

# Pensions&Investments *presents the* **130/30 Strategies Conference**

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May 7, 2008 • The Westin St. Francis • San Francisco

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8:00 - 9:00am

**Registration & Networking Continental Breakfast**  
*Alexandra's Room*

9:00 - 9:15am

**Opening Remarks**  
*Alexandra's Room*

*Speakers:*      *Chris Battaglia*  
*Vice President, Publisher*  
*Pensions & Investments*

*Manfred Lehmann*  
*{Conference Moderator}*  
*Former Treasurer*  
*Nestle USA*

9:15 - 9:55am

**WORKSHOP: The Fundamentals of 130/30**

When it comes to seeking additional alpha, 130/30 strategies continue to capture the lion's share of attention from institutional investors.

Increasingly, investors are gaining understanding and comfort with the processes, techniques and potential risk/return characteristics of the extension of a long-only strategy to incorporate shorting. This workshop will offer attendees insight into the discipline, including fundamentally-based 130/30 strategies, and looks at:

- Management philosophies and processes;
- The rationale for shorting;
- The importance of manager experience, and research breadth and depth;
- Management resources, infrastructure, policies, and practices.

*Speaker:*      *James Dwinell*  
*Vice President & Institutional Portfolio Manager*  
*Pyramis Global Advisors*

# Conference Program

9:55 - 10:40am

## **PANEL: 130/30 and the Larger Picture**

As most short extension strategies are used in core equity allocations, they are designed to capture alpha without increasing risk. How do these strategies compare to other strategies, including long-only, when plan sponsors are considering their portfolio's overall alpha generation capabilities? How do they fit in with other portfolio management ideas such as liability driven investing and portable alpha? This panel seeks to broaden the discussion beyond 130/30 to the strategy's place within pension plan design.

*Panelists:*        *Dennis Bein, CFA*  
                          *Chief Investment Officer*  
                          *Analytic Investors*

*Scott Conlon, CFA*  
*Principal*  
*State Street Global Advisors*

*Robert Shaw*  
*Global Manager Research*  
*Callan Associates*

10:40 - 11:00am

## **Networking Break** *Alexandra's Room*

11:00 - 11:40am

## **WORKSHOP: Choosing the Right Ratio**

What factors should investors consider when establishing the proper ratio for their portfolios? Is 120/20, 130/30 or yet another ratio appropriate. This workshop will provide plan sponsors with the information and tools they need to answer this question, based on recent research into the determinants of the long/short portfolio ratio.

*Speaker:*        *Dennis Bein, CFA*  
                          *Chief Investment Officer*  
                          *Analytic Investors*

# Conference Program

11:40 - 12:20pm

## **WORKSHOP: The Road From Long-Only to 130/30**

This workshop will explore the considerations for institutional investors as they navigate the conversion from long-only to 130/30 and other long/short strategies. What are alternate methods of allocating to the strategy, and what are the things to consider when implementing? Additionally the workshop will focus on common structures for deploying these strategies, such as separate accounts and commingled funds, and will examine services like custody, securities lending and prime brokerage.

*Speaker: Paul Calderone  
Director  
Credit Suisse*

12:20 - 2:00pm

## **Networking Lunch**

*Victor's Room*

2:00 - 2:40pm

## **SPEECH: The Plan Sponsor's Perspective**

Is 130/30 an answer to the CIO's challenge to deliver alpha? How do you educate investment boards to go beyond long-only? How do you deal with leverage and increased risk? Are 130/30 strategies a fad or here to stay? How does 130/30 fit into your portfolio? When selecting managers, what should I want to know? Is this the time to introduce more comprehensive risk management at the plan level?

*Speaker: Manfred Lehmann  
{Conference Moderator}  
Former Treasurer  
Nestle USA*

2:40 - 3:25pm

## **PANEL: Understanding Short Selling**

The fundamental hurdle for any plan sponsor hiring a 130/30 or any short extension manager is the decision to allow short selling. If the plan is unfamiliar with shorting, then this can be a complex issue. This panel will discuss the various questions a plan sponsor will need to answer, philosophically and operationally, before hiring a 130/30 manager.

*Panelists: Paul Calderone  
Director  
Credit Suisse*

*John Miller  
Senior Vice President  
Aon Consulting*

# Conference Program

3:25 - 3:45pm

**Networking Break**  
*Alexandra's Room*

3:45 - 4:25pm

**WORKSHOP: The State of 130/30: Are These Strategies Living Up to the Hype?**

Lots of academic work has focused on the effect of removing constraints from investment portfolios and the theory has given rise to strategies such as 130/30. Have the realities lived up to the hype? This workshop will examine the performance of some quantitative investment approaches in the light of some of the dramatic changes that have occurred in the capital markets since last summer.

*Speaker:*            *Scott Conlon*  
                              *Principal*  
                              *State Street Global Advisors*

4:25 - 5:10pm

**PANEL: The Future of Alpha**

Some witty commentators have termed 130/30 and its close neighbors the new long-only. Are short-extension strategies a fad, or will they stand the test of time? Will the strategies be used in other areas of portfolio investing, or are there new ideas coming up that will supersede the current favorites? This panel discussion will focus on the future of alpha generation, particularly in light of changing market conditions.

*Panelists:*            *James Dwinell*  
                              *Vice President & Institutional Portfolio Manager*  
                              *Pyramis Global Advisors*

*Christopher Tauber*  
*Principal*  
*Mercer Investment Consulting*

*Aaron Young*  
*Client Support Consultant*  
*MSCI Barra*

5:10 - 6:30pm

**Networking Closing Reception**  
*Alexandra's Room*