



**INSTITUTIONAL INVESTOR INSTITUTE  
HEDGE FUND INSTITUTIONAL FORUM**

***PUBLIC FUNDS ROUNDTABLE***

Barton Creek Hotel ♦ Austin, TX  
April 21-23, 2010

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*Chief Investment Officer*  
Utah Retirement System

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Operating Engineers Funds Inc.

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## HEDGE FUND INSTITUTIONAL FORUM

### *The New Alternatives Landscape*

Two-thirds of all hedge funds lost money in 2008, sparking massive redemptions by investors and dimming the luster of hedge fund managers. While solid performance in 2009 has calmed nerves, many investors remain troubled by gates, side pockets and high fees. What changes will hedge funds make in investment strategies and management practices as they seek to shore up investor confidence? How will investors respond to the hedge fund travail?

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.

#### **WEDNESDAY, APRIL 21<sup>ST</sup>**

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*

**Bruce H. Cundick**

*Chief Investment Officer*

Utah Retirement System

*Salt Lake City, UT*

8:45 - **REGULATORY/LEGISLATIVE REFORM: WHAT CAN WE EXPECT FROM CONGRESS AND THE U.S.**

9:30 AM **DEPARTMENT OF LABOR**

During the fall, lawmakers have been drafting and reworking legislation to reform the financial system. Reform proposals look at derivatives, consumers, bank regulation, the FED, too big to fail, hedge funds among other areas. As a former member of the U.S. House of Representatives and senior member of its Financial Services Committee, Richard H. Baker developed a deep understanding of the issues impacting the economy, capital markets, housing and mortgage finance, retirement security and other areas of financial services. As President and CEO of Managed Funds Association, he is playing a central role in the dialogue as policymakers and regulators begin consideration of the financial regulatory landscape. What does he see on the horizon? How will the Obama Administration and Congress, approach regulatory reform? What does it all mean for the alternative investment participants, and for the broader investor community? Former Congressman Richard Baker will share his perspective.

**Richard Baker**

*President and Chief Executive Officer*

Managed Funds Association

*Washington, DC*

9:30 - **THE HEDGE FUND INDUSTRY IN FLUX: FEES, TERMS AND CONDITIONS**

10:30 AM

After a year marked by losses and redemptions at many hedge funds, a dramatic reappraisal of the industry is underway. What kinds of funds have survived the shakeout? How are hedge funds coping with challenges to some of their basic building blocks, leverage, short selling, and lockups on investor funds? How are hedge funds being affected by the shakeup in prime brokers? And what about the insider trading scandals? This

panel of hedge fund founders will share their views on the state of their industry and offer perspectives on where the industry is headed.

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

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

**Timothy Barrett, CFA**  
*Executive Director, Chief Investment Officer*  
San Bernardino CERA  
San Bernardino, CA

**Clint Carlson**  
*Chief Investment Officer and Founder*  
Carlson Capital, L.P.  
Dallas, TX

**Larry Robbins**  
*Founder and CEO*  
Glenview Capital  
New York, NY

10:30 - **COFFEE BREAK**  
11:00 AM

11:00 - **SHAPING YOUR PORTFOLIO FOR 2010 AND BEYOND: DISCUSSION GROUPS**  
12:00 PM

These discussion groups – co-led by an investor and a hedge fund manager – will explore the critical issues involved in constructing a hedge fund portfolio that meets the needs of a pension plan.

12:00 - **SEATED LUNCH AND FEATURED SPEAKER**  
2:00 PM

***THE AGE OF THE UNTHINKABLE***

Managing Director at Kissinger Associates and author of *The Age of the Unthinkable*, Joshua Cooper Ramo has been called “one of China’s leading foreign-born scholars” by The World Economic Forum. Questioning conventional thinking, Ramo puts forth a radical new model for thriving in a world of unexpected change. Prior to entering the strategic advisory business, Ramo was an award-winning journalist and the youngest-ever Foreign Editor of TIME magazine.

**Joshua Cooper Ramo**  
*Managing Director, Kissinger Associates*  
*Former Foreign Editor, Time Magazine*

2:00 - **INVESTMENT WORKSHOPS:**  
3:00 PM

## **INVESTMENT WORKSHOP I: COMMODITIES: INFLATION PROTECTION STRATEGIES**

The rationale for commodities was gaining ground before the market crash, and now it is being resurrected. Continuing growth in the emerging markets, particularly China and India, is boosting demand for commodities and strengthening prices. Moreover, any signs of inflation will drive investors to seek protection in commodities markets. If the case for commodities is convincing, what is the best way to invest – through active or passive approaches? Through derivative instruments or ETFs? And what sectors of the commodities markets offer the best opportunities?

**Michelle McCloskey**

*Head of New Alternatives, Hedge Fund Research*  
Man Investments  
New York, NY

**Christopher Nygaard**

*Managing Director*  
Vermillion Asset Management  
New York, NY

## **INVESTMENT WORKSHOP II: THE EMERGING PRIVATE EQUITY MODEL: ILLIQUIDITY AND FEES**

Today's private equity firms look as different as does the environment in which they invest. Increasingly firms are focusing on active ownership and intervention in their portfolio companies. Will this management model continue to bear fruit going forward? Where will the best opportunities lie, as overleveraged companies divest subsidiaries or companies seek capital infusions?

3:00 - **COFFEE BREAK**

3:30 PM

3:30 - **INVESTMENT WORKSHOPS:**

4:30 PM

## **INVESTMENT WORKSHOP I: COMMERCIAL REAL ESTATE: TAPPING INTO THE POTENTIAL 2010 BUST**

Many real estate experts believe the disaster in residential real estate markets is only a prelude to an even more expensive meltdown in commercial real estate. A PriceWaterhouseCoopers-Urban Land Institute study suggests that in 2010 the market will hit bottom with a decline in values that will be 40 to 50 percent below the 2007 market peak. Is this kind of crash in the offing? And should investors respond by rushing in to scoop up bargains or flee from an ongoing train wreck?

**Michael Brakebill**

*Chief Investment Officer*  
Tennessee Consolidated Retirement System  
Nashville, TN

**Jack Foster**

*Head of Real Estate*  
Franklin Templeton Real Estate Advisors  
New York, NY

**Margaret G. McKnight**

*Managing Director*  
Metropolitan Real Estate Equity Management, LLC  
San Francisco, CA

**Mansco Perry**  
*Chief Investment Officer*  
Maryland State Retirement & Pension System  
Baltimore, MD

**Catherine Polleys**  
*Principal*  
Ennis Knupp & Associates  
Chicago, IL

## **INVESTMENT WORKSHOP II: CREDIT OPPORTUNITIES IN 2010**

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?

**Andrew Feldstein**  
*Co-Founder, CEO/CIO*  
BlueMountain Capital Management LLC  
New York, NY

**Donald E. Morgan**  
*Founding/Managing Partner*  
Brigade Capital Management, LLC  
New York, NY

### 4:30 - **RISK MANAGEMENT BEST PRACTICES TO PREVENT A REPEAT OF 2008-09**

5:30 PM

As a result of the financial crisis, investors are paying much more attention to risk. This session will explore ways in which investors are responding to the new concerns about market risk as well as credit and counterparty risk and liquidity risk.

**Karyn L. Williams, Ph.D.**      *Moderator*  
*Managing Director*  
Wilshire Associates  
Santa Monica, CA

**David Ben-Ur, CFA**  
*Portfolio Manager and Director of Research*  
Corbin Capital Partners  
New York, NY

**Nigel D. Lewis**  
*Managing Director, Strategic Research and Risk Management*  
Teacher Retirement System of Texas  
Austin, TX

**David Villa**  
*Chief Investment Officer*  
State of Wisconsin Investment Board  
Madison, WI

### 6:00 - **RECEPTION & DINNER: "WELCOME TO TEXAS"**

9:00 PM *The Rock House at Barton Creek.*

Join us for an evening of live music, authentic Texas BBQ, and a putting contest.

**ALTERNATIVES ROUNDTABLE CONCLUDES**

# INSTITUTIONAL INVESTOR INSTITUTE

## *Coming to Grips with the New Realities*

Many of the nation's public employee retirement systems are caught in a vise: State and local governments have responded to their sizable budget gaps by seeking to minimize pension contributions even as the market meltdown has created large funding gaps at these plans. And in contrast to corporate employers, few governmental bodies are prepared to rein in their defined benefit plans. Some plans are pinning their hopes on achieving attractive investment returns. But there is growing conviction that the "new normal" in investment markets will be modest returns on many asset classes. How can public funds resolve the critical issues they face? What are the best investment strategies for limiting risk while also generating meaningful returns? How can the public fund governance structure get their constituencies to understand the new realities facing public employee retirement plans?

The 2010 Public Funds Roundtable will focus on these and other critical issues facing public plans, as plan sponsors, consultants, and asset managers share their perspectives.

### **THURSDAY, APRIL 22<sup>ND</sup>**

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*

**Anne M. Wagner**

*Chief Executive Officer*

Michigan Municipal Employees Retirement System

*Lansing, MI*

8:45 - **LESSONS LEARNED**

9:45 AM

The financial crisis has forced pension plans to reevaluate some basic investment tenets— from the efficient market hypothesis to the efficient frontier approach and from asset allocation principles to concepts of diversification. This panel of thought leaders will discuss what lessons should be learned from recent experiences and what changes can be expected in public fund practices.

**Harvey Shapiro** *Moderator*

*Senior Advisor*

Euromoney Institutional Investor PLC

*New York, NY*

**Timothy Barrett, CFA**

*Executive Director, Chief Investment Officer*

San Bernardino CERA

*San Bernardino, CA*

**Bruce H. Cundick**

*Chief Investment Officer*

Utah Retirement System

*Salt Lake City, UT*

**Thomas Britton Harris, IV**  
*Chief Investment Officer*  
Teacher Retirement System of Texas  
Austin, TX

9:45 - **INFLATION-PROTECTION STRATEGIES**

10:45 <sup>AM</sup>

Many economists are convinced that the massive economic stimulus packages unleashed not only in the U.S. but by governments around the world will inevitably bring an upsurge in inflation. How can investors protect themselves from an inflationary spiral? What are the merits of such investments as TIPS as well as commodities and other “real assets? And what if there is no inflation?

**Don C. Stracke, CFA**    *Moderator*  
*Senior Consultant*  
NEPC, LLC  
Redwood City, CA

**Jennifer Drake**  
*Investment Manager*  
GAM London  
London, UK

10:45 - **COFFEE BREAK**

11:15 <sup>AM</sup>

11:15 - **THE RETIREMENT PLAN OF THE FUTURE: DISCUSSION GROUPS**

12:15 <sup>PM</sup>

Will corporations take steps to slow the growth of benefits, move the pendulum away from DB and more toward DC, and go public with the yawning funding gaps that are opening up as a result of plan sponsors refusing to make adequate contributions? Small, informal discussion groups, each co-led by a plan sponsor and an asset manager, will explore the future of retirement plans.

12:15 - **LUNCH & FEATURED SPEAKER**

1:45 <sup>PM</sup>

*Economic Outlook with Dr. Larry Lindsey*

**Lawrence B. Lindsey**  
*Assistant to the President & Director of the National Economic Council, The White House (2001-2002)*  
*Governor, The Federal Reserve System, (1991 - 1997)*  
*Consultant, GE Asset Management*  
*President & CEO, The Lindsey Group*

An economist who has previously held leading positions in government, academia, and business—including as a Governor of the Federal Reserve System from 1991 to 1997—Dr. Larry Lindsey provides a global economic outlook focused on macroeconomic trends and events that significantly influence the performance of major economies and their financial markets. Areas of expertise include assessments of how these trends are heavily influenced by the monetary strategies of central banks, the fiscal and foreign policies of national governments, the investment strategies of financial firms, and the business strategies of non-financial firms. In addition, his unique experience provides valuable insight into how policymakers are likely to react to emerging pressures.

1:45 - **SIMULTANEOUS SESSIONS:**

2:45 <sup>PM</sup>

## **I: UPPING THE ANTE ON GOVERNANCE AND FIDUCIARY PRACTICES**

Public fund governance has been put under the microscope as a result of a range of problems, from staff turnover to pay-to-play scandals. How are public plans responding? Where are they turning for advice and counsel?

**Janice Hester-Amey**  
*Portfolio Manager*  
CalSTRS  
West Sacramento, CA

**Julian M. Regan**  
*Senior Consultant*  
Marco Consulting Group  
Boston, MA

**Anne M. Wagner**  
*Chief Executive Officer*  
Michigan Municipal Employees Retirement System  
Lansing, MI

## **II: SECURITIES LENDING: TURNS OUT THERE ARE RISKS**

For years, many believed that securities lending was the only free lunch in investing, but the credit crisis revealed a number of risks. And they were centered in one of the least likely places -- cash collateral management strategies -- that resulted in liquidity problems and defaults? So what should plan sponsors be thinking about securities lending now? What structures can protect lenders from the risks that have become visible? And what risks have yet to be recognized? Should the elements of securities lending -- from custody to lending and collateral management -- be unbundled? Or are more fundamental changes needed for those who want to lend securities?

**Peter J. Bassler**      *Moderator*  
*Managing Director*  
eSecLending  
Boston, MA

**Josh Galper**  
*Managing Principal*  
Finadium  
Concord, MA

**Suzanne Lee**  
*Senior Managing Director & Account Management, Information Delivery*  
State Street Corporation  
Boston, MA

**Jerry May**  
*Cash/ Securities Lending Officer*  
Ohio Public Employees Retirement System  
Columbus, OH

3:00 - **OPERATION GRATITUDE & FEATURED SPEAKER**

5:00 PM

The Mission: to show gratitude for the men and women serving overseas in the armed forces.

The Objective: to assemble a personalized care package for a soldier overseas by working in a team to overcome obstacles and find resources.

**Ret. Admiral Bob R. Inman**  
United States Navy  
Austin, TX

6:00 - **RECEPTION**

6:45 <sup>PM</sup> *Terrace*

6:45 - **KEYNOTE SPEAKER**

7:30 <sup>PM</sup> *Governor's Ballroom*

### ***Inside The Beltway with Charlie Cook***

The 2010 election campaigns are already underway. Charlie Cook, the publisher of *The Cook Political Report* and a political analyst for the National Journal Group, will provide a behind-the-scenes analysis of the upcoming elections and their implications for public policy. Cook's political analyses have been widely featured from *Good Morning America* and the *Today* show to *Nightline*, *Meet the Press* and *This Week*.

**Charlie Cook**  
*Publisher, The Cook Political Report*

7:30 - **DINNER**

9:00 <sup>PM</sup>

## **FRIDAY, APRIL 23RD**

8:00 - **BREAKFAST & FEATURED SPEAKER**

9:00 <sup>AM</sup>

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

9:00 - **A GLOBAL ENERGY CRISIS: ARE WE FACING A PARADIGM SHIFT?**

9:45 <sup>AM</sup>

At a time when the price of oil again edges upward, Peter Tertzakian, Chief Energy Economist of ARC Financial Corporation, explores why the world may be at a tipping point where growth of energy demand so outpaces the growth of demand that a paradigm shift is inevitable. Author of "A Thousand Barrels a Second," Tertzakian is a geophysicist, economist and historian who has been a featured guest on numerous radio and television shows.

**Peter Tertzakian**  
*Author, A Thousand Barrels a Second: The Coming Oil Break Point and the Challenges Facing an Energy Dependent World*  
*Chief Energy Economist, ARC Financial Corporation*  
*Calgary, Alberta*

9:45 - **COFFEE BREAK**

10:15 <sup>AM</sup>

10:15 - **SIMULTANEOUS SESSIONS:**

11:15 <sup>AM</sup>

## **I. MANAGING YOUR CONSTITUENCIES: HOW TO DEAL WITH LEGISLATORS, PLAN PARTICIPANTS, UNIONS AND THE PRESS**

Plan sponsors are trying an assortment of ways to revive their much-battered defined benefit pension funds. As they seek to explain their policies, how should they deal with their various stakeholders, from plan participants and their unions, to elected officials and the general public? What strategies can be implemented to make sure legislators and the media understand public fund issues?

**Merrie Spaeth**

*President*

Spaeth Communications

*Dallas, TX*

## **II. GLOBAL MARKETS: OPPORTUNITIES AND RISKS**

A growing percentage of investors are increasing their allocation to international markets according to a Bank of American/Merrill Lynch survey, making it currently the most desirable asset class. Which international markets offer the best investment returns? What and where are the risks to be avoided?

### **11:15 - INVESTING FOR WHAT COMES NEXT**

12:00 PM

The Great Recession will be followed by a recovery pattern that is shaped like – U, V, W, L, or a square root sign. Or will it be none of the above? What should investors expect from the financial markets going forward and how can they position portfolios to capitalize on the impending market developments? This panel of investment experts will share their ideas about likely scenarios and spell out the steps astute investors must take in order to capitalize on opportunities while limiting risks.

### **12:00 - BUFFET LUNCH**

1:00 PM

**ROUNDTABLE CONCLUDES**