

2014 *mini*Summit Houston



2014 *mini*Summit in Houston

The Winds of Change

Rethinking Fixed Income

April 22, 2014
2:00PM – 6:00PM

Winstead PC's office
600 Travis Street, 11th Floor
Houston, TX



The National Society of Institutional Investment Professionals
www.NSIIP.org | One T&M Plaza | 6839 Gaston Avenue | Dallas, TX 75214

2014 *mini*Summit – NSIIP Introduction

Welcome to the 2014 *mini*Summit!

The National Society of Institutional Investment Professionals (NSIIP) welcomes you to our first *mini*Summit in Houston, Texas, April 22, 2014: ***Rethinking Fixed Income***. Our advisory board and speakers put together this special half day session focusing on the current fixed income market. It features an informative and thought-provoking discussion on how to address the challenges facing funds and plan strategies that will enhance the fund's success potential. It's also a great opportunity to network with other fund staff who are dealing with some of the same issues.

NSIIP Mission

NSIIP is a national 501(c)3 non-profit organization designed for the education and networking of professionals who manage institutional investment funds including corporate pensions, public pensions, non-profit foundations and endowments, hospitals, and family offices. NSIIP promotes the exchange of information as it advocates standards of qualification, and develops and promotes continuing education programs. We also offer opportunities to network with other directors, trustees, investment officers and representatives of financial institutions.

NSIIP History

Our roots began more than 20 years ago in the Dallas/Ft. Worth area. Several large plan sponsors hosted quarterly meetings highlighting an industry leader/speaker. We also established an annual one-day Summit with high-quality industry speakers to address topics such as equity, fixed income, real estate, alternative investment issues, asset analysis and allocation, defined benefit and defined contribution issues, as well as economic outlooks.

The NSIIP Organization

- Is administered by NSIIP officers according to the by-laws and is guided by the Texas Advisory Board, a diverse group by region and investor type. The officers and board hold conference calls three to four times each year and meet annually at our Summit.
- Sponsors an annual Summit in Dallas typically in the fall, attended by corporate pensions, public pensions, non-profits, hospitals, family offices, and consultants in the Texas region. The Summit is a full-day event featuring fund sponsor and investment speakers and begins with reception and dinner on the previous day. Costs are borne by vendors who are interested in attending, so there is no cost to institutional investors.
- Sponsors eight monthly meetings in the Dallas/Ft. Worth area with various speakers and a network exchange, all for the price of the lunch. In addition, there are usually one or two special meetings held to address specific topics.
- Partners with the Dallas Economists Group for at least one meeting each year to hear speakers from the Dallas Federal Reserve update us on the economy.
- Partners with Thomson Reuters's *Buyouts* Magazine and Buyouts Texas Annual Conference, which is held in Dallas and provides a venue for multiple Private Equity Investment Managers.



2014 *mini*Summit Houston – NSIIP Board of Directors

In 2006 the founding Board members saw a need for an organization to promote education and networking for professionals who manage institutional investment funds including corporate pensions, public pensions, non-profit foundations and endowments, hospitals, and family offices. They formed the National Society of Institutional Investment Professionals (NSIIP), a 501(c)3 non-profit organization. These are the same Board members listed here, all volunteers, who follow the bylaws and jointly oversee the activities of the organization. They name the Executive Director to coordinate the annual Summit and carry out the other activities of the organization. These Directors actively guide the organization, setting goals to fulfill the NSIIP mission and values. The Board of Directors also established its Texas Advisory Board to enlist advisors with diverse talents and backgrounds to help the organization grow and accomplish its objectives.

John E. Thompson, Jr. – President & Executive Director



John Thompson has been the President of the National Society of Institutional Investment Professionals since founding the organization in 2006. In July 2012 he was named Executive Director with responsibilities that include coordinating the organization's annual Summit. He retired after 38 years with Energy Future Holdings, including more than 20 years of pension investment experience. He was responsible for managing all the company's external trust funds including defined benefit plans, defined contribution plans, various non-qualified plans, and nuclear decommissioning trusts totaling \$4.5 billion in assets.

He is a founding board member of the National Society of Institutional Investment Professionals, President of the Dallas Chapter, and has been involved in all 19 Annual National Pension & Institutional Investment Summits, which began in 1995. In addition he is chairman of the Investment Committee for the Circle Ten Council Boy Scout Foundation.

He was an active member of the Utility Pension Fund Study Group the Nuclear Decommissioning Fund Study Group and previously served on the editorial board of the Journal of Pension Plan Investing, and the Pension Policy and Legislation Committee for the Texas State Pension Review Board. He earned a BS in Business from Texas Wesleyan University in Ft. Worth, and an MBA in Finance from The University of Texas at Arlington. His master's thesis was "An Analysis of the Financial Aspects of a Trusteed Pension Plan."

David J. Pittman – Vice President



Mr. Pittman is Vice Chairman of NSIIP's Texas Advisory Board and retired from PIMCO, formerly a Senior Vice President & Southern Regional Director for PIMCO Institutional Services in California for 15 years. Prior to PIMCO, he was a Senior Vice President & Regional Director with The Northern Trust Company/Chicago, Bank of America/California, and Republic Bank/Dallas.

Mr. Pittman is on the President's Council of SouthWest Benefits Association (SWBA), a Founding Director of the National Society of Institutional Investment Professionals (NSIIP), and a Founding Member of the Texas Association of Public Employee Retirement Systems (TEXPERS). He was an Adjutant Professor at George Washington University's Pension Institute in D. C., on the Pension World Advisory Board in Atlanta, on the American Bankers Association Corporate Services Board in D.C., and the Texas Bankers Association in Austin. He has also been involved in the Pensions & Investments/P&I Institute, NCTR, NCPERS, TEXPO, SCTR, and Southern Employee Benefits Conference as well as many Dallas community and church Boards and volunteer activities.



2014 *mini*Summit Houston – NSIIP Board of Directors

He has 43 years of institutional investment, banking & finance experience, holds a Bachelors in Accounting Degree from the University of Texas and a Graduate Banking Degree from Southern Methodist University (SMU) where his thesis was on ERISA/1974. He also graduated the AMA Corporate Executives Course/Wharton University, and attended many PIMCO Quarterly Cyclical & Secular Investment Forums as well as industry educational conferences.

Bruce Cox – Vice President



Bruce Cox served on the Board of Directors of the Employees' Retirement Fund, City of Fort Worth from 1978 until 2008. He also is on the Board of Directors of the National Society of Institutional Investment Professionals and is a member of the Society of Pension Professionals.

Bruce served on the State Pension Review Board for six years and was on the Board of Directors for the Texas Association of Public Employees Retirement Systems for nine years. Bruce retired in 1993 from the position of battalion chief with the Fort Worth Fire Department after 35 years of service. He is currently president of the Retired Fort Worth Firefighters Association.

Bill Blythe – Secretary



Bill is an associate real estate broker with Martha Turner Properties, L.P. in Houston. He provides over forty years of real estate expertise to his many clients, having been involved in commercial and residential sales, building, and developing. He is an Accredited Buyer Representative (ABR[®]).

He was a member of the Texas House of Representatives for twelve years, and served in various appointed government positions. He authored the legislation creating the Texas State Pension Review Board. In addition to being a founder and a member of the Board of Directors, Bill served as the Executive Director of NSIIP until his recent retirement. He was one of the founders of the Texas Association of Public Employee Retirement Systems (TEXPERS) and served as its Executive Director for almost fifteen years.

He attended the University of Texas, earning a B.A. degree in General Business. He served for eight years in the United States Army on both active and reserve duty.

Jim Harrell – Treasurer



Jim Harrell is the President of the World Giving Community Foundation. He combines a background with for-profit financial institutions and charitable entities. He served as the charitable liaison for Republic Bank and Northern Trust and the finance officer for Southwestern Medical Foundation.

He recently organized one of the member community foundations of the Border Philanthropy Project between Mexico and the United States, the Laredo Area Community Foundation, and is still a trustee.

Currently, he is establishing an ecumenical, faith based, community foundation, World Giving, to provide community foundation services to a broad base of donors who want to fund charities globally. Jim is founding member and serves on the board of directors of the National Society of Institutional Investment Professionals and is a member of the Society of Pension Professionals.



2014 *mini*Summit Houston – NSIIP Texas Advisory Board

The mission of the Texas Advisory Board is to advise the NSIIP Board of Directors and assist NSIIP with various projects such as creating additional local NSIIP chapters and developing the NSIIP Annual Summit program and speakers.

Austin

Brady Edwards
Chief Financial Officer
Lower Colorado River Authority

Danny Sachnowitz
Chief Investment Officer
Texas Treasury & Tobacco Fund

Sampson (Sam) K. Jordan
Pension Administrator
Austin Police Retirement System

Dallas

Joseph Anderson
Manager, EB Fund Investments
Texas Instruments Incorporated

David J. Pittman
Retired
PIMCO

Charles Ballard
Director, Asset Management
Kimberly-Clark Corporation

Fred Richmond
VP & Chief Investment Officer
Texas Scottish Rite Hospital for
Children

Rodric Cummins
Executive Officer, Investment
Services
GuideStone Capital
Management/GuideStone Financial
Resources
Annuity Board of the Southern
Baptist Convention

Richard E. Scott
Senior Vice President
First Financial Equity Corporation

John E. Thompson, Jr.
Investment Committee Chair
Circle Ten Boy Scout Foundation

Daniel E. O'Grady, CFA, CPA
Executive Director – Investments
AT&T Inc.

Joe H. Wright
Senior Vice President & Chief
Investment Officer
Baptist Foundation of Texas

El Paso

Robert B. Ash
Pension Administrator
El Paso City Employees' Pension
Fund

Jeffrey D. Cotham
Trustee
El Paso Firemen & Policemen's
Pension Fund

Ft. Worth

Bruce Cox
Past Board Member
Fort Worth Employees' Retirement
Fund

Bryan M. Hedrick
Investment Officer
Fort Worth Employees' Retirement
Fund



Ft. Worth (Continued)

Jim Hille
Chief Investment Officer
Texas Christian University
Endowment

Cynthia Thatcher, CFA
Portfolio Manager, Asset
Management
American Beacon/American Airlines

Patrick B. O'Connor
Chief Investment Officer
Cook Children's Health Care System

Houston

Bill Blythe
Retired State Representative
Employees Retirement System of
Texas
Texas Pension Review Board, Past
Chairman

Dennis D. Veal
Assistant Treasurer
Dresser-Rand

Michael J. Curran, CPA
Manager of Pension, Trust and Tax
Revenue
Metropolitan Transit Authority of
Harris County

Irving

Randall L. Kopsa
Treasury Manager
Boy Scouts of America

Laredo

James B. Harrell
Trustee
Faith Based Foundation

San Antonio

Lois M. Emerson
Manager - Benefits Trust
Administration
CPS Energy

Doug Ward, CFA, CPA
AVP Investment Strategy
USAA



Rethinking Fixed Income

TUESDAY, APRIL 22, 2014

2:00PM - 2:30PM [Registration](#)

2:30PM - 2:45PM [Welcome and Introductions](#)

John E. Thompson, Jr., President and Executive Director, NSIIP

2:45PM - 3:15PM Speaker: [Shifting Bond Markets](#)

Robert J. Costello III, CFA - Investment Director, Fixed Income, Putnam Investments

“A macro view on interest rates, inflation, and fixed income markets”

In the past, "too easy" monetary policy has led to significant mistakes by the Federal Reserve, as predictability is low and forecast errors can be significant during times of post economic shock. There is the potential for the Fed to make another misstep in their interpretation of economic signals which could bring higher volatility along the yield curve. We examine these past scenarios, assess the current macro environment, and discuss possible outcomes on rates and Fed policy.

3:15PM - 3:45PM Speaker: [Fixed Income Strategies](#)

Brad Young - Managing Director, Global Credit & Fixed Income PineBridge Investments

"A micro view, exploring different strategies within the fixed income market"

What are the drivers of expected returns in a post-QE world and how do investors seek risk adjusted returns throughout the capital structure in 2014 and beyond. Are there implications of transitioning from benchmark thinking to go anywhere investing. How do investors evaluate risk and opportunity in EM and DM markets. Looking at all of these variables, how does a portfolio manager or investor navigate through this new landscape.



3:45PM – 4:00PM [Networking Break](#)

4:00PM – 4:30PM Speaker: [Alternative Strategies](#)

Wilbur Matthews - Principal, CEO, CIO
Vaquero Global Investment

"An alternative view, exploring diversification outside of traditional fixed income."

There are "alternative," opportunities that reside outside traditional fixed income indices. By digging into the details we find a very large pool of under-analyzed, "un-indexable" opportunities that offer compelling value in contrast to traditional fixed income. Rather than treat alternatives as a separate strategy, we suggest investors look at existing allocations to fixed income to target traditional and alternative strategies, tweaking allocations between these according to market conditions.

4:30PM – 5:00PM [Roundtable Discussion](#)

Ross H. Clary – Principal
Shepherd Kaplan LLC

"A roundtable discussion of different strategies for the fixed income allocation"

5:00PM - 6:00PM [Closing Cocktail Reception](#)



Rethinking
Fixed
Income



Speaker Bios

Ross H. Clary – Principal, Shepherd Kaplan LLC



Ross is a Principal of Shepherd Kaplan LLC (SK), a \$10B Registered Investment Advisor based in Boston, MA. He has over 15 years of experience consulting to institutional retirement plans, family offices, and endowment and foundations in the areas of portfolio strategy, design, implementation and support. Prior to joining Shepherd Kaplan, Ross served as a senior consultant at RBC Wealth Management, where he was one of two senior consultants within the Institutional Consulting Group overseeing \$1 billion in plan sponsor assets. He holds the Series 65 and Qualified Plan Financial Consultant (QPFC) designation and is a graduate of Texas A&M University.

Robert J. Costello III, CFA® - Investment Director, Fixed Income, Putnam Investments



Mr. Costello is an Investment Director in Putnam's Fixed Income group, dedicated to multi-sector core and unconstrained strategies. In this role, he is responsible for interpreting and communicating strategy, performance, and positioning to clients and prospects; developing and launching new fixed income products; and gathering and analyzing market intelligence on trends in the institutional marketplace. Mr. Costello, a CFA charterholder who holds his Series 7 and 63 licenses with FINRA, joined Putnam in 2011 and has been in the investment industry for 13 years.

Prior to joining Putnam, Mr. Costello was a Vice President in BlackRock's Global Client Group, serving as a fixed income client relationship manager to public and private pension plans, corporations, foundations, and endowments. He holds a BA in Economics from Dartmouth College.



Wilbur Matthews - Principal, CEO, CIO, Vaquero Global Investment



Mr. Matthews is Vaquero's Founder and CIO with responsibilities for Portfolio Management, Trading, Research and Analysis. Established in 2007, Vaquero Global Investment is an investment advisory firm focused on emerging market credit opportunities with an emphasis on corporate finance, the largest and most dynamic segment of the emerging market fixed income universe. Today, Vaquero manages both traditional and hedged strategies through pooled and separate account vehicles. Prior to launching Vaquero, Mr. Matthews was a Portfolio Manager with AIG, where he built one of the largest EM credit efforts on Wall Street, generating consistently strong returns with below market volatility. With AIG, Mr. Matthews was able to structure numerous innovative, first-of-their kind financings and build a network of relationships spanning issuers, underwriters and investors throughout the emerging markets. Prior to AIG, Mr. Matthews was part of Chase's Institutional Investor #1 ranked EM Research Team where he was Sr. Economist for several Latin countries and a utility player in support of the Asian, European and America's Economics and Strategy teams. Mr. Matthews was individually ranked #1 for Peru coverage in 1999/2000 by Latin Finance. Prior to working in research, Mr. Matthews was a banker with Chemical/Chase, originating transactions for emerging market issuers. Mr. Matthews has 20 years of experience in finance and emerging markets, spanning a broad range of asset classes and has seen the market from various perspectives: as a portfolio manager, trader, sovereign analyst, corporate analyst and investment banker. Mr. Matthews holds a BA in Third World Studies and British History, University of the South at Sewanee, TN.

Brad Young – Managing Director, Global Credit and Fixed Income, PineBridge Investments



Mr. Young joined PineBridge in 2010 in the Global Credit and Fixed Income division as an investment team member, and works closely with the global business development organization. Mr. Young is a seasoned investment management and global credit markets professional. His career spans over two decades in the financial services industry. His roles have included product management, business development, client portfolio management, and client relations. Mr. Young established and managed a distressed credit team at a boutique investment firm and has extensive experience in credit focused strategies. He received his BA in International Business and Economic Theories from the University of California Berkeley.



2014 *mini*Summit – Pre-Registered Attendees

Through April 17, 2014

Bill Blythe
Retired Member
Employees Retirement System of
Texas
Huntsville TX

Paul R. Brown
Past President
TEXPERS
Pflugerville, TX

Robert B. Butler
Director
RiverRock Group
Houston, TX

Adam Michael Cathey
Director
ORIX Corporate Capital
Dallas, TX

Ross H. Clary
Principal
Shepherd Kaplan LLC
Cypress, TX

Robert P. Costello, III
Investment Director, Fixed Income
Putnam Investments
Boston, MA

Sharon Cowher
Director-Trust Investments
Halliburton Company
Houston, TX

Ruby Dang
Board Member, Non-Union Pension
Harris County Metropolitan Transit
Authority
Houston, TX

Mike Dirstine
Vice President
Eaton Vance Investment Managers
Boston, MA

Robert J. Duwa
Partner
William Blair & Company
Chicago, IL

Anthony Eppert
Shareholder
Winstead PC
Houston, TX

Roy Eriksen
Director Business Development &
Marketing
Champion Capital Research
Houston, TX

Gilbert A. Garcia
Board Chair, Non-Union Pension
Harris County Metropolitan Transit
Authority
Houston, TX

Emily L. Martin
Board Member
Woodrow Wilson High School
Community Foundation
Dallas, TX

Wilbur Matthews
CEO/CIO
Vaquero Global Investment LP
San Antonio, TX

Margaret McConn
Vic Pres., CFO & CIO
Rockwell Fund, Inc.
Houston, TX

John S. Palmer
Director, Institutional Management
Putnam Investments
Boston, MA

Madelyn Pavlic
Associate
William Blair & Company
Chicago, IL

Stephanie Roberts
Investment Analyst
Garcia Hamilton & Associates, L.P.
Houston, TX

Michael Edward Smith
Executive Director
J.P. Morgan Asset Management
Dallas, TX



2014 *mini*Summit – Pre-Registered Attendees

Through April 17, 2014

James Smith
Senior VP
PineBridge Investments
New York, NY

Terance Takyi
Senior Sales Specialist
ING Investment Management
New York, NY

John E. Thompson
Investment Committee Chair
Circle Ten Boy Scout Foundation
Dallas, TX

Jason Widener
VP, Institutional Sales
OFI Global Asset Management
Decatur, GA

Joe Wright
Senior Director, Institutional Markets
Aegon USA Investment Management
Chicago, IL

Brad Young
Managing Director
PineBridge Investments
New York, NY



2014 *mini*Summit Houston

2014 *mini*Summit Advisors: NSIIP Texas Advisory Board

The NSIIP Texas Advisory Board and speakers put together this special half day session focusing on the current fixed income market. It will feature an informative and thought-provoking discussion on how to address the challenges facing funds and plan strategies that will enhance the fund's success potential. There is also a great opportunity to network with other fund staff who are dealing with some of the same issues.



2014 *mini*Summit Coordinated by:
John E. Thompson, Jr., President & Executive Director

National Society of Institutional Investment Professionals
www.NSIIP.org | One T&M Plaza | 6839 Gaston Avenue | Dallas, TX 75214

Office 214-327-0068 | Cell 214-577-0095 | Fax 866-910-2109
eMail JohnEThompsonJr@gmail.com



The National Society of Institutional Investment Professionals
www.NSIIP.org | One T&M Plaza | 6839 Gaston Avenue | Dallas, TX 75214