Welcome and Opening Remarks: Navigating through Noise: Long-Term Investing in a Short-Term World
Welcome to our Client Investment Summit! Our conference theme centers around the concept of long-term investors positioning their portfolios to reflect perceived long-term risks and opportunities while recognizing they must also be ready to capitalize on short-term opportunities and respond to changing risk environments. (The long-term, after all, can be thought of as a series of short-terms.) In this session, we will set the foundation for the themes and topics that will be discussed throughout the conference, while also providing suggestions for how long-term investors should respond to changing risks and opportunities in a short-term world.

Lightning Talk: The Power of Benchmarks
Benchmarking is common practice in the investment industry. However, given the role of benchmarks in evaluating performance, how do we know we are using the right benchmark for the right purpose? We’ll explore this question as we sketch out a process to help ensure better benchmarking in the midst of the challenges it poses.

Make Your Choice: Home Country Bias or Global Diversification?
It’s challenging being a diversified investor today. Domestic equities have continued to dominate recent market returns, leading many not-for-profit investors to question if and how much to invest in non-US stocks. Should you embrace a greater US allocation? What is the value proposition for investing in non-US stocks? Do developed or emerging markets represent a buying opportunity, or are the prospects of weaker global growth a significant headwind? We will have a fun, spirited debate exploring both sides of the global diversification dilemma, and then you can weigh in on the right tactical path!
Trends for 403(b) Plans
The past decade has seen a litany of new trends in the corporate 401(k) realm – many being driven by new legislation and litigation against plan sponsors. This discussion will focus on how those trends are being adopted by higher education 403(b) plan sponsors. In particular, representatives from St. Olaf College and the California Institute of Technology will discuss how their institutions have made changes to their plan governance, investment lineups, and the administration of plan fees. Additionally, a representative from TIAA will discuss the growing prevalence of these trends and how plan administrators are adapting.

Private Market Alchemy: Turning Beta into Alpha
In this session we will cover the fundamental characteristics of private equity investments and highlight the alpha-producing potential of private equity. More importantly, we will demonstrate how investors can position portfolios to outperform using private equity and provide a practical example within the private equity secondary market. Michael Forestner will provide background and market data before interviewing fund manager(s) live to help investors understand how to exploit inefficiencies in the market to generate alpha, squared.

Affordable Care Act: Impact on Employers and Employees
The Affordable Care Act has presented employers with many cost and compliance-related concerns. Healthcare costs continue to rise but employers have been shifting toward high deductible plans and other cost-sharing measures, while growing use of employee accounts may prompt organizations to shift to a more holistic view of DC plans. Our panel discussion will focus on what Board members and C-suite executives should know about the impact of the Affordable Care Act on employers and employees.

Committee Best Practices: Governing During Volatile Times
Political uncertainty and the resulting market volatility have cast a spotlight on the role, responsibilities, and duties of today’s investment committees, with institutions facing greater public scrutiny. We believe committees can attain a strong, stable governance structure and optimum investment results by developing a sound policy and implementing it efficiently and effectively—tasks are easy to articulate, but difficult to execute. In this session, we will discuss how two different entities have attempted to create a best practice investment committee.

Compensation Hot Topics
In this overview session for the non-compensation professional, we will share findings from Mercer’s recent study on compensation for investment positions, trends in executive, faculty and administrator/staff compensation, and examples of career pathing for investment management roles. Attendees will learn about what is new and working in other institutions and will have the opportunity to ask questions of consultants who specialize in working with colleges and universities.

A Look Back: OCIO — Evolution or Revolution?
Increased portfolio complexity and high volatility over the last 15 years have led a growing number of endowment and foundation investment committees to explore outsourced chief investment officer (OCIO) solutions. Is OCIO something your organization should consider, and how do you begin that conversation? What should a committee logically expect from an OCIO relationship, and what expectations may be unreasonable? In this session, we will help committee members understand which OCIO options may be right for them and what they should hope to achieve through an OCIO relationship.
**CIO Roundtable**
Our CIO Roundtable will address the conference theme, exploring how these seasoned industry practitioners are positioning their portfolios to achieve long-term goals in a short-term world. We'll cover a variety of asset classes, discussing strategies to consider and areas to avoid in a protracted, weak global growth environment. The discussion will move beyond portfolios and touch on topics such as governance, operations, risk controls and other areas that are key to investment success.

**Shark Tank: Finding the Golden Swan**
Markets are uncertain. Times are perilous. Investors are understandably nervous. Do we as investors hide behind a rock or look for opportunities? Do we go on holiday until after the fall elections or do we make a big purchase now? Join us as four of Mercer’s young hot shots present their best ideas on how cash should be invested. Will the sharks shoot the ideas down or invest in the proposals? There’s only one way to find out—and perhaps even get the next big idea for your fund.

**New Committee Member Bootcamp**
Committee turnover is healthy and inevitable, but there must be a better way to assimilate new members than the “sink or swim” approach used so widely today. In this session we will arm new committee members with basic tools and, more importantly, key questions to ask in order to become effective quickly. We also provide reference materials and a suggested approach so that committee chairs or CFOs/CIOs can improve their orientation processes.

**An Interview with Ken French**
Investing is quantitative in nature; the underlying statistics and analysis will continue to aid in evaluating past and future investments. However, behavioral investing and qualitative factors have recently gained more attention across the investing landscape. In this interview, we will hear from Professor Ken French regarding his recent paper, "A 5-factor Asset Pricing Model," as well as his observations on how behavioral investing surfaces within investment committees.

**Credit Investing in a World of Zero (Negative) Interest Rates**
Extraordinary actions by the world’s central bankers have much of the world’s debt trading at zero or negative yields. In response, investors have had to “reach for yield” more than at any other point in history. This seemingly unquenchable demand has arguably extended the credit cycle, leaving significant capital waiting for the eventual wave of defaults. Josh Friedman, founding partner of Canyon Capital Advisors, will share his insights into navigating today’s credit environment and where Canyon sees the greatest opportunities and most treacherous risks.

**Global Opportunities – an Alternative to Traditional Long-Only Active Management**
We have long used hedge funds for a specific, critical role in the asset allocation, serving as a risk reducing component of the overall portfolio through diversification away from traditional equity market risk. In this session, we consider an alternative use for hedge funds: employing long-biased hedge funds within public equity portfolios as providers of traditional equity market risk with the expectation of superior levels of alpha. This session will evaluate the pros and cons of such an approach, including superior opportunism and differentiated return drivers unavailable to traditional managers, as well as the trade-offs of less liquidity and higher fees.
The Future of Education
Experienced educator and academic leader Dr. Katrina Rogers will draw from the major discussions currently taking place in higher education to discuss demographic trends, the rise of educational technology companies, blended learning environments, and current experiments in higher education. From these trends, she will draw conclusions helpful for understanding not only the social and political milieus governing higher education, but also the underlying financial logics likely to be evident over the next decade.

Lightning Talk: The Importance of Portfolio Rebalancing
Rebalancing is central to the value of diversification: periodically selling those assets that are doing well and reinvesting in assets with lower performance. But during a significant market correction, it can be difficult to step in and buy the assets that are down the most. In this session, we will review the importance of rebalancing and the benefit of maintaining discipline in tumultuous markets.

The Price of Sustainability
A growing body of academic evidence points to the potential value-add of corporate investments that address environmental and social issues facing the firm. Mercer will share its insights on the different categories of manager approaches to ESG and sustainable investing and importantly, how strategies based on this concept are performing. The use of scenario analysis to stress test portfolios and tools for measuring your portfolio’s exposure to ESG risks will be explored.

Closing Remarks
As investors, we are at an interesting and challenging juncture as we consider how to achieve our goals in a low-growth environment. Adaptation is critical. Mercer believes investors should consider further tilting from “beta” to “alpha” return sources, investing where capital is scarce, and adopting flexible investment structures that can respond to opportunities as they emerge. This session draws together the major themes of the conference by examining how investors can respond to the challenges of today’s environment.

Optional Lunch Session with Ken French
Post-lunch, Professor Ken French will present his recent paper, "A Five-Factor Asset Pricing Model" and explain its applications for institutional investors, consultants and managers. He will demonstrate how the five-factor model improves on the well-known three-factor model (Fama and French, 1993) with the addition of profitability and investment factors. The session will then open up for audience questions and discussion.