

FALL FORUM 2017

NMS MANAGEMENT PRESENTS

The Investment Management Forum for Endowments & Foundations



Mandarin Oriental
Washington, D.C.
September 10 – 13, 2017

Fall Forum Faculty

FORUM HOST

Nancy M. Szigethy
Founder
NMS Management, Inc.

FORUM CHAIRMEN

Sally M. Dungan
Chief Investment Officer
Tufts University

Jeff Pippin
Senior Vice President &
Chief Investment Officer
Pepperdine University

Paula J. Volent
Senior Vice President for Investments
Bowdoin College

FEATURED SPEAKERS

Paul Tudor Jones II
Co-Chairman, Chief Investment Officer
Tudor Investment Corporation

Daniel S. Loeb
Chief Executive Officer
Third Point, LLC

Clifton S. Robbins
Chief Executive Officer
Blue Harbour Group, L.P.

Robert E. Rubin
Co-Chairman Emeritus
Council on Foreign Relations
Former Secretary of the U.S. Treasury

Jeremy C. Stein
Governor, Federal Reserve Board
(2012–2014)
Professor of Economics
Harvard University

Roger Bootle
Chairman
Capital Economics Ltd.

Chris Giles
Economics Editor
Financial Times

Katty Kay
Lead Anchor
BBC World News America

JP Pawliw-Fry
Emotional Intelligence (EQ)
Thought Leader
Leadership, Performance And
Change Expert

SPEAKER FACULTY

Kristin A. Agatone

Chief Investment Officer
Lehigh University

Prakhar Bansal

Managing Director of Strategy
The University of Chicago

Americo Cascella

Partner
Ares Management, LLC

Eli Casdin

Chief Investment Officer
Casdin Capital, LLC

Sumir Chadha

Managing Director
WestBridge Capital

Amy L. Chen

Chief Investment Officer
Smithsonian Institution

James G. Clarke

Senior Vice President,
Investments and Treasurer
Kansas University Endowment Association

KC Connors

Partner
NEPC, LLC

Greg DeNinno

Managing Director -
Private Investments
Howard Hughes Medical Institute

Adam Duncan

Head of Portfolio Modeling
and Quantitative Research
Cambridge Associates LLC

Ellen J. Ellison

Chief Investment Officer
University of Illinois Foundation

James J. Floyd

Vice President and
Chief Investment Officer
Claremont McKenna College

Graeme Forster

Portfolio Manager and Partner
Orbis Investments

Venky Ganesan

Managing Director
Menlo Ventures

Kate Gordon

Senior Advisor
Paulson Institute

Chris Halaska

Senior Vice President and
Chief Investment Officer
Memorial Hermann Health System

Alice W. Handy

President and Chief Executive Officer
Investure, LLC

Ben Inker

Head of Asset Allocation
GMO, LLC

Barry Kaplan

Director - Absolute Return & Commodities
National Railroad Retirement
Investment Trust

Stephen Kirk

Chief Investment Officer
Pelham Global Financials Ltd.

William D. Lee

Senior Vice President and
Chief Investment Officer
NewYork-Presbyterian Hospital

Michael J. Levitt

Chief Executive Officer
Kayne Anderson Capital Advisors, L.P.

Robert Litterman

Senior Partner
Kepos Capital, LP

Henry H. McVey

Head of Global Macro & Asset
Allocation and Private Markets Risk
CIO of the KKR Balance Sheet

Samuel Norvell

Associate Director,
Hedge Fund Investments
The Annie E. Casey Foundation

André F. Perold

Co-Founder, Managing Partner
and Chief Investment Officer
HighVista Strategies, LLC

Tushar Poddar

Macroanalyst
Wellington Management Company LLP

Andy Rothman

Investment Strategist
Matthews Asia

Rob Roy

Vice President/Chief Investment Officer
Adventist Health System

Puneet Saraogi

Co-Founder and Managing Partner
Bay Capital Partners LLP

Jonathan L. Shear

Chief Investment Officer
The University of Utah

Mas Siddiqui

Founder and Chief Investment Officer
Naya Capital Management UK Ltd.

Josh Stein

Partner
DFJ

Joshua B. Stern

Director of Private Investments
Robert Wood Johnson Foundation

Warren M. Stock

Director, Public Investments
Robert Wood Johnson Foundation

Antoine W. van Agtmael

Former Principal Founder and CEO
Emerging Markets Management LLC
Senior Adviser
Foreign Policy Analytics

Kathleen Vogelsang

Chief Investment Officer
Van Andel Institute

Andrew Weisman

Chief Investment Officer
Liquid Alternative Strategies
Windham Capital Management

Shawn D. Wischmeier

Chief Investment Officer
Margaret A. Cargill Philanthropies

Jamie Ziegler

Founder
JZA Coaching

Schedule

Sunday, September 10, 2017

4:00 pm - 5:00 pm

Early Registration

Early registration will be held in the Hotel Lobby

5:30 pm

Opening Reception

Please join us at the Opening Reception.

Monday, September 11, 2017

7:30 am

Forum Registration and Continental Breakfast

8:15 am

Welcome & Introductions

Nancy M. Szigethy, NMS Management, Inc.

Remarks from the
Forum Chairmen

Sally M. Dungan, Tufts University
Jeff Pippin, Pepperdine University
Paula J. Volent, Bowdoin College

8:30 am

Opening Address:
Challenges for Central Banks
in 2018 and Beyond

This presentation will touch on some of the key challenges facing the Federal Reserve and other global central banks in the coming year. Among the questions to be considered: what is the medium-term outlook for the U.S. and global economy? Are we really stuck in a world of secular stagnation, with growth prospects likely to remain subdued for the foreseeable future? If so, what does this imply for the path of policy rates, both in the U.S. and other developed countries? What are the likely impacts of the Fed's planned shrinkage of its large balance sheet? What regulatory changes are we likely to see, and what will be the consequences for banks and financial markets?

Speaker: Jeremy C. Stein, Governor, Federal Reserve Board (2012–2014); Harvard University

9:30 am

China: A Deeper Dive

During this session, a framework will be presented for thinking about the Chinese economy and what the potential implications may be for investors. 2017 has proven to be a dynamic year, with political forces influencing relations between the U.S. and China, and investors remaining uncertain about what the future may hold. Given the possibility of confrontation on a range of issues, including North Korea and the question of international trade, the implications may be significant. Will the relationship between Trump and Xi continue to blossom? Corporate profits are up and stock markets have improved – is this sustainable? How will financial markets react and what might the consequences be for global investors? During this session, Mr. Rothman will help contrast the headlines that may drive short-term sentiment toward China with the long-term fundamental drivers of China's secular economic growth, highlighting risks and investment opportunities.

Speaker: Andy Rothman, Matthews Asia

Schedule

Monday, September 11, 2017

10:15 am

Break

10:45 am

Current Perspectives on
Asset Allocation

During this session two highly seasoned practitioners will discuss their views and opinions about how investors might contemplate asset allocation in the current environment. What are the macroeconomic influences that should factor into decisions about the design of asset allocation? What trends across the globe will have impact on the investment landscape? To what extent will lower returns characterize the investment environment for years to come? If this is the case, then where will investors find the most attractive opportunities? The discussants will assess the potential for returns among various regions, asset classes and sectors across the globe, while also sharing their views on the dilemma of active versus passive investing.

Conducted by: Alice W. Handy, Investure, LLC

Discussants: Ben Inker, GMO, LLC
Henry H. McVey, Kohlberg Kravis Roberts & Co.

11:45 am

Warren Stock in Conversation with
Clifton Robbins

Extracting Alpha: Active Ownership in 2017
An Interview with Clifton S. Robbins, Blue Harbour Group, L.P.

In this interview, Mr. Robbins will share his ideas on investment topics, offering his comments on the current environment and specific investing themes. Mr. Robbins will talk about his perspective on activist investing, and his views about how ESG factors can be integrated into an investment strategy to mitigate risk, among other subjects.

Conducted by: Warren M. Stock, Robert Wood Johnson Foundation

Interviewee: Clifton S. Robbins, Blue Harbour Group, L.P.

12:30 pm

Luncheon

1:30 pm

India's Economic Reforms:
Opportunities and Challenges

India is the fastest growing G-20 economy. The Modi government, on an economic reform spree, has introduced the nationwide sales tax (GST) to improve the ease of doing business, passed a new bankruptcy law and shocked the country with the demonetization move late last year. Every Indian can now be uniquely identified thanks to the Aadhaar card. The costs and benefits of some of these reforms are still being debated. This session will bring together seasoned public and private equity investors to analyze the macroeconomic landscape as well as sector and stock specific opportunities in India. Venture deals and exits, growth of the consumer markets, as well as changes in the banking and IT sector will be discussed.

Conducted by: Prakhar Bansal, The University of Chicago

Discussants: Sumir Chadha, WestBridge Capital
Tushar Poddar, Wellington Management Company LLP
Puneet Saraogi, Bay Capital Partners LLP

Schedule

Monday, September 11, 2017

2:30 pm

**Portfolio Management:
A Focus on Investment Process**

The necessity to support institutional objectives, and the need to generate returns while mitigating risk remain the constant focus of CIOs, whose role and responsibilities have become increasingly complex. Amid a complicated macro environment, what changes might investors contemplate to prepare their portfolios for the challenges that lay ahead? This discussion will explore the practical aspects of implementing an investment process and the importance of having a strong governance structure in place to support it. Is a defined investment process able to stand the test of time through market cycles? What characteristics within an organization and among a team strengthen the investment process? In addition, other key questions to be raised include: What information does the investment team pay attention to, and how is data analyzed? How is information used to enhance investment decisions? Our distinguished CIO participants will engage in a thoughtful exchange of ideas related to investment process and portfolio management.

Conducted by: KC Connors, NEPC, LLC

Discussants: Chris Halaska, Memorial Hermann Health System
William D. Lee, NewYork-Presbyterian Hospital
Rob Roy, Adventist Health System

3:30 pm

Break

4:00 pm

**Investment Opportunities in
Private Credit**

This session will explore the structural changes that have taken place in credit markets which have resulted in opportunities across investment sectors for investors. Filling the void of banks no longer offering financing, alternative debt providers are providing new sources of funding and liquidity. What are the risk characteristics in the current environment? What criteria should investors apply when selecting a manager? How will potential regulatory changes impact the strategy? This discussion will explore the evolution of this investment vehicle, where we are in the cycle, and the extent to which investors can generate returns for their portfolios from these income-producing strategies.

Conducted by: James G. Clarke, Kansas University Endowment Association

Discussants: Americo Cascella, Ares Management, LLC
Michael J. Levitt, Kayne Anderson Capital Advisors, L.P.

Schedule

Monday, September 11, 2017

4:45 pm

**The Role of Hedge Funds &
the Best Opportunities**

In an environment of diminished returns, how are investors thinking about the use of hedge funds in their portfolios today? While many continue to rely on hedge funds for diversification, risk management and to deliver returns, over-crowdedness of trades and an increase in correlations are cause for concern. Looking ahead, what can investors expect from hedge funds? What are the hedge fund strategies, vehicles and structures where the best investments can be found? What are reasonable return expectations for performance and for fees? Should investors have exposure to U.S. and global long/short equity managers? Are there opportunities in non-directional hedge funds? Have investment teams increased defensive hedge fund exposure? This session will focus on trends impacting the hedge fund industry and will compare and contrast investment opportunities across the spectrum.

Conducted by: Chris Giles, *Financial Times*

Discussants: Barry Kaplan, National Railroad Retirement Investment Trust
Samuel Norvell, The Annie E. Casey Foundation

5:30 pm

**Sessions Conclude
Reception Immediately Following**

Reception and Membership Dinner immediately following at the Mandarin Oriental. All members are welcome to join us.

6:30 pm

Membership Dinner

The Membership Dinner is the perfect occasion to catch up with old friends and create valuable new connections. Dinner seating will begin at 6:30pm in the Oriental Ballroom.

Schedule

Tuesday, September 12, 2017

7:00 am - 7:30 am

Breakfast & Peer Networking for Endowments & Foundations only

7:30 am - 8:45 am

**Closed-Door Sessions for
Endowments & Foundations Only**

Session A: Assessing Portfolio Risk Management

Given the greater complexity and uncertainties related to financial markets, portfolio risk factors have become more difficult to quantify and manage. This facilitated discussion is intended to provide an opportunity for a practical exchange of ideas among peers about portfolio risks. Because risk tolerance, the definition of risk, and strategies to manage risk vary by institution, the focus of the discussion will be determined by the participants. The objective is for all attendees to be exposed to thought processes that will enable them to broaden their thinking as it relates to mitigating risk in their portfolios.

Co-Facilitators: Kristin A. Agatone, Lehigh University
James J. Floyd, Claremont McKenna College

Session B: Relationships, Resilience and Results

One of the most pressing questions endowment and foundation investment leaders are asking today is, "How do I improve the working relationships on my team, and with my board members?" These leaders recognize the profound impact that team dynamics can have on long-term performance and are committed to creating work environments that support smooth communications, clear decision-making and high levels of engagement. Unfortunately, most leaders have had little or no access to the tools and resources needed to accurately assess team health, identify gaps/issues and implement action plans to achieve their goals. This interactive session is designed to address that need through sharing insights about how the most successful leaders build high performing, collaborative and resilient teams. The discussion will also highlight three key actions that can be taken now to begin improving all of your relationships, leveraging the talent on your team and creating more trust with your boards.

Facilitator: Jamie Ziegler, JZA Coaching

8:15 am

Continental Breakfast for Members

8:55 am

**Remarks from the
Forum Chairmen**

Sally M. Dungan, Tufts University
Jeff Pippin, Pepperdine University
Paula J. Volent, Bowdoin College

Schedule

Tuesday, September 12, 2017

9:00 am

Paula Volent in Conversation with
Paul Tudor Jones II

Opening Interview: The Future of Asset Management: Insights & Observations

An Interview with Paul Tudor Jones II, Tudor Investment Corporation

In this interview, Paul Tudor Jones will share his insights on the current investment landscape. The interview will explore current trends which are impacting investors, including the trend toward quantitative investment strategies, the outlook for asset classes, equity market valuations, and the risks to institutional portfolios, among others.

Conducted by: Paula J. Volent, Bowdoin College

Interviewee: Paul Tudor Jones II, Tudor Investment Corporation

9:45 am

Outlook for Investment
Opportunities in Europe

Europe appears to be on a positive trajectory as the economy is growing and equity markets continue to rise. However, will the outlook for investments in Europe remain positive? Or are there potential headwinds on the horizon? For investors allocating assets to the region, what are the appropriate risk premiums? Our distinguished panelists will share their perspective on the current opportunity-set across asset classes, sectors, countries and investment strategies. How might endowments and foundations position their portfolios to capitalize on opportunities? The panel will explore the issues at play in the macro environment and share their insights on what the future has in store.

Conducted by: Katty Kay, *BBC World News America*

Discussants: Roger Bootle, Capital Economics Ltd.
Stephen Kirk, Pelham Global Financials Ltd.
Mas Siddiqui, Naya Capital Management UK Ltd.

10:45 am

Break

11:15 am

Amy Chen in Conversation with
Daniel Loeb

A Perspective on Financial Markets and Activist Investing

An Interview with Daniel S. Loeb, Third Point, LLC

In this interview, Mr. Loeb will share his perspective on a variety of investment topics related to activist investing, why the opportunity may be ripe for active engagement, and how activism has evolved. Mr. Loeb will also offer his insights on the current investment environment, the state of global equity markets, and the impact of data analytics on portfolio investing, among other subjects.

Conducted by: Amy L. Chen, Smithsonian Institution

Interviewee: Daniel S. Loeb, Third Point, LLC

12:00 pm

Luncheon

Schedule

Tuesday, September 12, 2017

1:00 pm

Investing in Innovation:
Opportunities in Technology
and Genomics

Advances in innovation are taking place at an astounding pace, and are set to change the nature of the world we live in. These advances are fueling opportunities for investors willing to allocate capital, and may be the drivers of investment returns going forward. This session will explore developments and opportunities across the spectrum of life sciences and technology, including: the latest in gene therapy and other new drug development sustainability, innovation in biotechnology and therapeutics, robotics, satellites, and disruptive technologies, among others.

Conducted by: Kathleen Vogelsang, Van Andel Institute

Discussants: Eli Casdin, Casdin Capital, LLC
Josh Stein, DFJ

1:45 pm

Private Equity Investing:
Risks & Opportunities

This session will focus on the state of private equity markets today from the perspective of endowment and foundation investors. What opportunities exist for private equity strategies to generate excess returns by adding value? While valuations appear at an all-time high, fundraising continues unabated. What is going on in the space today and what is the opportunity-set? What are the advantages and risks of allocating capital domestically and overseas to private equity funds? What analysis and assumptions should prudent investors undertake to ensure the investments they make will be successful? What regions look attractive and why? Is investing in emerging markets going to be different this time, especially given currency issues? Are appropriate risk premiums delivering high enough returns to justify the risk and illiquidity?

Conducted by: André F. Perold, HighVista Strategies, LLC

Discussants: Greg DeNinno, Howard Hughes Medical Institute
Joshua B. Stern, Robert Wood Johnson Foundation

2:30 pm

How Some Rustbelts Are
Becoming the Smartest
Places on Earth

Instead of losing competitiveness and jobs (as it has for several decades due to automation as well as competition from China and other emerging markets), forgotten areas of the American economy are undergoing a major transformation. Those who gave up on the rustbelts may be in for a surprise. Dozens of rustbelt cities are turning into “brainbelts” thanks to close collaboration between local universities, businesses looking for a new lease on life and startups. From Akron and Pittsburgh to Minneapolis and Portland, rundown factories and warehouses are becoming vibrant centers of entrepreneurial activity again, creating new investment opportunities well beyond Silicon Valley, Boston and Austin. The future competitive battle will not be on making things as cheap as possible but as smart as possible as we are on the cusp of a whole new wave of innovation.

Speaker: Antoine W. van Agtmael, Formerly, Emerging Markets Management LLC;
Foreign Policy Analytics

Schedule

Tuesday, September 12, 2017

3:15 pm

Break

3:45 pm

**Evaluating Climate Risk from
an Investment Perspective**

This discussion will focus on the role that investment strategy, policy, and corporate practice play in measuring and managing climate risks, including in facilitating the transition to a low-carbon economy. Corporations have begun to take steps to integrate sustainability into their business plans to promote sustainable economic growth and a cleaner environment around the world, and investors are increasingly taking these plans into account as they examine their portfolio risk. To what extent are these changes taking place in the corporate environment, how meaningful are the changes, and what impact will they have on investors? And how can climate change, which seems like a long-term issue, be translated into short-term investment decisions? Why should these discussions move out of the ESG/SRI space into mainstream investment and corporate decision-making? The discussion will also focus on quantifying the economic and financial risks from unchecked climate change, and exploring the real investment opportunities in climate adaptation and mitigation.

Conducted by: Kate Gordon, Paulson Institute

Discussants: Robert Litterman, Kepos Capital, LP
Robert E. Rubin, Council on Foreign Relations; Former Secretary
of the U.S. Treasury

4:30 pm

**Performing Under Pressure,
The Science of Doing Your Best
When It Matters Most**

Pressure changes everything: how our brain functions, diminishing our ability to think, deal with change and make decisions and it changes our behavior: causing us to have impact we don't intend, decreasing our team's level of engagement and discretionary effort. It doesn't have to be this way. In this fascinating program, you will learn brain based insights into human behavior and concrete strategies to help you perform and lead more effectively when it matters most.

Speaker: JP Pawliw-Fry, Emotional Intelligence (EQ) Thought Leader;
Leadership, Performance And Change Expert

5:30 pm

**Sessions Conclude
Reception Immediately Following**

This evening's reception is a time for members to relax and reflect on the new ideas and fresh insights collected during our time together at this year's Fall Forum.

Schedule

Wednesday, September 13, 2017

7:15 am - 7:45 am

Private Breakfast & Peer Networking for Endowments & Foundations Only

7:45 am - 9:00 am

Closed-Door Sessions for
Endowments & Foundations Only

Asset Allocation: What Is the Long-Term Solution to a Low-Return Environment?

The current environment will likely be challenging for CIOs. While interest rates are anticipated to soon be on the rise, many investors believe the possibility of a sustained period of low-returns will characterize markets. If this is the case, how will investors respond in managing their investment portfolios? Do current approaches need to be reassessed to take a more defensive posture? How are institutions thinking about the construction of their portfolios including issues of diversification and sizing of commitments? This discussion will allow investment officers to exchange their ideas and approaches to the asset allocation dilemma.

Co-Facilitators: Ellen J. Ellison, University of Illinois Foundation
Jonathan L. Shear, The University of Utah

8:30 am

Continental Breakfast for All Other Attendees

9:10 am

Remarks from the
Forum Chairmen

Jeff Pippin, Pepperdine University
Paula J. Volent, Bowdoin College

9:15 am

Opening Address:
Venture Capital Myths
and Fallacies

Software is eating the world and venture capital companies like Uber, Airbnb, Roku, and Redfin are rapidly disrupting non-tech verticals. However, venture capital as an asset class still remains an enigma and many institutional investors ponder deeply over its mysteries – Is venture capital an asset class? Are all the returns concentrated with a few select firms? Should I invest in a manager not located on the coasts? Are we in bubble 2.0? How should I think about an emerging manager? Is fund of funds the way to invest in this asset class? This presentation will focus on and dispel some common myths and fallacies about venture capital.

Speaker: Venky Ganesan, Menlo Ventures

Schedule

Wednesday, September 13, 2017

10:00 am

Enhancing Returns through Factor-Based Investing

In an environment of low-returns, many investors are seeking strategies to enhance their portfolios by generating higher returns, lowering risk or providing greater diversification. This discussion will explore how factor-based strategies can be used to complement a more traditionally designed investment program. This discussion will highlight a variety of approaches that can be taken to incorporate factored-based strategies to effectively achieve portfolio objectives. What are the risks and complexities of these products? How should costs be assessed? In this discussion industry practitioners will share their perspective on what investors need to know about factor-based strategies and their use in institutional portfolios.

Conducted by: Shawn D. Wischmeier, Margaret A. Cargill Philanthropies

Discussants: Adam Duncan, Cambridge Associates LLC
Andrew Weisman, Windham Capital Management

11:00 am

Break

11:30 am

The Duration Dislocation: Risks and Opportunities in International Equity Markets

Globally, equity markets have trended strongly upward and many view them to be fully priced. Like house hunting in a highly desirable neighborhood, bargains are hard to come by. The speaker will discuss why it is so inherently challenging to achieve above average investment performance in almost any environment, including this one, but that some environments are easier than others. The presentation will also address why there is a reasonably meaningful and broad dislocation in markets today, leaving above average potential for alpha. He will approach the subject from a variety of perspectives, including US public markets vs. international developed markets vs. emerging public markets; value vs. growth; and where the best regions are to invest.

Speaker: Graeme Forster, Orbis Investments

12:15 pm

Forum Concludes

Luncheon immediately following for all members
(Grab n' Go Lunches will be available)