agenda item in Washington this spring, the panel will explore a number of the legislative and regulatory proposals that are currently being discussed by the House and Senate and also by key regulatory bodies. Issues that the panel will discuss include tax proposals (tax havens, transaction tax and carried interest), resolution authority, OTC derivatives legislation, securitization, custody rules for advisers, investor protection and short selling.

D. Brooke Harlow *Moderator*
Executive Vice President and Managing Director
Managed Funds Association (MFA)
New York, NY

Darcy E. Bradbury
Managing Director
D.E. Shaw & Co.
New York, NY

Annette L. Nazareth
Partner
Davis Polk & Wardwell LLP
Washington, DC

T. Timothy Ryan, Jr.
President and CEO
SIFMA (Securities Industry and Financial Markets Association)
New York, NY

10:00 - **COFFEE BREAK**

10:30 AM

10:30 - **THE HEDGE FUND INDUSTRY IN FLUX: *The Founders' Panel***

11:30 AM

The crisis in the credit markets and the poor returns tallied by many hedge funds has resulted in growing questions about the hedge fund sector. How many funds will have closed up shop as a result of the Great Recession? What kinds of funds will survive the shakeout? How are hedge funds coping with challenges to some of their basic building blocks, including prime brokers, leverage, short selling, and lockups on investor funds? This panel of hedge fund founders will share their views on the state of their industry and provide their perspective on where the best opportunities are going forward.

Harvey Shapiro *Moderator*
Senior Advisor
Euromoney Institutional Investor PLC
New York, NY

Daniel Och
CEO
Och-Ziff Capital Management
New York, NY

John Paulson
President & Portfolio Manager
Paulson & Co.
New York, NY

Gregory T. Williamson
Chief Investment Officer
Director, Trust Investments
BP America Inc.
Warrenville, IL

11:30 - **CREDIT OPPORTUNITIES**

12:30 ^{PM}

Some investors moved up the risk curve in pursuit of higher returns on their fixed income portfolios and now they are rethinking their strategy. Some investors have found themselves involuntarily holding distressed debt, while others have been flocking to this segment of the market in pursuit of outsized returns. What kind of credit opportunities are most attractive at this juncture?

Richard Charlton *Moderator*
Chairman & Chief Executive Officer
NEPC
Cambridge, MA

Joshua Friedman
Founding Partner, Co-Chairman, Co-CEO
Canyon Capital Advisors, LLC
Los Angeles, CA

Paul E. Singer
Founder & Principal
Elliott Management Corporation
New York, NY

David Wiederecht
President – Investment Strategies
GE Asset Management Incorporated
New York, NY

12:30 - **SEATED LUNCHEON & FEATURED SPEAKER**

2:00 ^{PM}

Regulatory/Legislative Reform: How Much? When?

For 3 years, Harvey J. Goldschmid, as an SEC Commissioner, sat at the epicenter of financial regulation. Now when the SEC's very existence is under attack, Harvey J. Goldschmid will share his views on what we might expect to see and when.

Harvey J. Goldschmid
Dwight Professor of Law, Columbia Law School
Former Commissioner, United States Securities & Exchange Commission
New York, NY

2:00 - **FACE TO FACE WITH ANDREW LO**

2:45 ^{PM}

In his role as a professor of finance at MIT as well as the chief investment strategist at AlphaSimplex, Andrew Lo has challenged a number of investment management rules. He has offered fresh ideas on the ways markets work and the approaches that hedge funds need to pursue in order to capitalize on opportunities in assorted markets. This session will provide an opportunity to hear from one of the most original thinkers in investment management.

Andrew Lo, Ph.D.

*Chairman and Chief Investment Strategist, AlphaSimplex Group, LLC
Professor of Finance, MIT Sloan School of Management
Cambridge, MA*

2:45 - **COFFEE AND PORTFOLIO CONSTRUCTION: Discussion Groups**

4:00 PM

These discussion groups – co-led by an investor and a hedge fund manager – will explore the opportunities in constructing a pension plan’s hedge fund portfolio and the prevailing pitfalls and how best to avoid them post the financial crisis.

Group I:

Keith R. Watson

*Director, Pension Investments
Textron Inc.
Providence, RI*

Stephen J. Symonds

*Executive Vice President
Pershing Square Capital Management, LP
New York, NY*

Group II:

Caren Bianco, CFA, FSA

*Director of Investments
PricewaterhouseCoopers
New York, NY*

Robert Brady

*Director of Institutional Sales
Brigade Capital Management
New York, NY*

Group III:

Maria V. Tarhanidis

*Director – Hedge Fund Strategies
MetLife
Morristown, NJ*

Timothy G. Gullickson, CFA

*Managing Director-Institutional
Business Development
Stark Investments
St. Francis, WI*

Group IV:

Barbara Lupo

*Director of Pension Investments
Advance Publications
New York, NY*

Jordan Foster

*Head of Marketing-North America
Marshall Wace
Greenwich, CT*

4:00 - **PREPARING YOUR PORTFOLIO FOR INFLATION**

5:00 PM

Many investors have become increasingly concerned that inflation could rise to levels last seen in the 1970s. Meanwhile, others think deflation is in the offing. How can you best judge how your portfolio will behave under different levels of inflation or deflation? What investments can protect your portfolio under each scenario?

C. Shane Schurter *Moderator*

*Associate
EnnisKnupp
Chicago, IL*

James L. Haskel

*Portfolio Strategist
Bridgewater Associates
Westport, CT*

Cameron Richards

*Head of Real Assets
Albourne America LLC
Toronto, Ontario*

James Tormey
Strategy Specialist, Global Tactical Asset Allocation
Tudor Investment Corporation
Greenwich, CT

Charles Van Vleet
Director, Pension Investments
United Technologies Corporation
Hartford, CT

5:00 - **LEFT TAIL HEDGING STRATEGIES**

6:00 ^{PM}

Recent events in the financial markets have heightened concern about the events or developments that are on the “tail” of the distribution curve representing potential investment outcomes. Left tail risks, i.e. downside risks, may have limited probabilities of occurring, but they also have the potential to generate sizable losses. How can investors protect their portfolio against a broad assortment of these risks? To what extent can an investor actually hedge against many of these risks, what is the cost of hedging, and are the costs worth the benefits?

Bruce Ruehl *Moderator*
Principal
Aksia LLC
New York, NY

Clifford S. Asness
Managing and Founding Principal
AQR Capital Management, LLC
Greenwich, CT

Peter Bernard
Chief Risk Officer
D.E. Shaw & Co.
New York, NY

Max Darnell
Partner & CIO
First Quadrant
Pasadena, CA

Thomas H. Weaver, CFA
Managing Director
FrontPoint Partners | Morgan Stanley
Greenwich, CT

6:00 - **COCKTAIL RECEPTION AND BUFFET**

7:30 ^{PM}

ALTERNATIVES ROUNDTABLE CONCLUDES

INSTITUTIONAL INVESTOR INSTITUTE

A Brave New World

Fat tails, rising correlations, and vast departures from expected returns have put asset allocation strategies into a tail spin. There is greater emphasis than ever on managing risks and ensuring

liquidity. Some believe these difficult times for defined benefit plans will lead to another wave of plan closings and freezes. Meanwhile, the task of pension management is being challenged by continuing uncertainty in the markets as well as the prospect of regulatory changes.

The 2010 Corporate Funds Roundtable will explore the forces that are reshaping the pension world and examine how corporate plans are responding. Plan sponsors, consultants, asset managers, and those who legislate and regulate in this arena will share their perspectives.

TUESDAY, MARCH 9TH

7:30 - **CONTINENTAL BREAKFAST AND REGISTRATION**

8:30 AM

8:30 - **WELCOME AND INTRODUCTORY REMARKS**

8:45 AM

Barbara Munder

Executive Director

Institutional Investor Memberships

New York, NY

Daniel E. O'Grady

Executive Director – Investments

AT&T Inc.

Dallas, TX

8:45 - **CHARTING UNCERTAIN WATERS: AN ECONOMIC DEBATE**

9:35 AM

The world economy has been passing through one of the most troubled periods since the Great Depression. The consensus is that the U.S. is coming out of its recession, but what will be the nature of the recovery? How vigorous will it be and who may not be part of it? What are the prospects of a double dip? And how will financial markets respond to what happens in the “real” economy?

Harvey Shapiro *Moderator*

Senior Advisor

Euromoney Institutional Investor PLC

New York, NY

Richard B. Hoey

Chief Economist

BNY Mellon

New York, NY

Donald L. Luskin

Chief Investment Officer

Trend Macrolitics LLC

Menlo Park, CA

9:35 - **MANAGING PENSION ASSETS: THE NEW PARADIGM**

10:30 AM

As a result of pension reform and recent market volatility, asset allocation, risk management and pension organizational structures are in a state of flux. Some pension plan sponsors have been moving away from long term investing and become more short term oriented. Others have taken a risk approach to asset allocation. What is the latest thinking regarding managing pension assets and what are the implications for how you organize, staff and compensate your team? What are the resultant ERISA issues?

Harvey Shapiro *Moderator*

Martin L. Leibowitz

Managing Director

Morgan Stanley

New York, NY

Daniel E. O'Grady
Executive Director – Investments
AT&T Inc.
Dallas, TX

10:30 - **COFFEE BREAK**

11:00 AM

11:00 - **ASSET ALLOCATION: Discussion Groups**

12:00 PM

Small, informal discussion groups, each co-led by a plan sponsor and an asset manager, will explore asset allocation practices in today's environment.

Group I:

David A. Meade
General Manager, Pension Investments
Shell Oil Company
Houston, TX

Kevin D. Welsh
Senior Managing Director
Kayne Anderson Capital Advisors, L.P.
Los Angeles, CA

Group II:

Walter C. Kress
Executive Director
JPMorgan Retirement Plan
New York, NY

Edmund M. Grant, CFA
Institutional Client Service
Delaware Investments
Philadelphia, PA

Group III:

Lincoln Keyes Walworth
Director of Investments
California State Automobile
Association
Walnut Creek, CA

Kevin O'Connor
Executive Director
UBS Global Asset Management
Boston, MA

Group IV:

Barbara A. Kontje
Director, Retirement Plan Investments
American Express
New York, NY

Susan Lucas
*Managing Director, Head of
Institutional Sales*
Allianz Global Investors
New York, NY

12:00 - **SEATED LUNCHEON & FEATURED SPEAKER**

1:45 PM

The Road from Ruin

Matthew Bishop, American Business Editor and New York Bureau Chief for *The Economist* and co-author of *The Road from Ruin: How to Revive Capitalism and Put America Back on Top* will tackle the big question of now what? He honed his expertise of American capitalist markets as the author of several *Economist* special survey supplements, including "Kings of Capitalism," an influential analysis of the private-equity industry, and "Capitalism and its Troubles," an examination of the flaws in the system that led to the current crisis.

Matthew Bishop
American Business Editor and New York Bureau Chief, The Economist

1:45 - **SIMULTANEOUS SESSIONS:**

2:45 PM

I. PENSIONS RISK MANAGEMENT OVERHAUL I: *Governance*

How are investors incorporating good governance practices into their risk management procedures? This panel will look at funding, sponsor, fiduciary, regulatory, compliance and reporting risk practices.

Jane A. Western *Moderator*
Managing Director - Risk Management & Trust Operations
The Boeing Company
Chicago, IL

Julie Glynn
Senior Investment Officer
United Technologies Corporation
Hartford, CT

Carl A. Hess
Global Head of Investment Consulting
Towers Watson
New York, NY

Paulo Peres
Director of Risk Management, USA
EIM Management USA, Inc.
New York, NY

II. EMERGING MARKET OPPORTUNITIES

Where should investors look for the upturn in global markets? Is the U.S. still the one and only locomotive in the global economy? Or are other nations likely to lead the next upturn in the global economy? How can investors determine which markets will turn up first and position themselves to capitalize on these opportunities?

Cynthia F. Steer *Moderator*
Managing Director, Chief Research Strategist and Head of Beta Research
Rogerscasey
Darien, CT

Joyce Chang
Managing Director, Global Head of the Emerging Markets and Credit Research
JP Morgan
New York, NY

Devan Kaloo
Head of Global Emerging Markets
Aberdeen Asset Management Inc.
London, UK

Nicholas Rohatyn
Chief Executive Officer & Chief Investment Officer
The Rohatyn Group
New York, NY

Charles Van Vleet
Director, Pension Investments
United Technologies Corporation
Hartford, CT

2:45 - **SIMULTANEOUS SESSIONS:**

3:45 ^{PM}

I. PENSION RISK MANAGEMENT OVERHAUL II: *Investments*

As a result of the financial crisis, investors are now focused on improving investment risk practices. This session will explore ALM and market risk, credit and counterparty risk, as well as liquidity risk.

Karyn L. Williams, Ph.D. *Moderator*

Managing Director
Wilshire Associates
Santa Monica, CA

Amiel Goldberg

Chief Risk Officer
GE Asset Management
Stamford, CT

Jonathan Hudacko

Executive Director & Head of Multi-Asset Class Risk Group
MSCI Barra
Berkeley, CA

Randy L. Price

Director of Retirement Plan Investments
Michelin North America, Inc.
Greenville, SC

Mark R. Szycher

Vice President, Enterprise Risk Management
Promark Global Advisors, Inc.
New York, NY

II. SECURITIES LENDING: THE NEW WORLD ORDER

After being billed as the only free lunch in investing, securities lending had its challenges during the credit crisis. The lending side of the transaction withstood the default of Lehman and other major counterparty concerns with no losses, but cash collateral management strategies suffered from liquidity issues and defaults. What should plans be thinking now? How do you structure a program tailored to your plans specific risk profile? Will there be continuing efforts to unbundle the respective functions (custody, lending and cash collateral management)? What are the challenges and opportunities inherent in the evolving securities lending structure? Panelists will describe how securities lending is evolving and how investors should respond to the new configuration of the industry.

Peter J. Bassler *Moderator*

Managing Director
eSecLending
Boston, MA

Joe Benevento

Managing Director
Deutsche Bank
New York, NY

Greg S. Korte
Principal
Korte & Associates Consulting LLC
Gig Harbor, WA

Brian Luedtke, CFA
Manager - Public Markets
Qwest Asset Management Company
Denver, CO

Michael P. McAuley
Senior Managing Director & Head of Product Development & Tax
State Street Corporation
Boston, MA

3:45 - **COFFEE BREAK**
4:15 PM

4:15 - **SIMULTANEOUS SESSIONS:**
5:15 PM

I. PENSION RISK MANAGEMENT OVERHAUL III: OPERATIONAL RISKS

How should investors assess the operational risks of investment managers and other service providers? What signals might flag organizational weaknesses, a poor control environment, or potential for fraud?

Freeman Wood *Moderator*
Principal & Director of the Americas Team, Mercer Sentinel® Group
Mercer Investment Consulting
Chicago, IL

Lori Murphy Barton, CA, CFA
Managing Director and Partner
Castle Hall Alternatives
Montreal, Canada

Leslie Rahl
Founder and Managing Partner
Capital Market Risk Advisors (CMRA)
New York, NY

II. CONSIDERATIONS IN IMPLEMENTING AN LDI PORTFOLIO

Spurred by balance sheet issues, the prospect of further accounting rule changes, more mature pension plans and plan freeze in some cases, an increasing number of defined benefit plans are using liability-driven investing (LDI) strategies. These strategies most often have as a primary objective to mitigate volatility in funded status or year-on-year contributions while not sacrificing return to the extent possible. Since around half of a typical active plan's asset-liability volatility comes from interest rate risk, an LDI strategy seeks to create an investment portfolio that reduces this risk. There are many potential liability-driven fixed income tools available, but since most pension plans use a corporate yield curve to discount their liabilities that is essentially uninvestable, each is likely to be an imperfect match to how liabilities change. The events of 2008 and 2009 showed how imperfect some of these tools can be. Basis risk, size of the investable universe, liquidity, counterparty risk became much more important considerations. Looking forward, what sort of LDI strategies will be most effective? Is tactical timing appropriate for LDI portfolios

and why are some of the largest plans still holding out? What LDI skills, expertise, and monitoring tools do plan sponsors require from their consultants and asset managers?"

Martin A. Jaugietis, CFA *Moderator*

Senior Consultant
Russell Investments
New York, NY

Pierre Couture, A.S.A., E.A., M.A.A.A.

Vice President and Senior Actuary
ING Investment Management
New York, NY

Jeanmarie C. Grisi

U.S. Chief Investment Officer
Alcatel-Lucent
Murray Hill, NJ

Ross A. Junge, CFA

Senior Vice President of Investments
Aviva Investors North America, Inc.
Des Moines, IA

5:15 - **COCKTAIL RECEPTION**

6:00 PM

6:00 - **FORMER CORPORATE CIOs SPEAK OUT**

7:00 PM

There is much wisdom to be gained from those who have sat at the epicenter of the corporate pension funds world. Last year's highly acclaimed panel, which brought together those who formerly held leadership positions investing corporate pension assets during the boom period of the defined benefit era, will be repeated with another set of former corporate plan leaders. During this conversation we will not only garner their perspectives on the investment landscape, but also hear their views on plan governance and staffing as well as other important pension fund issues.

Barbara Munder *Moderator*

William F. Quinn

Former Chief Investment Officer, American Airlines
Chairman, American Beacon Advisors
Ft. Worth, TX

Mark Schmid

Former Chief Investment Officer, The Boeing Company
Chief Investment Officer, University of Chicago
Chicago, IL

Jay Vivian, CFA

Former Chief Investment Officer, IBM Retirement Funds
Managing Principal, Corn Hill Associates
Stamford, CT

7:00 - **BUFFET DINNER**

8:00 PM

WEDNESDAY, MARCH 10TH

8:00 - **CONTINENTAL BREAKFAST: A PRIVATE CONVERSATION: *Corporate Plan Sponsors***
9:00 ^{AM}

At this year's Roundtable, time has been set aside for informal dialogue among corporate plan sponsors. Issues for discussion will be designated in advance, based upon audience suggestions. A plan sponsor will lead the dialogue.

Jeanmarie C. Grisi
U.S. Chief Investment Officer
Alcatel-Lucent
Murray Hill, NJ

8:30 - **CONTINENTAL BREAKFAST: *Asset Managers***
9:00 ^{AM}

9:00 - **FACE TO FACE WITH VANGUARD CEO WILLIAM McNABB**
9:45 ^{AM}

The financial crisis has significantly altered the financial markets as well as the economic landscape. Investors now face a range of new challenges and new opportunities. How will they respond? How should they respond? Vanguard CEO William McNabb will talk about what has changed and—importantly—what has not in the investment marketplace.

F. William McNabb III
Chairman, President and CEO
Vanguard
Malverne, PA

9:45 - **COFFEE BREAK**
10:15 ^{AM}

10:15 - **FIXING THE RETIREMENT SYSTEM**
11:15 ^{AM}

Is the defined benefit plan dead? Has the 401(k) failed Americans? Can the system be repaired through nips and tucks, or are more sweeping changes needed. What might the future retirement system look like? Thought leaders with diverse views will share their perspectives.

Roger S. Williams, CFA *Moderator*
Managing Director, Head of Defined Contribution Consulting
Rogerscasey
Darien, CT

Thomas J. Fontaine
Global Head, Defined Contribution Investments
AllianceBernstein
New York, NY

Robert Reynolds
President and Chief Executive Officer
Putnam Investments
Boston, MA

11:15 - **AFTER THE MELTDOWN: INVESTING FOR WHAT COMES NEXT**
12:15 ^{PM}

The meltdown in the financial markets will be followed by (a) an era of low returns,

(b) rapid market appreciation, (c) extreme market volatility, or (d) who knows? What should investors expect from the financial markets going forward and how can they position portfolios to capitalize on market developments? This panel of investment experts will share their ideas about likely scenarios, and they will spell out the steps astute investors must take in order to capitalize on opportunities while limiting risks.

Michael P. Manning, CFA, CAIA *Moderator*

President

NEPC

Cambridge, MA

Richard Bernstein

CEO

Richard Bernstein Capital Management LLC

New York, NY

Blake R. Grossman

Vice Chairman, Head of Scientific Equities

BlackRock

San Francisco, CA

12:15 - **BUFFET LUNCHEON**

1:00 PM

ROUNDTABLE CONCLUDES