



2018 | 2017

FOR THE EIGHTH edition of the Power 100, we laud the asset owners who have distinguished themselves in navigating a changing, and often perilous, market landscape. Come 2020, the ground surely will continue to shift beneath their feet, as they balance opportunity and prudence to deliver first-rate returns.

In 2019, these owners started out after the S&P 500 almost entered a bear market. Along the way this past year, they had to steer through headline-induced downdrafts that could come from anywhere, as the trade war and other exogenous events sent the stock market into turmoil. They also had to strategize how to deal with the return of falling interest rates, as the Federal Reserve reversed its policy of tightening amid signs of economic weakness. Up ahead, those headwinds will present tough challenges. Because they met the test of 2019 with such skill and grace, our Power 100 richly deserve to be honored.

For the list this year, along with their ability to innovate, some CIOs moved up the list when we added influence into our formula of factors. As the industry is often shaped by the power qualities of the CIO, their ability to collaborate also continues to play an important role, as CIOs tread carefully toward continued globalization, co-investment and team development to create investment offices that will last far into the future.

FEATURED PODCAST

chief
investment
officer
THE EQUATION

$$\begin{array}{r}
 50 \text{ Innovation \&} \\
 + \text{ 20 Influence \& Collaboration} \\
 + \text{ 10 Talent} \\
 + \text{ 15 Fund Size} \\
 + \text{ 5 Tenure} \\
 \hline
 = \text{ 100 Overall Score}
 \end{array}$$

The Innovation & Influence Factor

Power in institutional investing stems from ideas, innovation and the ability to influence—concepts that factor massively into our ranking of the world’s most powerful asset owners. That’s more important now than ever as the pace of change accelerates, which is why the category now has a higher weighting than prior years.

- 50** for the recent invention of a new system of investing or for a massive amount of industry influence (e.g. The Yale model, liability-driven investing).
- 40** for a wholesale change of asset allocation, risk management, portfolio construction, and manager selection methods at the institution, or for exemplary leadership and innovation relating to a major industry issue.
- 30** for the beginnings of change to the portfolio, through one or more of the traditional CIO job responsibilities, or for leadership and innovation relating to a significant industry issue.
- 20** for managing assets with aptitude while navigating industry challenges, politics and trends with savvy.

TIE BREAKER *In case of a tie in total score, the asset owner with a larger sum of innovation and fund size factor*




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 2019 Liability-Driven Investment Survey



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THE EQUATION

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 + 15 \text{ Fund Size} \\
 + 5 \text{ Tenure} \\
 \hline
 = 100 \text{ Overall Score}
 \end{array}$$

The Collaboration Factor

Influence is multiplied when ideas are shared—most often through co-investing, sitting on the investment committees of other institutions, actively participating in industry trade groups, publishing, and ongoing engagement with other CIOs.

- 20** for those who aggressively participate across all major collaboration outlets.
- 10** for those who actively participate in knowledge sharing via some, but not all, collaboration outlets.
- 0** for those who only occasionally collaborate with their peers, but are generally insular.

TIE BREAKER *In case of a tie in total score, asset owners with a larger sum of innovation, collaboration, and talent development scores took the higher rank.*



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Exclusive: CalPERS Fires Most of Its Equity Managers



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After Her First Year at Hawaii ERS

Elizabeth Burton

Chief Investment Officer

Employees' Retirement System State of Hawaii

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Restructuring TMRS

TJ Carlson

Chief Investment Officer

Texas Municipal Retirement System (TMRS)

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\$2 Billion

Jim Grossman

Chief Investment Officer

Pennsylvania Public School Employees' Retirement System (PSERS)

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Taking Investments in House Within His First Year

Richard Williams

Chief Investment Officer

RPMI Railpen

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2019 **POWER100**

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**Elizabeth
Burton**

*Chief
Investment
Officer*

State of Hawaii
Employees'
Retirement
System



After Her First Year at

Hawaii ERS

Elizabeth Burton spent 13 years in the industry before stepping into her first chief investment officer role at Hawaii Employees' Retirement System in 2018. The plan was 55% funded and she rolled up her sleeves and got to work immediately, underwriting the entire portfolio and creating a three-year plan. CIO caught up with her after her first year.

CIO: How has your first year been?

Burton: The first year has been a really exciting challenge—accepting a new role, learning about the plan and its history, getting to know a new team, and moving my family across the country. I have enjoyed getting to know the ERS family and figuring what we need to do to keep the positive momentum going. I am grateful to the board, my staff, and the beneficiaries for this opportunity. We have accomplished a lot in a small amount of time, but I feel like the momentum is just beginning!

CIO: What changes/goals/risks have you been tackling this year?

process, and systems. I inherited a great team but I felt that the system could do more to give them access

to research, tools, educational opportunities, data, and more paths for growth through new staffing structures and succession planning. We hired a governance consultant to evaluate our current structure and our ability to empower our talented staff; we are wrapping up our findings now. We will be engaging more services in the future to closely evaluate our internal asset class benchmarks to see how we can more closely align them to incentives and, at the same time, align them with both risk and return goals. We have educated the board on new strategies that I believe will be additive to the portfolio at this point in the cycle. We have more initiatives on the risk side planned for next year. Finally, we are growing the team! We hope to double in size over the next few years but we want to do it in a very deliberate process. We are a small team and every “add” matters. I want hungry, humble, and smart, and that’s what we are hunting for.

CIO: What were your first priorities?

Burton: My first priorities when I got to Hawaii were to underwrite the entire portfolio, conduct a gap analysis and set a three-year strategic plan. The

reorientation of staff responsibilities to improve oversight, accountability, and job satisfaction; (2) a



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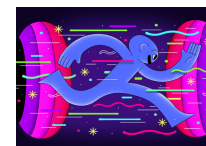
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business case for increasing resources and tools available to the investment team, and (3) a governance and benchmarking study to improve internal processes. At the portfolio level, I worked with the team and the consultant to identify and consolidate overlapping exposures, introduce new strategies to the portfolio that should improve our profile, and streamline our investment policy to improve efficiency and execution.

CIO: ERS was 55% funded when you took the helm. How do plan to address the underfunded status?

Burton: Well, as you know, funding status is complicated, and it's a delicate balancing act between contributions and returns. The portfolio is only one part of the equation. We are committed to a portfolio that has a long-term lens, so we aren't chasing fads or trends. Some of the new strategies I plan to add should help improve the path dependency of returns—which matters tremendously for funds facing lower funding ratios. In addition, we are looking at unique ways to partner with our managers to extract additional value across the portfolio and add alpha in various forms. When looking across financial

interesting opportunities here and there, but honestly, the best thing we can do is invest in our people. They will generate the highest return on

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people. They will generate the highest return on investment for us going forward.

CIO: Before ERS, your career spanned many aspects of finance, from senior economic consultant at Criterion, to managing principal at William Street Advisory, to managing director of quant strategies for Maryland State. In this investment climate, where do you see the most opportunity for growth?

Burton: I see opportunities in alpha strategies. Japan activism looks interesting. Certain pockets of specialty finance not only look attractive but can also add a coupon-like component to the portfolio. Certain pockets of emerging market credit look attractive, particularly from a historical lens. I have said for a few years [that] macro should start to get interesting, but other than systematic, it hasn't played out that well, with some exceptions—I still hold out hope. I think some discretionary macro, particularly in emerging markets, could start to bear some fruit.

-By Christine Giordano



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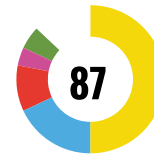
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Innovation & Influence Collaboration Talent Development Fund Size Tenure

1. David Swensen

CIO, Yale Investments Office
New Haven, CT

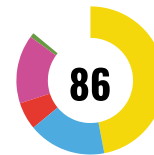
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2. Hiromichi Mizuno

Executive Managing Director and Chief
Investment Officer, Government Pension
Investment Fund
Tokyo, Japan

47 17 6 15 1



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3.



Sacramento, CA

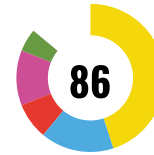
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4. Jeffrey Jaensubhakij

Group CIO, GIC
Singapore

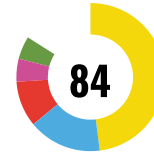
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5. Britt Harris

President CEO and CIO, University of Texas
Investment Management Company
Austin, TX

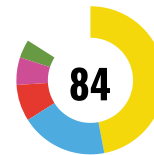
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6. Robin Diamonte

Corporate Vice President and CIO, United
Technologies Corp.
Hartford, CT

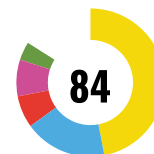
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7. Ziad Hindo

CIO, OTPP
Ontario

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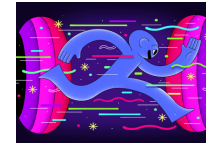


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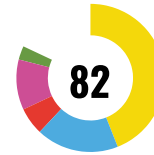
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9. Michael Sabia

President and CEO/Interim CIO, Caisse de dépôt et placement du Québec
Quebec, CA

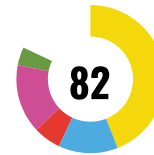
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10. Yngve Slyngstad

CEO, Norges Bank Investment Management
Oslo, Norway

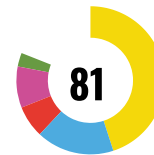
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11. Ash Williams

Executive Director and CIO, Florida State Board of Administration
Tallahassee, FL

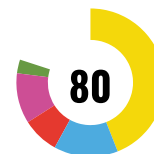
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12. Geoffrey Rubin

Senior Managing Director and CIO, Canada Pension Plan Investment Board
Toronto, Canada

44 14 8 11 3



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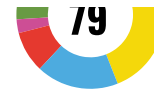


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Vice President and CIO, University of Notre Dame
South Bend, IN

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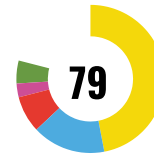


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14. Mark Schmid

Vice President and CIO, University of Chicago
Chicago, IL

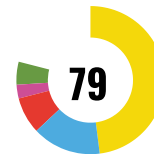
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15. Vincent Morin

President Pension Investments, Air Canada
Montreal, Quebec

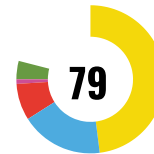
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16. Kim Lew

Vice President and CIO, Carnegie Corporation of
New York
New York, NY

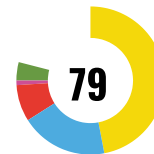
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17. David Holmgren

CIO, Hartford HealthCare
Hartford, CT

47 19 8 1 4





Retirement System
Mechanicsburg, Pennsylvania

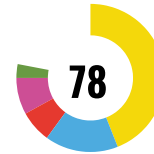
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19. Raphael Arndt

CIO, Future Fund
Melbourne, Australia

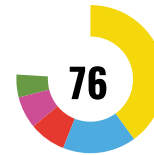
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20. Gary Bruebaker

CIO, Washington State Investment Board
Olympia, WA

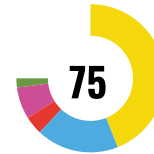
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21. Jagdeep Bachher

CIO and Vice President of Investments, Regents of
the University of California
Oakland, CA

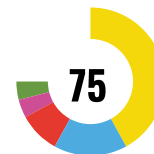
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22. TJ Carlson

CIO, Texas Municipal Retirement System
Austin, TX

42 16 9 4 4



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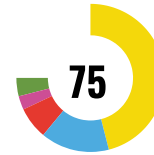
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24. Matt Clark

State Investment Officer, South Dakota Investment Council
Sioux Falls, SD

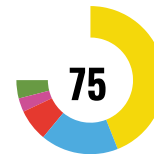
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25. Susan Ridlen

Assiatant Treasurer and CIO , Eli Lilly
Indianapolis, Indiana

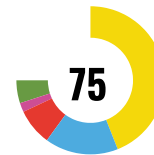
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26. Joel Wittenberg

Vice President / Chief Investment Officer, W.K. Kellogg Foundation
Battle Creek, MI

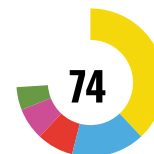
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27. Mansco Perry

Executive Director and CIO, Minnesota State Retirement System
St. Paul, MN

38 16 8 7 5



Clint Coghill discusses the data challenges facing the institutional investment community

Backstop Solutions Group CEO Clint Coghill provides insight in the challenges Institutional investors face in today's data-driven marketplace.

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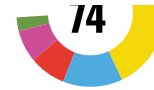
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Executive Director and CIO, State of Wisconsin
Investment Board
Madison, WI

43 13 8 7 3

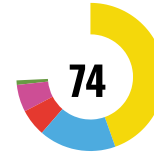


are particularly well-suited for today's market and the factors contributing to the segment's significant growth over the past five years.

29. Marcus Frampton

CIO, Alaska Permanent Fund
Juneau, Alaska

45 17 6 6 1



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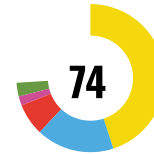
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30. Charles VanVleet

CIO/Assistant Treasurer, Textron
Providence, RI

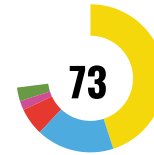
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31. Anthony Waskiewicz

CIO, Mercy Health
St. Louise, MO

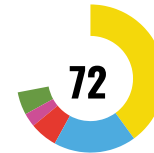
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32. Vince Smith

CIO and Deputy State Investment Officer , New Mexico State Investment Council
Santa Fe, NM

40 18 6 3 5





Auckland, New Zealand

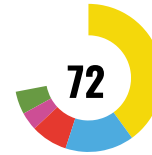
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34. Tom Tull

CIO, Employees Retirement System of Texas
Austin, TX

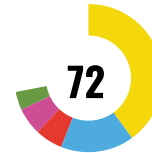
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35. Harshal Chaudhari

CIO, General Electric
Boston, MA

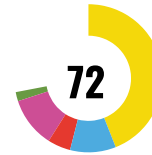
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36. Yu (Ben) Meng

CIO, California Public Employees' Retirement
System
Sacramento, CA

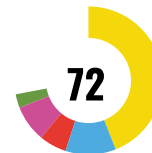
44 10 5 11 2



37. Gordon Fyfe

CEO/CIO, British Columbia Investment
Management Corporation
Victoria, Canada

44 11 6 8 3





for England
London, UK

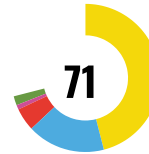
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39. Mark Baumgartner

CIO, Institute for Advanced Study
Princeton, NJ

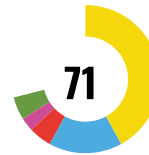
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40. Robert Hunkeler

Vice Presidents, Investments, International Paper
Memphis, TN

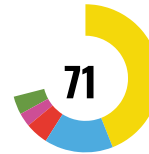
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41. Jonathan Glidden

Managing Director, Pensions, Delta Air Lines
Atlanta, GA

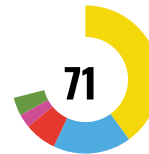
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42. Doug Brown

Senior VP/CIO, Exelon
Chicago, IL

40 17 7 3 4



43.



Melbourne, Australia

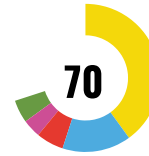
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44. Bill Coaker

CIO, San Francisco Employees' Retirement System
San Francisco

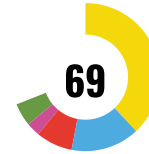
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45. Erik Lundberg

CIO, University of Michigan
Ann Arbor, MI

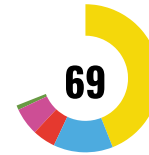
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46. John Skjervem

CIO, Oregon Public Employees Retirement Fund
Tigard, OR

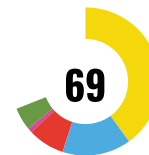
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47. Tim Barrett

Associate Vice Chancellor & CIO, Texas Tech
University System
Austin, TX

40 15 8 1 5



48.



New York, NY

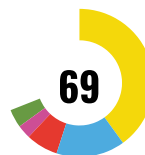
40 15 7 2 5



49. Leslie Lenzo

CIO, Advocate Aurora Health
Milwaukee, WI

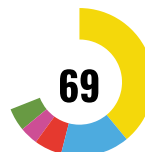
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50. Sanjay Chawla

CIO, FM Global
Johnston, RI

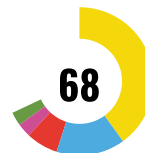
39 15 6 4 5



51. Bob Jacksha

CIO, New Mexico Educational Retirement Board
Santa Fe, NM

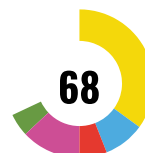
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52. Jean-Paul Villain

Head of Investment Strategy, Abu Dhabi
Investment Authority
Abu Dhabi, United Arab Emirates

35 9 6 13 5



53.



Cheyenne, WY

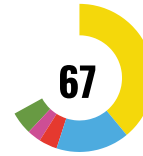
42 15 5 2 3



54. Robert Maynard

CIO, Public Employee Retirement System of Idaho
Boise, ID

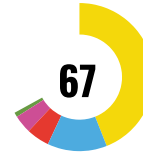
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55. Mikael Angberg

CIO, AP1
Stockholm, Sweden

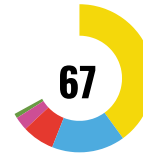
44 13 5 4 1



56. Eric Doppstadt

VP/CIO, Ford Foundation
New York, NY

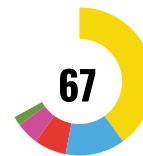
40 16 7 3 1



57. Jeff Lewis

CIO, Federal Express
Memphis, TN

40 13 7 5 2



58.



Menlo Park, CA

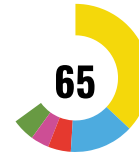
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59. Bruce Cundick

CIO, Utah Retirement Systems
Salt Lake City, UT

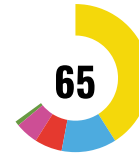
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60. Amy McGarrity

CIO, Colorado PERA
Denver, CO

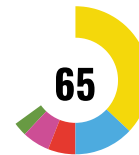
41 12 6 5 1



61. Andrew Ward

CIO, Boeing
Chicago, IL

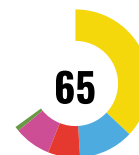
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62. Barry Kenneth

CIO, Pension Protection Fund
London, UK

37 12 7 8 1



63.



Honolulu, HI

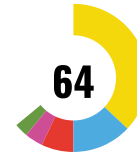
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64. Scott Davis

CIO, Indiana Public Retirement System
Indianapolis, IN

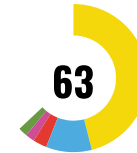
37 13 7 4 3



65. Mark Fawcett

CIO, NEST
London, UK

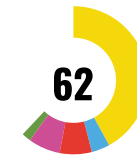
46 10 3 2 2



66. Richard Williams

CIO, RPMI Railpen
London, UK

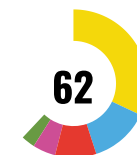
42 4 7 7 2



67. Dhvani Shah

CIO, Illinois Municipal Retirement Fund
Chicago, IL

32 13 9 5 3



68.



Beijing, China

35 8 5 13 1



69. Andrew Golden

President, Princeton University Investment
Company
Princeton, NJ

33 13 6 4 5



70. Rick Slocum

CIO, Harvard Management Company
Boston, MA

37 8 7 4 4



71. Linda Herman

Executive Director, Montgomery County Employee
Retirement Plans
Rockville, MD

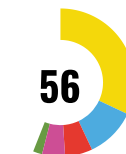
35 12 5 2 4



72. John Pearce

CIO, UniSuper
Melbourne, Australia

32 11 6 5 2





London, UK

33 11 6 4 2



74. Don Pierce

CIO, San Bernardino County Employees' Retirement Association
San Bernardino, CA

32 11 6 2 4



75. Sue Manske

Vice President & CIO, MacArthur Foundation
Chicago, IL

27 17 5 2 4



76. Kathleen Lutito

President/CIO, CenturyLink Investment Management
Denver, CO

28 13 6 3 5



77. Landis Zimmerman

VP/CIO, Howard Hughes Medical Institute
Chevy Chase, MD

28 12 6 4 5





Austin, TX

24 14 8 8 1



79. Michael Larson

CIO, Cascade Investment (The Gates Foundation)
Kirkland, WA

28 11 4 6 5



80. Hani Barhoush

Executive Director, Mubadala Capital
Abu Dhabi, United Arab Emirates

26 9 5 9 5



81. Shawn Wischmeier

CIO, Margaret A. Cargill Philanthropies
Eden Prairie, MN

30 12 7 1 3



82. Jason Klein

Senior VP/CIO, Memorial Sloan Kettering Cancer
Center
New York, NY

30 12 6 2 3



83.



New York, NY

28 11 7 2 5



84. Eric Kirsch

EVP/Global CIO, Aflac
Albany, NY

27 11 6 7 2



85. Neal Triplett

President, Duke Management Company
Durham, NC

27 11 7 3 4



86. Claus Stampe

CIO, PensionDanmark
Copenhagen, Denmark

28 11 5 4 3



87. Robert Wallace

CEO, Stanford Management Company
Palo Alto, CA

27 10 7 4 3



88.



Bern, Switzerland

28 11 5 4 2



89. Gumersindo Oliveros

CIO/CEO, Kaust Investment Management Company
Arlington, VA

27 11 6 4 2



90. Bill Hammond

CIO, AT&T
Dallas, TX

25 11 6 5 3



91. Robert Waugh

CIO, RBS
London, UK

27 9 6 6 2



92. Steven Daniels

CIO, Tesco Pension Investment
London, UK

28 9 5 3 4



93.



Boston, MA

32 5 6 2 4



94. Dale Mac Master

CIO, AIMCo
Edmonton, Canada

25 9 6 6 1



95. John Barker

CIO, Partners HealthCare System
Boston, MA

27 8 5 3 3



96. Christophe Schaer

Chief Investment Strategist, CompenSwiss
Geneva, Switzerland

28 8 3 4 2



97. Sandra Robertson

CIO/CEO, Oxford University Endowment
Management
London, UK

22 11 5 2 5



98.



Newark, NJ

22 10 5 3 5



99. Salwa Boussoukaya-Nasr

CIO, Fonds de Réserve pour les Retraites
Paris, France

25 9 4 4 3



100. William Lee

CIO, New York-Presbyterian Hospital
New York, NY

22 9 5 2 4



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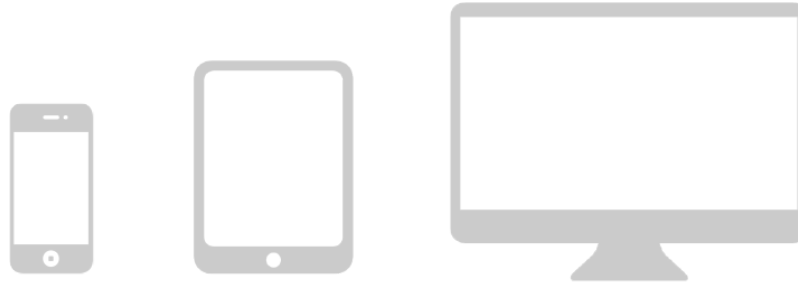


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Home > Events > [2019 CIO Influential Investors Forum and Industry Innovation Awards Dinner](#)

Influential Investors Forum

December 12, 2019 | [Harvard Club](#)





DAY FORUM

Influential Investors Forum

Charting a Smart Course: Long Term Investors in an Increasingly Short Term World



AWARDS DINNER

Industry Innovation Awards

The tenth annual celebration of innovation in the global asset management and asset owner communities.

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Sponsorship Information

Katie Bacon | 203-595-3184 | Katie.Bacon@issmediasolutions.com

General Information

Carol Popkins | 203-461-0985 | Carol.Popkins@issmediasolutions.com



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ABOUT CIO

Influential Investors Forum

11:30 am - 12:20 pm

Registration and Buffet Lunch

(West Room 3rd floor)

12:20 pm - 12:30 pm

Opening Remarks *(Biddle Room 3rd floor)*

12:30 pm - 1:15 pm

Investing in a Low and Negative Interest Rate Environment:

Lower for longer—and longer, and longer. Very low or even negative interest rates dominate the fixed-income landscape these days. In environments where corporate governance structures make it difficult to support long term thinking, how can asset managers best deal with this persistent lack of decent yields? In environments that *do* support long term thinking, what asset classes are due to yield attractive returns? What does it all mean for asset allocations and hedging plans now and in years to come? Top investors discuss their methods.

Moderator: *Ari Jacobs, Senior Partner, Global Retirement Solutions Leader, Aon R&I*

Panelists:

Mark Fawcett, *Chief Investment Officer, NEST Corporation*

Robin Diamonte, *Chief Investment Officer, UTC*

Stuart Dunbar, *Partner, Baillie Gifford International LLC*

Mark Schmid, *Vice President and Chief Investment Officer, University of Chicago*

1:15 pm - 1:55 pm



quality worsens. But for those looking to de-risk their portfolios, especially as they age, are there any alternatives.

According to **Sunder Ramkumar** from Capital Group's Institutional Analytics Group, there are. Following a review of 50 years of market data, he found markedly different risk characteristics within the equity market. Defensive, low beta stocks had materially better downside characteristics alongside good price appreciation. De-risking into these stocks has resulted in the same downside resilience as increasing bond allocations, but with improved annual returns historically.

After his presentation, Ramkumar will open a discussion on how an appreciation of this diversity within the equity market can help de-risk DB plans, create more wealth for DC participants, and improve target date glide path construction.

Presenter: Sunder Ramkumar, *Senior Vice President* of Capital Group's Client Analytics Team

1:55 pm - 2:40 pm

ESG for ROI (*Return on Investment*)

Evidence is mounting that good corporate practices provide ROI advantages. This international panel will explore best practices asset owners and managers are using to apply ESG metrics to increase returns and reduce undue risk. This panel will also vet the question: *What returns will I have to give up for the sake of ESG investing?*

Moderator: Chris Ailman, *Chief Investment Officer*, CalSTRS

Panelists:

Kim Thomassin, *EVP, Chief Legal Officer and Head of Stewardship Investing*, CDPQ

Samantha Stephens, *Responsible Investment Analyst*, Mirova

Stephen Gilmore, *Chief Investment Officer*, New Zealand Super

Andre Bertolotti, *Head of Global Sustainable Research and Data*, BlackRock

2:40 pm - 3:05 pm



3:05 pm - 3:45 pm

What if the FAANGs were not the future of humanity?

Yves Choueifaty, *President & Chief Investment Officer*, TOBAM will discuss the current state of concentrations in financial markets from an historical and a prospective point of view. He will introduce the benefits of a “benchmark-agnostic” systematic approach, whose solely objective is to provide Maximum Diversification[®]

Moderator: Kevin M Leonard, *Partner*, NEPC

Panelists:

Susan M. Ridlen, *Assistant Treasurer and Chief Investment Officer*, Eli Lilly and Company

Dennis Duerst, *President*, 3M Investment Management Corp.

David Holmgren, *Chief Investment Officer*, Hartford HealthCare

Anthony Waskiewicz, *Former Chief Investment Officer* Mercy

3:45 pm - 4:15 pm

Technology: How it is used in financial institutions and its adaptations

What are the latest developments in financial technology, and how can you take advantage of them? Take blockchain, best known as the delivery system for bitcoin and other cryptocurrencies. But blockchain’s “public ledger” stands to be a great boon to financial organizations, providing security and instant data. It records transaction details after suitable authentication and verification by the designated network participants. Then there’s artificial intelligence, which can sift through mountains of data for good opportunities and also traps. Machine Learning, which is a subset of artificial intelligence helps assess financial markets to find differentiated inefficiencies that are not easily observable. Cyber-security is an ever more urgent need, what with monster breeches of financial data harming so many these days. Third party vendors, cross-border data exchanges, and increased use of mobile communications complicate this vital task. Fintech is the future, and we focus on understanding it for you.

Moderator: Shawn Wischmeier, *Chief Investment Officer*, Margaret Cargill Foundation



4:15 pm - 5:00 pm

Team Building

Solid teams of top talent can mean all the difference. What are top CIOs doing to build the right teams? What could lure talent from a top fund? What are CIOs doing to keep talent longer? This panel will talk with top CIOs and a top recruit about tips and best practices for building the best team for tomorrow and beyond.

Moderator: Christine Giordano, *Managing Editor*, Chief Investment Officer

Panelists:

Britt Harris, *President, CEO and Chief Investment Officer*, UTIMCO

Edwin Denson, PhD, *Managing Director, Asset & Risk Allocation*, State of Wisconsin Investment Board (SWIB)

Kathleen Lutito, *President and Chief Investment Officer*, CenturyLink Investment Management

5:05 pm - 5:50 pm

Moving to West Room

The Next Generation Award: Title Round

Six illustrious young asset owners have been named finalists for the 2019 Next Generation award. Only one can take the title. Six finalists, a lightning round of questions, one secret ballot per audience member, nearly 100 CIOs and deputies voting, and a single winner of the Next Generation asset owner title, to be revealed at the Industry Innovation Awards dinner that evening.

Moderator: Chad Myhre, *Director of Investments*, Heinz Family Office

Finalists:

Ruchit Shah, *Acting Chief Investment Officer*, Texas Treasury Safekeeping Trust Company

Novisi Nirschl, *Director*, Memorial Sloan Kettering Cancer Center

Tarik Serri, *Director*, Hedge Funds & Alternative Investments, Trans-Canada Capital (former Air Canada Pension Investments)

Edgar Smith, *Managing Director*, USC Investment Office



5:50 pm - 6:20 pm
Cocktail Reception
East/Mahogany Rooms

6:20 pm
Walk to Dinner at The New York Public Library

Sponsors





Ryan Bailey



Stephen Blundin



Cassie Boll



Derek Drummond



Joe Fazzino



Benjamin Frede



Christie Hamilton



Elizabeth Jourdan



Christine Kelleher



June Kim



Sriram Lakshminarayanan



Albert Lee



Thomas Lefler



Alisa Mall



Ryan McNally



Roxton McNeal



Jeffrey Mindlin



Petya Nikolova



Novisi Nirschl



Tom O'Day



Dan Parker



Jude Pérez



Tarik Serri



Ruchit Shah



chief investment officer



Sorrell





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Class of 2019 NextGens

Meet our 30 NextGens driving innovation in institutional asset management in 2019.

Art by Iris Lei



FEATURED PODCAST



Home > Lists > [Class of 2019 NextGens](#)

Class of 2019 NextGens

Albert Lee

Director of Investments, University of California
HQ: Oakland, California (satellite in New York, NY)

Art by Iris Lei

FEATURED PODCAST





Chief Investment Offi... SOUNDCLOUD
 Dominic Garcia: ...

21:45

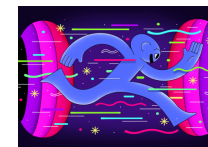
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“Albert was a great hire. He came to us from investment banking in the oil and gas industry, the traditional energy sector. That was an important perspective for us as the University of California began implementing our framework for sustainable investing. He’s been instrumental in helping us find sound, long-term investments in the clean industry sector and other key components of our real assets



RECENT SURVEYS



2019 Transition Management Survey



2019 Liability-Driven Investment Survey



2019 Outsourced-Chief Investment Officer Survey

Albert Lee helps lead the University of California's (UC) efforts in real assets investment, covering a broad spectrum inclusive of agriculture, royalties, metals and mining, infrastructure, and energy. He's led the underwriting of primary fund investments, secondary sales, as well as sourced and structured co-investments while taking a keen interest in the renewable energy sector.

Following a career as an IT consultant at Accenture, he earned his MBA in finance at Columbia Business School. Previously, he worked as a director of investment banking at Lehman Brothers / Barclays Capital, focusing on natural resources and infrastructure transactions.

Albert discusses with CIO how he and his team are riding the momentum of real assets investments for the betterment of the university's total portfolio.

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investment
officer

UPCOMING EVENTS



2020 Chief Investment Officer Summit

April 21-22, 2020 | Harvard Club of New York

MOST POPULAR

Kentucky Analysis Dispels Myth of 401ks as Pension Saviors

State Pension Funds Adjust to 'New Normal' of Lower Returns

Exclusive: CalPERS Fires Most of Its Equity Managers

Don't Be Fooled by Inflated Private Equity Returns

The Disaster That Made Blackstone's Schwarzman Who He Is Today

THOUGHT LEADERSHIP SPOTLIGHT

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**Multi-Sector Credit:
Outlook 2020**

Sponsored by Invesco

Lee: 2019 has been marked with continued volatility with fewer places to truly find value. With regulatory, trade, and political headline uncertainty, we have focused on downside protected, cash-flowing assets with upside potential in the private markets. The growing role of uncorrelated strategies that generate idiosyncratic returns have been a focal area to offset the effects of the volatility.

CIO: After this year, what are the largest opportunities and the largest threats you see on the horizon?

Lee: Today, to ignore risks related to climate change will be at the detriment to all institutional portfolios. On the other hand, this generates potential dislocation and opportunities to invest. De-carbonization mitigates risks imbedded in supply chains, coastal real estate, insurance, health care, transportation, and agribusiness, among other sectors that will be directly affected by extreme

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as technology risk and costs continue to decline in the renewable energy space, there



Navigating the Low-Yield Minefield: The Case for Multi-Sector Credit
Sponsored by Invesco



Enhancing Fixed Income Returns With Diversified Credit Opportunities
Sponsored by MetLife Investment Management

FEATURED VIDEO



are investments across the value chain that potentially generate healthy returns, with secular tailwinds and both private and public sector support.

CIO: How did you arrive at your current position? And why did you choose this part of the financial services industry?

Lee: To be honest, I am a recovering oil, gas, and coal investment banker who has had the fortunate opportunity to truly participate in the global, geopolitical nature of the incumbent energy complex. I was given the rare chance by one of my mentors in the industry to leverage my previous experience and apply it to and come work for a greater cause. It has been a rewarding experience to learn from some of the most intelligent thought leaders in the finance world, while furthering the mission and funding for a university and research system that is second to none. There is deep satisfaction to know the work that I do

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students, faculty, staff, and pensioners.

Clint Coghill discusses the data challenges facing the institutional investment community

Backstop Solutions Group CEO Clint Coghill provides insight in the challenges Institutional investors face in today's data-driven marketplace.

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INDUSTRY WHITE PAPERS

The China Position

Gauging institutional investor confidence in their strategy for entering this growing market



Four strategies for investing in emerging markets

Ways to manage your EM allocation, an out of favor, but still appealing asset class.



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How should investors consider positioning their portfolios?



The Trend Towards Multi-Sector Credit Strategies

Learn why multi-sector credit strategies are particularly well-suited for today's market and the factors contributing to the segment's significant growth over the past five years.



With no natural liability-hedging asset, cash-balance plans require a unique investment lens

MANAGEMENT®

CIO: What was the most important strategic allocation of your career?

Lee: In 2017, I structured and seeded an early-stage venture capital fund focused on new energy and the sustainable economy. The impact of the relationship has had both tangible and intangible returns with far-reaching impact across the UC portfolio. Early-stage insights have given us visibility on developing technologies and potential disruptors in the space. Some of the early-stage portfolio companies have also been able to mine the mature portfolio companies at the UC for synergies. It has been an exciting time of learning and collaboration.

CIO: Tips for money managers who want to work with you, especially what not to do.

Lee: I think the UC Investment Office is a rare animal. We invest multiple different pools of capital, including the endowment, pension,

chief
investment
officer

... five hospital centers, and three national labs. It

INVESTING ABROAD

What are the benefits of international investing?

iShares
by BlackRock

helps when managers do their homework on our organization and are thoughtful about the products they present. We are not only an investment office, but the UC system is a vital consumer and generator of energy, products, and thought leadership, which should not go unnoticed.

CIO: Biggest goof a money manager has made with you?

I have had the honor of being mistaken for an extremely dapper colleague of mine, Edmond Fong. This has happened more than once by more than one manager to the point where Edmond and I have created a hashtag for ourselves: #Almond

Lee: Who in the financial world would you like to have lunch with and why?

I would love to have lunch with Michael Bloomberg. I think he's done an incredible job



where he sees things going next.

CIO: What are changes you'd like to see the institutional investing community make in 10 years?

I believe there is a continued need for both diversity and inclusion at all levels of the institutional investment value chain. A variety of viewpoints, coupled with intellectual honesty, will result in more balanced investment decisions.

Lee: What are your hobbies not correlated to work?

These days, my priority and focus outside of work is my family. Our 1.5 year old son has recently started taking soccer lessons, and I am patiently looking forward to cheering on a future Tottenham Hotspur!



2018 NextGen
Click here for 40 Under 40 past members.



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Christie Hamilton



Elizabeth Jourdan



Christine Kelleher



June Kim



Sriram Lakshminarayanan



Albert Lee



Thomas Lefler



Alisa Mall



Ryan McNally



Roxton McNeal



Jeffrey Mindlin



Petya Nikolova



Novisi Nirschl



Tom O'Day



Dan Parker



Jude Pérez



Tarik Serri



Ruchit Shah



Matthew Sherwood



Edgar Smith



Natalie Jenkins Sorrell



Terence Thompson



Phillip Titolo



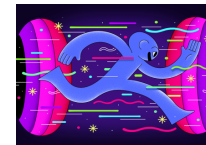
Kelli Washington



Chief Investment Offi... SOUNDCLOUD
 Dominic Garcia: ...
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RECENT SURVEYS



2019 Transition Management Survey



2019 Liability-Driven Investment Survey



2019 Outsourced-Chief Investment Officer Survey

Each year, we ask our vibrant industry community to anonymously nominate those they see as rising leaders in the investment industry.



alphabetically, in groups of six, brings together 30 of those talented and inspiring asset allocators who show a strong ability to become potential

game changers. It's kind of like peeking into the future. If they haven't already risen, many nominees quickly ascend in their careers within a few years.

This feature brings you inside the minds of this class of future investment leaders as they tackle a series of questions that reveal their strategies, personalities, dream mentors, and what they'd change about the industry. It also shines a light on the star qualities that they're known for, with words spoken directly from their head allocators and chief investment officers.

To keep it fair, we asked these rising stars the same series of questions. Share your thoughts or congratulatory cheers on social media using the hashtag #NextGens2019. Feel free to be inspired by this year's class as they courageously share their thoughts while forging into their futures.

2018 NextGen

[Click here for 40 Under 40 past members.](#)



UPCOMING EVENTS



2020 Chief Investment Officer Summit

April 21-22, 2020 | Harvard Club of New York

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Kentucky Analysis Dispels Myth of 401ks as Pension Saviors

State Pension Funds Adjust to 'New Normal' of Lower Returns

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The Disaster That Made Blackstone's Schwarzman Who He Is Today

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Outlook 2020**

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2019 Knowledge Brokers



Chief Investment Officer’s eighth annual list of the world’s most influential investment consultants.

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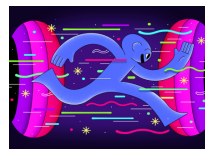
the strategic partners skilled at matching chief investment officers with the best opportunities for a CIO’s investment mandates. They scout the globe for the most relevant investment managers and financial firms, considering fees, technology, performance, and time horizons. They discover global as well as micro-local opportunities. They spot trends and opportunities best suited to stand the test of time.

This list, curated directly from the recommendations of top chief investment officers, only includes consultants whom CIOs would recommend to their peers. There are some all-stars who have appeared on our list for years, and who have been continually recommended by CIOs. Other names are new and relatively new, but all were chosen from CIOs’ black books of favorites for the 2018/2019 year. In this year’s series, we explore their market insights for CIOs in 2019/2020.

By Christine Giordano



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September 12, 2019

2019 Knowledge Brokers



Maggie Ralbovsky

Title: Managing Director / Senior Consultant

Firm: Wilshire Associates

Assets under advisement: More than \$1 trillion in assets under advisement; \$65 billion in assets under management.

Number of consultants at firm: 31 consultants; 269 employees; 78 professionals.

Client type: Corporate and public pension plans, defined contribution plans, insurance companies, government-related institutions, endowments, foundations, and health care companies—providing advisory and discretionary services.

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more than 17 years, Ralbovsky now serves as a managing director and senior consultant at Wilshire Consulting. She is also a member of the board of directors at Wilshire Associates, a firm founded by Dennis Tito, a former JPL/NASA rocket scientist and the world's first space tourist. Armed with multi-dimension optimization/simulation models developed as a trajectory engineer, Tito founded Wilshire 47 years ago, on the notion that computer-based simulation and risk management tools that the space agency used could help design and stress test investment portfolios that are similarly influenced by numerous independent while interconnected variables.

“Some of the technological methods the scientific community used at the time became Wilshire’s first products and evolved into innovative risk analytics that we still use today,” Ralbovsky tells CIO.

“With this genesis, Wilshire’s DNA has the roots in studying why investors are getting paid for taking certain risks and how to get the biggest bang for the buck. Decomposing returns to attribute to the different risk factors can help us understand which risk factors pay what over time. We want to have a portfolio that is informed by that insight, so we can adjust strategic asset allocation on a forward-looking



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that we may enter.”

Getting an Informational Edge

Ralbovsky’s clients are diverse, ranging from public pensions like the Government of Guam Retirement Fund, to sovereign wealth funds including the Federated States of Micronesia and Native American tribes, including the Morongo Mission Indians.

One of Ralbovsky’s key focus areas in her work is to understand how the risks and opportunities technological advances impact the status quo, as they’ve been disruptive to many of the old practices, Ralbovsky says. “When I first started my investment consulting career, one could have an information advantage with an optimization model for a portfolio. Those days are over. Today, information is instantaneously available to investors, large and small.”

To possess information advantage, one must work harder to uncover unstructured data that can be analyzed by increasingly sophisticated algorithms. At Wilshire, the research team has focused on using technological tools to gain insights to efficiently construct portfolios from risk factor exposures—and to put together a portfolio factor by factor. Examples of this include building smart beta and alternative beta portfolios that are

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Ralbovsky says these are exciting natural progressions for Wilshire's practice, since its inherent strengths are the use of analytical tools and the cultural focus on studying how risks are getting paid, as well as identifying which asset classes/factors are providing more benefits during a particular phase of the market cycle.

Another interesting development that Ralbovsky notes is the blurring of the lines dividing public and private markets, which has significant implications to asset allocation decisions. When Wilshire constructed the Wilshire 5000 index in the 1970s, there were roughly 5,000 publicly traded stocks in the US. Fast forward, and that number has dropped to somewhere over 3,200 today, with a greater concentration of mega-cap companies than ever before.

"After 2008, many different iterations of regulatory changes took place, leaving public companies with a lot of burdens that many newer companies do not wish to shoulder," Ralbovsky says. Innovations in blockchain and initial coin offerings (ICOs) have also played a part in blurring the lines with new companies raising money/seeking liquidity that way instead of going public.

"You cannot ignore ICOs—the technology is there and billions of dollars have been raised on that



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Cash-balance liabilities: A new investment framework

With no natural liability-hedging asset, cash-balance plans require a unique investment lens



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that market and we try to understand whether they may or may not fit in an institutional portfolio. Right now, it is not feasible to invest in ICOs for institutional portfolios.”

Another emerging trend Ralbovsky is focused on is Chinese on-shore shares. She says they may play a bigger role in client portfolios than they have in the past as investors rethink their approach to that market. “I think China is a puzzle that the institutions need to crack for the future because it represents both risks and opportunities. I don’t think the trade tension is simply about trade—it’s a challenge for the economic order that was established by the West, and it’s China’s way to let the world know there’s a competing economic regime that can also work in lifting the developing countries from poverty. As the population of the West continues to age, China is aiming to capitalize on the future growth potentials of the emerging world in its own favor.”

Indices such as the MSCI equity indexes have been gradually adding China on-shore shares into their main indexes, but for investors who look to take into account the entire investment opportunity set, “it’s probably a great time to consider Chinese on-shore shares that are not currently included in the standard global indexes. As the index providers



participate—try to get in early before those passive flows occur,” Ralbovsky notes.

While managing investments in China or elsewhere, Ralbovsky stresses the importance of understanding the implications of portfolio liquidity to the long-term health of an institutional investment portfolio. “After all, if you cannot survive the short run, the long run is irrelevant,” she says. As a result, Ralbovsky and her team have expanded their use of stress testing as a means of safeguarding portfolios.

By Steffan Navedo-Perez

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March 18, 2019 03:08 AM

Kim Lew: Growing Your Markets (and Your Team)

CIO of the Carnegie Corp. talks Africa investments, team building, and more.



Chief Investment Officer Magazine - Kim Lew: Growing Your Markets (and Your Team)

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Art by Jasu Hu

Kim Lew, CIO of the Carnegie Corp., knows a thing or two about emerging markets. The non-profit organization was an early investor in Africa, and has a higher education program in the region. She is also keen on a diverse and ever-growing investment team. In this episode, Lew will talk about all of this and more, including two hobbies that may (or may not) surprise you.

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🔒 December 10, 2019

Push into Smart Beta Slows as Market Matures

Market saturation, diminishing investor confidence drives slower pace—and lower fees.



Two years ago, new allocations to smart beta and factor strategies were still expanding their market share. Now, however, the flow of new allocations into this space is leveling off with varying impacts across the different strategies in this segment.

Overall, new funds are still pouring into smart beta strategies. Yet, in some segments, there are pullbacks and adjustments in allocations. Investors, as they conduct their reviews, are giving considerable weight to costs and how they compare to expected performance premiums.





many of products as much of the white space that had previously been available has now been covered off,” says Ben Johnson, director of global exchange-traded fund research at Morningstar. The Chicago-based investment research firm has named this sector strategic beta, covering both smart beta and factor ETF strategies.

With so many options now available, investors also face a “paradox of choice” that slows down new allocations, says Rob Arnott, chairman and founder of Research Affiliates of Newport Beach, California. “It’s like a store with bright shiny objects on the shelf, it’s harder to make a decision, not easier,” he says. Investors have \$170 billion in assets managed using RAFI indexes licensed by Research Affiliates.

The slowdown, Arnott adds, is also being driven in part by diminishing investor confidence in the ability of smart beta and factor strategies to generate alpha.

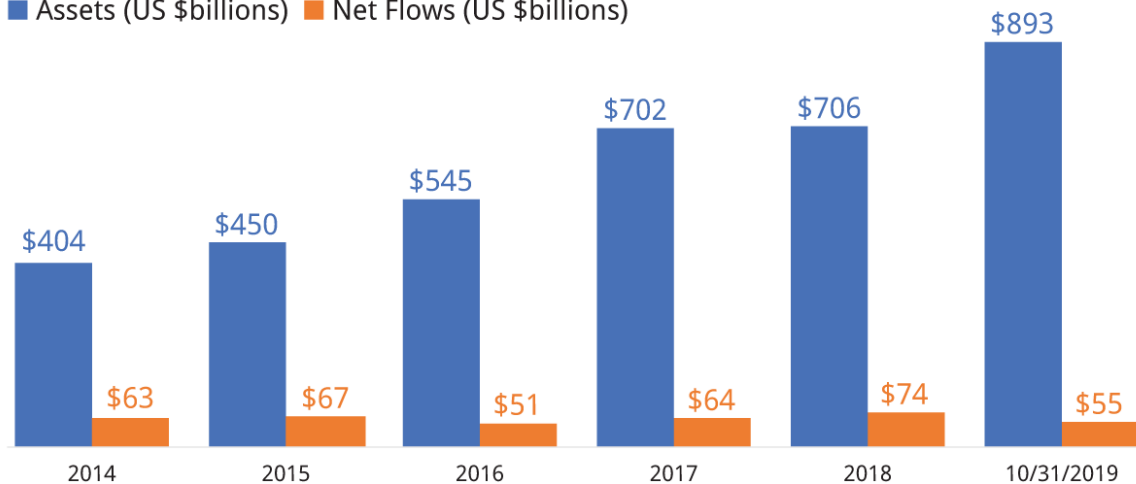
Smart beta and factor strategies are designed into indexes that diverge from the standard market capitalization models such as the S&P 500, the Russell 1000, and the MSCI World Index. The strategies are constructed to outperform their relevant benchmarks by a variety of methods. These include weighting stock allocations in the index by fundamentals of company size, such as sales, cash flow, book value, and dividends plus buybacks. They also include overweighting stock allocations in the index by factors, such as growth, value, momentum, volatility, and quality.

flows from investors into this asset class, depending on the data provider. According to Morningstar, this year, investors added a net   billion to their holdings of strategic beta ETFs through October 31. By comparison, net inflows in 2018 totaled \$74 billion. Meanwhile, the value of all assets in this category has risen 26% since last year, from \$706 billion to \$893 billion, as the share prices for strategic beta ETFs have soared.

Strategic Beta Net Asset Flows, 2014 – 2019

All U.S. ETFs, Including Obsolete Funds
Strategic Beta

■ Assets (US \$billions) ■ Net Flows (US \$billions)



Source: Morningstar

A contrary view of net flows can be found in eVestment data containing information on asset holdings of institutional investors around the



2018 and have been negative every quarter since. More than \$23 billion net has flowed out of assets in this sector over the last six quarters. The investment data base includes non-ETF investments held in private separate accounts, some managed by outside managers and some managed in-house. The value of smart beta and factor strategy assets in the eVestment data has risen 12% from \$364 billion to \$407 billion over the last year and a half.

One reason investors are still solidly invested in the smart beta sector is that rising competition in this space is also driving down fees investors pay to fund managers, making these investments more attractive. In fact, the companies offering smart beta investments are finding it harder to get investors to pay attention to anything else beyond costs. “Managers who have been hoping to differentiate themselves on the basis of the merits of their particular strategy have thrown up their hands in some cases and realized that investors are increasingly focused on fees first and may dig into the importance of the strategy later,” says Morningstar’s Johnson.

As investors hesitate to invest new money into this asset class, it has prompted investment providers to engage in “a price war” over fees, Arnott says. This competition he adds, has hit Research Affiliates’ fundamental indexes. The company started out in 2005 charging around 12 basis points. It now charges between 4 and 6 basis points.



becomes easier to lower expense ratios. “It doesn’t cost twice as much to run twice as large an asset base for any strategy. Smart beta is no different,” Arnott says.

Assessing the Situation

Arnott offers some insight into assessing both fees and performance at Research Affiliates over the years. Initially research in 2004 by Arnott and associates found from historic data that over the long term, an index constructed on fundamentals rather than market cap produced excess returns of 1.97 percentage points over the S&P 500 with similar advantages over other reference index benchmarks. However, since 2007, the level of excess returns have been lower than projected for RAFI indexes, Arnott says. He attributes that in large part to RAFI indexes’ value tilt. During the last 12 years, value has underperformed its long-term average. Over the next five years, however, Arnott expects the RAFI S&P 500 Index to outperform its benchmark by 2.73 percentage points, as value outperforms its historical average by 4%.

Investors should not unduly focus on fees in isolation, according to John Delaney, senior director for investments at Willis Towers Watson. “You have to understand what you’re buying rather than go to the lowest bid. We focus on understanding what the net-of-fees alpha is for each strategy rather than pick the cheapest one.”

Some parts of the market are still red hot. “It’s been an absolutely stellar year for factor EFTs. In fact, it’s been the biggest year ever at



BlackRock factor strategy platform has \$244 billion in assets under management.



Ang finds it “astounding” that the firm’s fastest-growing ETF is a factor ETF and not a market cap ETF. It is a low volatility ETF with the ticker symbol [USMV](#), the iShares Edge MSCI Minimum Volatility USA ETF. Its share price has risen more than 25% as of the end of November. It has an expense ratio of 15 basis points.

“We’re very late in the cycle and factors like quality and minimum volatility are ways to create defense and resilience in portfolios,” Ang says.

BlackRock is currently advising investors to go long on defensive strategies and is working with them to make necessary adjustments in allocations. Sometimes the objective can be achieved “in a more nuanced manner” by adding on new factor strategies rather than shifting current allocations in this asset class, according to Ang.

Investors are coming to see strategic beta strategies as part of their active investment portfolio and not an alternative passive index investment, according to Morningstar’s Johnson. “In essence, what we are talking about is a new form of active management, one that codifies certain market bets rather than owning the market outright,” says Johnson.



strategies can best play in the overall portfolio, says Willis Towers Watson's Delaney. "Where we see investor disappointment is where factors are seen as a cure-all for active management ills," he says.

Investors should think of investments in smart beta and factor strategies as they would an active strategy, according to Delaney. They should have reasonable expectations about its performance compared with the index and take into account how long it might be out of favor compared to the index. "It's obviously not going to replicate the index. It is not going to provide a steady 50 basis point return over the index all the time. These things will come into and out of favor," Delaney says.

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By [Robert Stowe England](#)