

CALAPRS

EDUCATION • COMMUNICATION • NETWORKING

California Association of Public Retirement Systems

2013 GENERAL ASSEMBLY

MARCH 2-5, 2013

INTERCONTINENTAL SAN FRANCISCO

*DELIVERING THE PENSION PROMISE IN A
CHANGING ENVIRONMENT*



CALAPRS GENERAL ASSEMBLY 2013 PROGRAM

Note: All event activities are located on the 3rd floor, unless otherwise noted.

SATURDAY, MARCH 2

4:00pm - 6:00pm Early-Bird Registration Open *Grand Ballroom Foyer*

SUNDAY, MARCH 3

10:00am - 5:00pm Registration Open *Grand Ballroom Foyer*

2:00pm - 2:15pm **Opening Remarks** *Grand Ballroom*

Speakers: Gregg Rademacher, *President, CALAPRS and CEO, Los Angeles County Employees' Retirement System*; and Brian White, *Conference Chair, CALAPRS General Assembly 2013 and CEO, San Diego County Employees' Retirement Association*

2:15pm - 3:15pm **Delivering the Pension Promise** *Grand Ballroom*

Our nation is experiencing an unprecedented retirement security crisis. During these uncertain economic times, it is difficult for many workers to save enough through their 401K or other defined contribution plan to avoid poverty after retirement. Defined benefit pension plans are more important than ever to ensure an adequate standard of living in the golden years. Anne Stausboll, CEO of CalPERS, the largest public pension system in the nation, will address the state of public and private pensions in America, reforms, and next steps to achieving sustainable retirement security for all.

Speaker: Anne Stausboll, *CEO, California Public Employees' Retirement System*

Moderator: Donna Lum, *Deputy Executive Officer, Customer Services and Support, California Public Employees' Retirement System*

3:15pm - 3:30pm Afternoon Break *Grand Ballroom Foyer*

3:30pm - 4:30pm **Understanding California's Debt Crisis** *Grand Ballroom*

The presentation examines California's debt and deficit taking into account Prop 30 and historical state spending growth. It also puts California's debt in the back drop of the U.S. Federal government debt as well. The presentation additionally touches on the risk of a secular developed market slowdown on the projected growth in the state's tax revenue.

Speaker: Jason Hsu, *CIO, Research Affiliates, a sub-advisor to PIMCO, and Professor in Finance, UCLA Anderson School of Management*

Moderator: Marilyn Leedom, *CEO, Contra Costa County Employees' Retirement Association*

7:15pm - 10:00pm **Strolling Dinner at the CA Academy of Sciences** *Grand Ballroom*

Shuttles are provided to and from the CA Academy of Sciences and the InterContinental Hotel. All shuttles will depart from the InterContinental's main entrance starting at 6:45pm. Shuttles will begin returning attendees to the hotel starting at 9:45pm.

MONDAY, MARCH 4

7:00am - 4:00pm Registration Open *Grand Ballroom Foyer*

7:30am - 8:25am Continental Breakfast *Pacific Terrace, 4th Floor*

8:30am - 8:45am **Opening Remarks** *Grand Ballroom*

8:45am - 9:45am **The Transformation of the Financial System:
Changes, Challenges, & Opportunities** *Grand Ballroom*

Speaker: Andrew Feldstein, *CEO/CIO, BlueMountain Capital*

Moderator: Brian White, *CEO, San Diego County Employees' Retirement Association*

9:45am - 10:00am Morning Break *Grand Ballroom Foyer*

10:00am - 11:00am

The Future of the Active/Passive Debate *Grand Ballroom*

Debate has raged for decades over the efficacy of active versus passive management. Yet the argument has never been black or white; most investors engage both active and passive management in the implementation of their portfolios, targeting active management in those market segments where they hold the highest conviction, and employing passive management to gain broad, diversified exposure to the liquid public markets. As we move into uncharted waters in the capital markets, with interest rates at long-term lows and more investment opportunities available than ever before, how will both active and passive management evolve? Will passive strategies spread to newer alternative asset classes? How will active management evolve to address the prospect of a sustained rise in interest rates for the first time in at least a generation? How can investors capture “smart beta” and apply passive investing in innovative ways to better meet their return requirements and tolerance for risk?

Panelists: Kai Hong, *Managing Director & Chief Investment Strategist, Bivium Capital Partners*; and Joseph Miletich, *Managing Director & Global Investment Strategist, Mellon Capital*

Moderator: Jay Kloepfer, *Executive Vice President & Director of Capital Markets and Alternatives Research, Callan Associates*

11:00am - 12:00pm

Methods of Assumed Earnings Rate Development

Grand Ballroom

Perhaps the most important actuarial assumption trustees need to understand is the rate of return assumption. There is a lot of focus on this in the press and across the country PERS trustees are lowering rates of return assumptions. Find out what’s behind this trend and get an understanding of the assumption setting process. This session will give the actuary’s view of setting the assumption, discuss what questions trustees should ask the actuary and investment consultants, and better prepare trustees for communicating the rate of return assumption to members, the press, and other interested parties.

Speaker: David Kausch, *Chief Actuary, Gabriel Roeder Smith*

Moderator: David Bailey, *CEO, San Mateo County Employees’ Retirement Association*

12:00pm - 1:30pm

Networking Lunch

Pacific Terrace, 4th Floor

1:30pm - 2:45pm

Regulation, the Role of the SEC, and Internal Compliance

Grand Ballroom

The regulatory environment for investment advisers has changed significantly during the last few years. Several rules and regulations have been adopted, and additional rules and regulations are on the horizon. Join former SEC staff members Dan Smith and Jorge Rodriguez as they provide an overview of the key regulators and regulations governing investment advisers and discuss requirements and best practices for effective compliance programs.

Speaker: Jorge A. Rodriguez, *Consultant*, and Daniel Y. Smith, *Partner, ACA Compliance Group*

Moderator: Gregg Rademacher, *CEO, Los Angeles County Employees’ Retirement Association*

2:45pm - 3:00pm

Afternoon Break

Grand Ballroom Foyer

3:00pm - 4:00pm

Global Market Update - Post Election

Grand Ballroom

The purpose of this presentation is to consider, in light of current market conditions, what we should be thinking about when building or managing an investment portfolio. After more than two-years of oscillating between ‘risk-on’ and ‘risk-off’, both at home and abroad there appears much to be positive about since the US election. But the very actions that have helped drag the global economy from the Great Recession themselves make building a portfolio today challenging. This presentation will consider both how asset classes may perform, as well as what to watch for over the coming months and years.

Speaker: James Walsh, *Partner, Albourne Partners, Ltd.*

Moderator: Anne Holdren, *Executive Director, Kern County Employees’ Retirement System*

5:00pm - 6:00pm

Hosted Networking Reception at the InterContinental *Pacific Terrace, 4th Floor*

TUESDAY, MARCH 5

7:30am - 8:25am

Continental Breakfast

Grand Ballroom A

8:30am - 9:30am

National Pension Issues:

What Are Americans Thinking About Retirement?

Grand Ballroom B&C

A new NIRS public opinion poll assesses how Americans feel about retirement and their views on policies that could improve their retirement prospects. Five years after the financial crisis, Americans are extremely concerned about their retirement security and view pensions as a solution to retirement readiness. Also, the public feels that leaders in Washington do not understand their struggles to save and Americans overwhelmingly support action to provide access to a pension for all. While retirement is decades away, Millennials are cognizant of the broken retirement system and dissatisfied with policymaker efforts. Americans support pension benefits for public employees because these workers contribute to the costs, and some have high-risk jobs and lower pay.

Speaker: Diane Oakley, *Executive Director, National Institute on Retirement*

Moderator: Marilyn Leedom, *CEO, Contra Costa County Employees' Retirement Association*

9:30am - 9:45am

Morning Break

Grand Ballroom Foyer

9:45am - 11:00am

Managing Change in Your Pension System:

Are You Ready?

Grand Ballroom B&C

Change is heading your way. Maybe you're selecting or installing new technology...or modifying your processes to accommodate changes in legislation...or facing the impending retirement of senior leaders...or all of the above! You may be prepared for the "technical" side of a change initiative, but what about the "people" side? Are you confident that your leadership team and staff will wholeheartedly embrace change and work together to make it happen? Or are you concerned about resistance, staff angst, and initiative failure? The good news is that no matter where you are in the course of your change, you can make your organization more "change ready." In this interactive learning session, organizational behavior consultant Mary Federico will help you figure out how change-ready your organization is now, and what you can do to improve readiness. You'll leave with concrete ideas you can apply back at work.

Speaker: Mary Federico, *Senior Associate, LRWL, Inc.*

Moderator: David Bailey, *CEO, San Mateo County Employees' Retirement Association*

11:00am

Closing Remarks

Grand Ballroom B&C

2013 CALAPRS BOARD MEMBERS

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Gregg Rademacher, Los Angeles County Employees' Retirement Association (*President*)

Brian White, San Diego County Employees' Retirement Association (*First Vice President*)

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2013 GENERAL ASSEMBLY PLANNING COMMITTEE:

Brian White, San Diego County Employees' Retirement Association (Chair); David Bailey, San Mateo County Employees Retirement Association; Anne Holdren, Kern County Employees' Retirement Association; Marilyn Leedom, Contra Costa County Employees' Retirement Association; Hugo Wildman, Alameda-Contra Costa Transit District Retirement Plan