



**INSTITUTIONAL INVESTOR INSTITUTE
HEDGE FUND INSTITUTIONAL FORUM**

THE NEW DIMENSIONS OF RETIREMENT PLANS

The Metropolitan Club ♦ New York City, New York
November 10, 2009

Advisory Board

Susan Carson

Director of Pension Management
Consolidated Edison

Ray Hägg

Director, Global Retirement Programs
CBS Corporation

Georgette Gestely

Director, Pre-Tax Benefit Programs
New York City Deferred Compensation Plan

Colleen Ostrowski

Senior Director - Pension Investments & Finance
Pfizer, Inc.

Marie Pillai

Vice President, Chief Investment Officer
General Mills Inc.

The present 401(k) system is "paralyzed" by the financial crisis. A complete redesign is a "very, very high priority".

*- House Education and Labor Committee Chairman **George Miller** (D-CA)*

"If there is no action, there will be massive [DB plan] freezes" due to the "enormous amount of money required by law to be put into plans."

*- **Kent Mason**, counsel to the American Benefits Council*

After the Meltdown: Rethinking the U.S. Retirement Savings Model

The combination of sweeping demographic change and devastation in the investment markets is bringing far-reaching changes to the world of retirement savings and pension plans. The funded status of many defined benefit plans has been severely impacted by the financial crisis, and plan sponsors must decide how they will respond. The defined contribution market is in the throes of equally sweeping soul searching as plan participants contemplate sizable investment losses. Where is the retirement income system headed, and how will it get there?

At this one-day roundtable, corporate and public plan sponsors will come together with asset managers and benefits consultants to analyze emerging retirement plan structures and examine how each of the players can respond to the changing retirement plan environment. Using a combination of presentation, case studies and informal discussion groups, participants will have an opportunity to exchange ideas and share experiences.

7:00 – REGISTRATION & CONTINENTAL BREAKFAST

8:00 AM *President's Hallway (3rd Floor)*

8:00 – WELCOME AND INTRODUCTORY REMARKS

8:05 AM *Main Dining Room (3rd Floor)*

Barbara Munder

Executive Director

Institutional Investor Memberships

New York, NY

8:05 – FIXING THE RETIREMENT SYSTEM

9:15 AM *Main Dining Room (3rd Floor)*

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.

Harvey Shapiro *Moderator*

Senior Advisor

Euromoney Institutional Investor PLC

New York, NY

Zvi Bodie

The Norman and Adele Barron Professor of Management

Boston University

Boston, MA

Teresa Ghilarducci

Bernard L. and Irene Schwartz Chair of Economic Policy Analysis

The New School for Social Research

New York, NY

Mauricio Soto

Technical Assistance Advisor

International Monetary Fund

Washington, DC

9:15 – REGULATION AND LEGISLATION: WHAT'S ON THE HORIZON?

10:15 AM *Main Dining Room (3rd Floor)*

Both the Obama Administration and the Congress have put a high priority on seeking changes in the nation's retirement income system. Legislative proposals have been drafted directed at everything from mandatory and automatic DC plan enrollment and qualified default investment alternatives to fee disclosure rules and guidelines for giving advice to DC plan participants. What is the outlook for these proposals? How should plan sponsors prepare for them? How will regulators respond if plan sponsors continue to suspend the 401(k) match or freeze DB benefits?

Harvey Shapiro *Moderator*

Beth Almeida

Executive Director

National Institute on Retirement Security

Washington, DC

Michael L. Davis
Deputy Assistant Secretary
Employee Benefits Security Administration (EBSA)
Department of Labor
Washington, DC

James M. Delaplane, Jr.
Partner
Davis & Harman LLP
Washington, DC

Debra B. Whitman, Ph.D.
Staff Director
Senate Special Committee on Aging
Washington, DC

10:15 – COFFEE BREAK
10:45 AM *President's Hallway (3rd Floor)*

10:45 – OFFERING THE RIGHT CHOICES: DISCUSSION GROUPS
12:00 PM *Morgan Room, Sturgis Room, Morton Room (3rd Floor), Governors' Room (2nd Floor)*

As a result of the losses suffered by many DC plan participants, sponsors are rethinking the array of choices they are offering. How important is it to provide inflation protection, and how well do TIPS, commodities funds, and REITs fulfill this function? Should plan sponsors continue to emphasize target date retirement mixtures, or seek to guide participants in other directions? Small group discussions, each co-led by a plan sponsor and a consultant, will explore a range of asset classes and investment vehicles, and examine the role each might play in the new financial realities facing DC plans.

Susan Carson
Director of Pension Management
Consolidated Edison
New York, NY *Leader*

Lori Lucas, CFA
Executive Vice President and
Defined Contribution Practice
Callan Associates, Inc.
Chicago, IL

Mary Jo Green
Senior Vice President & Treasurer
Sony Corporation of America
New York, NY

Philip J. Suess, CFA
Worldwide Partner
Mercer Investment Consulting Inc.
Chicago, IL

Terrence Bertrand
Director, Investment Management
National Grid USA
Brooklyn, NY

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

Barbara Lupo
Director of Pension Investments
Advance Publications
New York, NY

Michael A. Sasso
Principal & Co-Founder
Portfolio Evaluations, Inc.
Warren, NJ

12:00 – LUNCHEON
1:15 PM *Governors' Room (2nd Floor)*

1:15 – SIMULTANEOUS SESSIONS:

2:15 PM

I. TARGET DATE MATURITY FUNDS: BOOM OR BUST?

Main Dining Room (3rd Floor)

The growing conviction that target date strategies was the right approach for many DC plan participants was undermined by the market meltdown of 2008. Many observers felt that target date approaches held too much equity and failed to provide participants with adequate protection. What is the right glide path for target date maturity funds? Can they be expected to cope with exceptional events like the '08 market decline? What should the next generation of target date products look like?

Carl A. Hess *Moderator*

*Global Head of Investment Consulting
Watson Wyatt Investment Consulting
New York, NY*

Georgette Gestely

*Director, Pre-Tax Benefit Programs
New York City Deferred Compensation Plan
New York, NY*

Craig L. Israelsen, Ph.D.

*Associate Professor
Brigham Young University
Provo, UT*

II. THE LDI DILEMMA: IF YOU HAVEN'T, WHEN?

Morgan Room (3rd Floor)

Defined benefit plan which implemented liability- driven investment strategies (LDI) fared well last year, providing further enhancement for this approach. Spurred by balance sheet and accounting issues as well as investment perspectives, more than 20 percent of defined benefit plans currently use LDI strategies, and a similar percentage are considering doing so, according to one survey of plan sponsors. What has been the experience of those in the LDI camp? For those considering this approach, is now the right time to implement an LDI strategy?

Steven F. Charlton, CFA *Moderator*

*Director of Consulting Services
NEPC
Cambridge, MA*

Jeanmarie C. Grisi

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

Martin A. Jaugietis, CFA

*Senior Consultant
Russell Investments
New York, NY*

Marie Pillai

*Vice President, Chief Investment Officer
General Mills Inc.
Minneapolis, MN*

2:15 – COFFEE BREAK
2:45 PM *President's Hallway (3rd Floor)*

2:45 – SIMULTANEOUS SESSIONS:
3:45 PM

I. JUST SIGN HERE
Main Dining Room (3rd Floor)

Most studies show that plan sponsor efforts to encourage employee participation in DC plans, through such measures as automatic enrollment, simplified plan choices, and default investment vehicles have significantly improved plan enrollments and investing levels. Nonetheless, there are still substantial numbers of workers who do not participate in retirement plans or contribute only minimal amounts. What new ideas are there to help improve participant rates, contribution levels, and the quality of investment decisions? How can employers be most effective in advising employees?

Eric Levy *Moderator*
Retirement Business Leader - Outsourcing
Mercer
Norwood, MA

P. Brett Hammond
Managing Director and Chief Investment Strategist
TIAA-CREF
New York, NY

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

II. AFTER THE CRASH: HANDLING THE DB SHORTFALL?
Morgan Room (3rd Floor)

The 2008 market meltdown reduced the funding level at many DB plans. And the economic downturn has meant that many plan sponsors are hardly eager to make sizable DB plan contributions. How will plan sponsors seek to close the growing funding gap? Will these circumstances lead to an increase in plan closings and freezes, or has the worst of that migration passed? Will more companies opt to develop hybrid plans, which are seen as a viable alternative to a pure defined contribution plan? Or is this the time for Hail Mary investments?

Harvey Shapiro *Moderator*

Keith Brainard
Research Director
National Association of State Retirement Administrators (NASRA)
Georgetown, TX

Carrie Lombardo
Chief Marketing & Employer Services Officer
Michigan Municipal Employees Retirement System
Lansing, MI

3:45 – WHAT ROLE ANNUITIES?

5:00 PM *Main Dining Room (3rd Floor)*

After years of focusing largely on the accumulation phase of DC plans, there is now growing interest in the distribution phase. But what is the best alternative to lump sum distributions: Systematic withdrawals using mutual funds or some form of annuitization? What's best for plan participants and plan sponsors? How can such concerns as insurance company default risk, cost, transparency, and fiduciary oversight be resolved? And what can be done to diminish plan participant's traditional antipathy to annuities?

Robyn R. Credico *Moderator*

National Director, Defined Contribution Consulting
Watson Wyatt Worldwide
Arlington, VA

Ray Hägg

Director, Global Retirement Programs
CBS Corporation
New York, NY

David C. John

Senior Research Fellow in Retirement Security and Financial Institutions
The Heritage Foundation
Washington, DC

5:00 PM COCKTAIL RECEPTION

Courtyard Lounge (Main Level)

ROUNDTABLE CONCLUDES