



# Asset-Liability Management

Examining New Pension Fund Rules and Changing Asset Management Strategies

April 5th & 6th, 2006 ■ The Harvard Club ■ New York City

## Our Accomplished Speaking Faculty Includes:

*Ronald J. Ryan*, RYAN ALM, INC.

*Sean F. McShea*, RYAN LABS, INC.

*Yariv Itah*, CASEY QUIRK & ASSOCIATES LLC

*Michael Hall*, RUSSELL INVESTMENT GROUP

*Barbara Novick*, BLACKROCK

*James Moore*, PIMCO

*Orie Dudley*, NORTHERN TRUST GLOBAL INVESTMENTS

*John Nelson*, BROWN BROTHERS HARRIMAN & COMPANY

*Anees Din*, WEISER, LLP

*David Zion*, CREDIT SUISSE FIRST BOSTON

*Bradley Belt*, PENSION BENEFIT GUARANTY CORPORATION

*Robert Blackwell*, RUSSELL INVESTMENT GROUP

*Allen Reed*, GENERAL MOTORS ASSET MANAGEMENT

*Ray McCray*, SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

*Arthur G. Jakoby*, HERRICK FEINSTEIN, LLP

*Douglas Fore*, TIAA-CREF INVESTMENT MANAGEMENT

*Kenneth Kent*, CHEIRON

*Alexander Sussman*, THE SEGAL COMPANY

*Kenneth Buffin*, BUFFIN PARTNERS INC.

*Graham Schmidt*, EFI ACTUARIES

*Richard Ennis*, ENNIS KNUPP + ASSOCIATES

*Joseph Miletich*, NEW ENGLAND PENSION CONSULTANTS

*Isaac Buchen*, PRICEWATERHOUSECOOPERS

*Carl Hess*, WATSON WYATT INVESTMENT CONSULTING

*Dr. Susan M. Mangiero*, BVA, LLC & PENSION GOVERNANCE, LLC

*David Hammerstein*, YANNI PARTNERS

*Joseph Saburn*, GREENBERG TRAURIG, LLP

*Andrew Irving*, INDEPENDENT FIDUCIARY SERVICES

*Sherwin S. Kaplan*, THELEN REID & PRIEST, LLP

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Dear Colleague,

Lackluster returns, a disproportionate balance between liabilities and assets, heightened regulatory scrutiny, questionable accounting, and the recent murkiness of conflict-of-interest accusations has pushed the pension fund community into crisis. So much is now at stake! However, it is also a time when all stakeholders are coming together to build a regulatory, financial reporting, and investment management roadmap for immediate execution, to assure long-term pension fund health. There is huge emotional and intellectual investment in pulling through one of the most serious financial challenges this country has witnessed — an estimated \$2 trillion in under-funded commitments.

We at Financial Research Associates understand the urgency of this issue! We have designed this thought-provoking conference to help facilitate greater dialogue among you and your peers as you grapple with the under-funded challenges. Furthermore, the exceptional speaking faculty we have gathered will delve head-long into offering timely, compelling, and creative solutions that when applied will help you move beyond the current crisis.

Walk away with a comprehensive understanding of the following potent sub-topics:

- Revisiting asset allocation, asset management and performance measurement
- Detailing the drivers of demand for ALM solutions
- Unveiling current leaders and rising challengers in ALM
- Analyzing traps to avoid when building an ALM capability
- Discovering new trends in asset-liability management
- Understanding the implications of new accounting rules
- Gaining insights from PBGC's overview and pension update
- Exploring the latest thoughts from public and private plan sponsor executives
- Examining the lessons of SEC investigations
- Developing a correct set of actuarial assumptions
- Establishing the consulting community's current perspectives
- Taking a new look at risk management
- Key steps in minimizing litigation risk

#### PLUS

Two of the premier firms in asset-liability management are hosting a three-hour pre-conference workshop giving you in-depth exposure and cutting edge understanding of "Asset and Liability Modeling and Performance Benchmarking." Participation in the workshop will contribute enormously to your comprehension and enjoyment of the main conference. This is an invaluable opportunity you will not want to miss!

Register now by calling us at 800-280-8440 or visit our website at [www.frallc.com](http://www.frallc.com). Alternatively, you may register by completing the back panel of this brochure, and **faxing** it to 704-889-1292.

I look forward to meeting you in New York!

Sincerely,

Donal Murphy, *Conference Director*  
FINANCIAL RESEARCH ASSOCIATES, LLC

## About Financial Research Associates



Financial Research Associates provides the financial community with access to vital business information and networking opportunities. Offering highly targeted conferences, FRA is a preferred resource for executives and managers seeking cutting-edge information on the next wave of business opportunities. See [www.frallc.com](http://www.frallc.com) for more information on upcoming events.

## Who Should Attend?

The *Asset-Liability Management Conference* is designed to be of specific benefit to:

- Public and corporate pension funds: CFOs, CIOs, controllers, treasurers, risk managers, portfolio managers and fund trustees
- Asset management firms
- Asset-liability management firms
- Pension fund consultants
- Risk management firms
- Accounting firms
- Auditors
- Law firms
- Actuarial firms

## Speaking and sponsorship opportunities are still available!

Please contact Menna Lloyd White 704-889-1298 for more information or email [mlloydwhite@frallc.com](mailto:mlloydwhite@frallc.com).

## DAY ONE Wednesday, April 5, 2006

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12:00 PM

### Registration for Pre-Conference Workshop

1:00 PM

### Asset and Liability Modeling and Performance Benchmarking

This roll-up-your-sleeves workshop is designed to provide you with in-depth understanding and insights into the following key issues:

- Understanding liabilities
- Constructing a custom liability index
- Learning to handle retired vs. active liabilities
- Understanding liability-driven asset allocation
- Considering the correct placement of bonds within the portfolio
- Examining plans' non-bond needs
- Implementing deficit reduction strategies for under-funded plans
- Conducting performance attribution in an asset-liability framework
- Rebalancing between the asset-liability portfolio and the surplus

**Ronald J. Ryan, CFA, Chief Financial Architect & Founder**  
RYAN ALM, INC.

**Sean F. McShea, President**  
RYAN LABS, INC.

*There will be a 30 minute break between 2:30pm and 3:00pm*

4:30 PM

### Workshop Adjourns

## DAY TWO Thursday, April 6, 2006

### About the Conference Chairman



Ronald J. Ryan is Chief Executive Officer and Chief Financial Architect at Ryan ALM, Inc., an asset-liability management firm. Ryan ALM offers a turnkey system for liability driven objectives and offers Liability Index Funds and Liability Hedge Funds as core products.

Prior to his founding of Ryan ALM, Ron founded and lead Ryan Financial Strategy Group (1982-1988) and Ryan Labs (1988-2004). Ron also held the position of Director of Research at Lehman Brothers where he designed many of the popular Lehman bond indices, which have become the key fixed income benchmarks for asset management today.

Ron holds the CFA designation and has a BBA and MBA from Loyola University.

7:00 AM

### Conference Registration & Continental Breakfast

8:00 AM

### Conference Chairman's Welcome and Opening Remarks

### The Pension Crisis: What happened? Can it be fixed?

The pension crisis is the largest financial dilemma in America since the depression, estimated at over \$2 trillion under funded for private and public plans. It was caused mainly by bad accounting rules which led to bad benefit, contribution and investment decisions. The solutions lie initially in creating a set of economic books such that asset-liability management can function effectively. Asset allocation, asset management and performance measurement must be focused on the liability objective and not generic indexes to produce the desired risk/reward strategies.

**Ronald J. Ryan, CFA, Chief Financial Architect & Founder**  
RYAN ALM, INC.

8:45 AM

### Asset-Liability Management: The Investment Manager's Perspective

- Drivers of demand for ALM solutions
- Sizing and assessing the opportunity
- Primary business models
- The skill squeeze
- Key success factors
- Current leaders and rising challengers in ALM
- Traps to avoid when building an ALM capability

**Yariv Itah, Director**

CASEY QUIRK & ASSOCIATES LLC

9:15 AM

### New Trends in Asset-Liability Management

The European asset management industry has been pursuing liability-driven solutions for many years. Now that the U.S. pension fund crisis is under the microscope, what solutions are U.S. asset managers offering and who among them is displaying leadership? In this session hear from expert asset managers as they discuss the current cutting-edge ALM solutions.

- Managing to an ALM edict
- New trends in Asset-Liability Management

### Moderator:

**Michael Hall, Senior Consultant**  
RUSSELL INVESTMENT GROUP

### Panelists:

**Barbara Novick, Managing Director & Head of Global Business Development**  
BLACKROCK

**James Moore, Senior Vice President and Product Manager**  
PIMCO

**Orie Dudley, Chief Investment Officer**  
NORTHERN TRUST GLOBAL INVESTMENTS

**John Nelson, Managing Director, Director of Institutional Fixed Income Relationships**  
BROWN BROTHERS HARRIMAN & COMPANY

10:00 AM

### Mid-morning Refreshment Break

10:15 AM

### Understanding the Implications of New Accounting Rules

With the movement towards accounting rules changes, this session will delve head-long into the challenges that pension funds now face in addressing the complexities of asset-liability management, tax and funding rules, and financial performance.

Sub-topics include:

- How have European funds been dealing with IAS 19 throughout 2005 and 2006 to-date?
- Can the experiences of European funds be a guide for their US counterparts?
- How will FASB's decision to overhaul accounting rules No. 87 and No. 106 impact financial statement reporting? Asset management?
- Where does GASB currently stand?

#### Moderator:

**Ronald J. Ryan, CFA**, *Chief Financial Architect & Founder*  
RYAN ALM, INC.

#### Panelists:

**Anees Din**, *Partner*  
WEISER, LLP

**David Zion**, *Director*  
CREDIT SUISSE FIRST BOSTON

**Douglas Fore**, *Director of Portfolio Analytics*  
TIAA-CREF INVESTMENT MANAGEMENT

11:00 AM

### Pension Benefit Guaranty Corporation Overview and Pension Update

Created by the Employee Retirement Income Security Act of 1974, PBGC currently protects the pensions of 44 million American workers and retirees in 30,330 private single-employer and multiemployer defined benefit pension plans. In the past 31 years, PBGC has taken over 3,600 terminated plans and is responsible for the current and future benefits of about 1.3 million workers. During these challenging times, PBGC has a shortfall of more than \$23 billion. This session is designed to provide an update on the critical role the agency plays in protecting the pension benefits of workers and retirees.

**Bradley Belt**, *Executive Director*  
PENSION BENEFIT GUARANTY CORPORATION

11:30 AM

### PENSION FUND PRACTITIONERS' ROUNDTABLE

This session aims to take advantage of the expertise and opinions of public and private plan sponsors on issues related to:

- Asset allocation strategies and portfolio diversification
- Risk management
- Are Pension Obligation Bonds a good thing or a bad thing?
- Manager and consultant selection and on-going due diligence

#### Moderator:

**Robert Blackwell**, *Managing Director, Research and Strategy*  
RUSSELL INVESTMENT GROUP

#### Panelists:

**Allen Reed**, *President & CEO*  
GENERAL MOTORS ASSET MANAGEMENT

**Ray McCray**, *Trustee*

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION  
& *Treasurer*  
CITY OF TRACY

Additional speakers to be announced

12:15 PM

### Luncheon for Conference Attendees

1:15 PM

### Examining the Lessons of SEC Investigations

The high-profile cases of General Motors and the City of San Diego has proven to everyone that the Securities and Exchange Commission has pension fund accounting practices in its cross-hairs. Using current investigations as case studies, what can be revealed about the SEC's thinking on pension fund reporting practices and what lessons can be learned and applied to maintain compliance. Additionally, what are the latest developments surrounding investigations of pension fund consultants and maintaining conflict-free relationships.

**Arthur G. Jakoby**, *Partner*  
HERRICK FEINSTEIN, LLP

Additional speakers to be announced

2:00 PM

### Developing a Correct Set of Actuarial Assumptions

Since actuarial assumptions play a pivotal role in the delicate balance between assets and liabilities, determining and settling on appropriate calculations is crucial. Is your fund taking liabilities into account when calculating its assumption rate? Is your fund effectively measuring the asset-liability ratio under different structural and economic conditions? Having settled on the correct set of assumptions, what now are the accompanying investment solutions?

#### Moderator:

**Kenneth Kent**, *Consultant*  
CHEIRON

#### Panelists:

**Alexander Sussman**, *Sr. Vice President, National Director, Retirement Practice*  
THE SEGAL COMPANY

**Kenneth Buffin**, *Principal*  
BUFFIN PARTNERS INC.

**Graham Schmidt**, *Vice President*  
EFI ACTUARIES

2:45 PM

### Mid-afternoon Refreshment Break

3:00 PM

### Understanding the Consulting Community's Current Perspectives

Consultants have been commonly seen as the gatekeepers to pension fund decision makers. However, recent SEC scrutiny surrounding conflict of interest issues has given plan sponsors pause. This session will help you navigate the due diligence process of choosing the right consultant and working with your consultant in choosing the right money managers. Included

among the sub-topics are:

- What strategy(s) are consultants recommending to cure the pension crisis?
- What trends do consultants favor in asset allocation and asset management?
- Understanding the tools for selecting, evaluating, monitoring, and firing your service providers

**Moderator:**

**Richard Ennis, Principal**  
ENNIS KNUPP + ASSOCIATES

**Panelists:**

**Joseph Miletich, Partner**  
NEW ENGLAND PENSION CONSULTANTS

**Isaac Buchen, Director**  
PRICEWATERHOUSECOOPERS

**Carl Hess, Global Director, Asset Allocation**  
WATSON WYATT INVESTMENT CONSULTING

3:45 PM

### **What is Risk?**

**Moderator:**

**Sean F. McShea, President**  
RYAN LABS, INC.

**Panelists:**

**Kenneth Kent, Consultant**  
CHEIRON

**Dr. Susan M. Mangiero, Managing Member & Founder**  
BVA, LLC & PENSION GOVERNANCE, LLC

**David Hammerstein, Principal & Chief Investment Strategist**  
YANNI PARTNERS

4:30 PM

### **ERISA Litigation: Risk is More Than a Four-Letter Word**

Pension-related funding problems, questions about investment prudence and plan sponsor solvency are a few of the many issues that account for a significant increase in new ERISA case filings and fiduciary liability insurance claims. The panel will discuss current trends in pension-related litigation, including remedies, plan design issues, minimizing litigation risk and avoiding unnecessary litigation.

**Moderator:**

**Dr. Susan M. Mangiero, Managing Member & Founder**  
BVA, LLC & PENSION GOVERNANCE, LLC

**Panelists:**

**Joseph Saburn, Of Counsel**  
GREENBERG TRAUERIG, LLP

**Andrew Irving, Senior Vice President & General Counsel**  
INDEPENDENT FIDUCIARY SERVICES

**Sherwin S. Kaplan, Of Counsel**  
THELEN REID & PRIEST, LLP

5:15 PM

### **Conference Concludes**

## **Administrative Details**

### **Four Easy Ways to Register:**

**Phone:** 800-280-8440

**Fax:** 704-889-1292

**Mail:** Financial Research Associates  
18705 NE Cedar Drive  
Battle Ground, WA 98604

**Online:** [www.frallc.com](http://www.frallc.com)

### **Date & Venue Information:**

*April 5th & 6th, 2006*

#### **The Harvard Club of New York City**

27 West 44th Street  
New York, NY 10036

phone: 212-840-6600

fax: 212-827-1270

[www.hcnyc.com](http://www.hcnyc.com)

If you require overnight accommodation for this conference, please contact any of the following nearby hotels to check their best available corporate rate over this time frame or consult your local travel agent. Please note that FRA has not negotiated rates with any of these hotels.

### **AREA HOTELS**

Mansfield Hotel (212) 944-6050

Royalton Hotel (212) 869-4400

Algonquin Hotel (212) 840-6800

Iroquis Hotel (212) 840-3080

City Club Hotel (212) 921-5500

Sofitel Hotel (212) 354-8844

### **Fees and Payments:**

The fee for attendance at the pre-conference workshop and main conference is \$1795.

The fee for attendance at the main conference only is \$1295.

Please make checks payable to Financial Research Associates, LLC, and write code B339 and the attendee's name on your check. You may also pay by Visa, MasterCard, Discover, or American Express. Purchase orders are also accepted. Payments must be received no later than March 29, 2006.

Group discounts are available; for more information, please call Lisa Horton at 704-889-1284 or email [lhorton@frallc.com](mailto:lhorton@frallc.com).

### **Cancellations:**

If you cancel four weeks or more in advance of the conference you can expect a full refund or voucher. Cancellations occurring two to four weeks prior to the conference date receive a \$200 refund or a full voucher to another FRA event. If you cancel any time after March 22, 2006, you will receive a voucher, which can be used at any FRA event within the calendar year.

Please Note: For reasons beyond our control it is occasionally necessary to alter the content and timing of the program or to substitute speakers. Thus, the speakers and agenda are subject to change without notice. In the event of a speaker cancellation, every effort to find a suitable replacement will be made.



# Asset-Liability Management

## Examining New Pension Fund Rules and Changing Asset Management Strategies

April 5th & 6th, 2006 ■ The Harvard Club ■ New York City

### Registration Form: Asset-Liability Management Conference

#### Four Easy Ways to Register:

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- Yes! Register me for the pre-conference workshop and main conference (\$1795).
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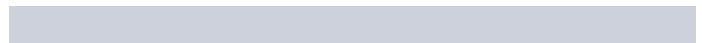
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