April 4-5

The Outsourcing CIO Summit

For Family Offices, Endowments & Foundations

New York City
Thank you for attending the conference!

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Proudly Presents

Financial Research Associates
Proudly Presents

The Outsourcing CIO Summit

April 4-5, 2017
The Princeton Club, NYC
The Outsourcing CIO Summit
For Family Offices, Endowments & Foundations

April 4-5, 2017
The Princeton Club, NYC

Day One: Tuesday, April 4th

7:45 a.m.  Registration Sponsored by SEI
Continental Breakfast

8:45 a.m.  Chair’s Opening Remarks

Stephen Lanzo, Managing Director
U.S. TRUST

9:00 a.m.  Macro Overview of the OCIO Landscape

Moderator:
Bryan Decker, Managing Director
MESA INVESTMENT CONSULTING

Roger Wittlin, Former Chair and Current Investment Committee Member
ASU ENDOWMENT FOUNDATION

Michael Cagnina, Vice President and Managing Director
SEI’S INSTITUTIONAL GROUP

Matthew Wright, CFA, President & CIO
DISCIPLINA GROUP, LLC

10:00 a.m.  Morning Break
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker/Role</th>
<th>Organization/Company</th>
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</thead>
<tbody>
<tr>
<td>10:15 a.m.</td>
<td><strong>Keynote Address: The Market Analysis, An Investment Strategy Update</strong></td>
<td>Bronwyn Bailey, Ph.D, VP, Research and Investor Relations</td>
<td>AMERICAN INVESTMENT COUNCIL</td>
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<tr>
<td>11:00 a.m.</td>
<td><strong>It's Time We Spread Our Wings Beyond Traditional Investment Management</strong></td>
<td>John Mattera, Managing Director</td>
<td>U.S. TRUST</td>
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<td>Marko Vukosavovic, Chief Financial Officer</td>
<td>ACADEMY OF MANAGEMENT</td>
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<tr>
<td>11:45 a.m.</td>
<td><strong>As More Family Offices Turn to External CIOs, Rivalry Heats Up</strong></td>
<td>Robert Casey, Director of Research</td>
<td>FAMILY WEALTH ALLIANCE</td>
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<tr>
<td>12:30 p.m.</td>
<td>Networking Luncheon Sponsored</td>
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<tr>
<td>1:30 p.m.</td>
<td><strong>Defining the Yardstick to Measure Your OCIO</strong></td>
<td>Bryan Decker, Managing Director</td>
<td>MESA INVESTMENT CONSULTING</td>
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<td></td>
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<td>Leah Zveglich, Founder, Managing Partner</td>
<td>THE ASTER CLUB</td>
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<tr>
<td>2:30 p.m.</td>
<td><strong>Interactive Polling: Making a Difference in Your Portfolio</strong></td>
<td>Ned Rosenman, Director, National Endowments and Foundations</td>
<td>BLACKROCK</td>
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<td></td>
<td>Catherine Ulozas, Chief Investment Officer/Vice President</td>
<td>DREXEL UNIVERSITY</td>
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<td>3:15 p.m.</td>
<td>Afternoon Break</td>
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<td>3:45 p.m.</td>
<td><strong>The Benefits an OCIO Can Bring in Alternatives</strong></td>
<td>Kevin Matthews, Vice President and Managing Director, Solutions Team</td>
<td>SEI’S INSTITUTIONAL GROUP</td>
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<td></td>
<td></td>
<td>Sidney Wigfall, Founding-Managing Partner/Consultant &amp; Managing Corporate Counsel</td>
<td>SCA COMPLIANCE + CONSULTING GROUP (LLC)</td>
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</tbody>
</table>
Matthew Wright, CFA, President & CIO
DISCIPLINA GROUP, LLC
4:30 p.m.   The Outsourced CIO Partnership: Problem or Paradise

Charlotte Beyer, Founder
INSTITUTE FOR PRIVATE INVESTORS

5:00 p.m.   Cocktail Reception

6:00 p.m.   Conference Adjourns to Day Two

Day Two: Wednesday, April 5th

8:00 a.m.   Early Riser Breakfast Briefings
Wake up early to join your peers in interactive networking opportunities by joining moderator led “specific issue” discussions.

8:45 a.m.   Day One Re-cap

Stephen Lanzo, Managing Director
U.S. TRUST

9:00 a.m.   Weighing Your Options to Make the Ideal Selection

Bryan Decker, Managing Director
MESA INVESTMENT CONSULTING

Jane Kerr, Director
STRATEGIC INVESTMENT GROUP

Anne Reid, Assoc. Vice President for Finance
MORAVIAN COLLEGE

9:45 a.m.   What Every Investor Needs to Know About Your Legal Responsibilities

Moderator:
Joy Chaillou, Managing Director, National Practice Executive
U.S. TRUST

Chris Fowle, Associate Director, Americas, Global Networks & Outreach
PRINCIPLES FOR RESPONSIBLE INVESTMENT

Sidney Wigfall, Founding-Managing Partner/Consultant & Managing Corporate Counsel
SCA COMPLIANCE + CONSULTING GROUP (LLC)

Patrick Dunleavey, CPA, Accounting and Auditing Manager
BLUMSHAPIRO

10:45 a.m.  Morning Break

11:00 a.m.  Transitioning Your Portfolio to an OCIO Model
David Kushner
INDEPENDENT CONSULTANT

Michael Cagnina, Vice President and Managing Director
SEI’S INSTITUTIONAL GROUP

11:45 a.m.  Maximizing the Value of the OCIO Partnership

Moderator:
Joy Chaillou, Managing Director, National Practice Executive
U.S. TRUST

JR Miller, Senior Vice President, Finance
THE LEUKEMIA & LYMPHOMA SOCIETY

William Horan, VP, Principal and Planned Giving
SMILE TRAIN

12:30 p.m.  Luncheon

Conference Adjourns
Dear Conference Participant:

On behalf of Financial Research Associates, I would like to cordially welcome you to this industry event.

We have developed this event based on extensive industry research, structuring the topics and gathering together the speaker faculty based on feedback from numerous industry participants. Our goal is to provide you with the most up-to-date industry information possible, along with top-notch networking opportunities. Every effort has been made on our part to obtain the speakers’ presentations to be included in the PDF link that you have received via email. If a speaker’s presentation is not included in the PDF link, we ask that you contact the speaker directly. If we have failed to meet your expectations in any way, please let us know by completing the evaluation form provided at this event. Of course, we would like to hear positive feedback as well!

We appreciate that you have chosen to spend your time and training dollars with us, and we’re committed to satisfying your informational needs. Again, welcome to this event and thank you for your participation – we truly value your business.
Additional Questions

If you have any additional questions or requests for information beyond what is in this document book, please feel free to contact us at any time.

A link with final speaker presentations will be forwarded via email approximately 2 weeks after the conference.

Kelli Bush  
Healthcare Education Associates 
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www.frallc.com
YOU’RE ABOUT TO MAKE A BIG DECISION.

Here’s some help so you can make it with confidence.

You already know the benefits of an OCIO model—improved staff and committee focus, timely decision-making, favorable fees and improved insight. But choosing the right OCIO can be daunting. That’s why we’ve prepared these practical tools—to help you do your research and make the right decision for your organization.

OCIO Center >
A wealth of resources on the trend

Top 10 Questions You Shouldn’t Skip >
Key questions to ask and include in your RFP

Evaluation Tools >
A set of tips and tools for evaluating providers

Learn more about our track record as one of the most experienced OCIO providers in the industry.

seic.com/ocio

Information provided by SEI Investments Management Corporation, a wholly owned subsidiary of SEI Investments Company. Information as of December 31, 2016.
When selecting an OCIO, you want depth of experience and a seasoned provider. We’ve answered the questions and smoothed the path for outsourcing-minded organizations like yours. That’s why more than 475 institutions around the world trust us to serve as their OCIO. Also:

▶ 25+ years of experience as an OCIO provider
▶ $283 billion in assets
▶ 300+ professionals to serve them
▶ Flexible approach tied to goals
▶ Customized, yet affordable model

Learn more about our track record as one of the most experienced OCIO providers in the industry.

seic.com/ocio
We aim to build enduring partnerships with our clients, characterized by a rigorous investment process, sound governance framework, and world-class client service.
A PIONEER IN OCIO SOLUTIONS SINCE 1987.

- **Investment Excellence:** One of the first dedicated OCIOs, Strategic Investment Group has a long-term record of proven results.

- **Discipline:** We employ a robust and repeatable investment process, including sophisticated proprietary risk analytics.

- **Focus:** Strategic is a purpose-built, dedicated OCIO—with a conflict-free business model.

- **Access:** We believe our open-architecture platform allows us to source top-tier managers.

- **Customization:** We craft unique solutions for unique needs.

- **Accountability:** Our deep, experienced, stable team serves as a co-fiduciary.

DOES YOUR OUTSOURCED CIO MEET ALL OF YOUR NEEDS?
A Customized OCIO Solution

Covariance Capital, an independent subsidiary of TIAA, provides Outsourced Chief Investment Officer (OCIO) services to not-for-profit institutions seeking customized discretionary management for their long-term capital.

WHO WE ARE
Seasoned investors with a distinctive institutional affinity
- Experienced professionals from top endowments and investment management firms
- Seasoned investors across multiple market cycles
- Exclusive not-for-profit focus

WHAT WE DO
Proactive, endowment-style investing
- Thoughtfully construct customized portfolios across traditional and alternative asset classes
- Robust front- and back-office due diligence
- Ongoing monitoring of underlying managers and overall portfolios

HOW WE THINK
Achieve outperformance on every measure
- Judgment of experienced professionals is critical to building portfolios for long-term outperformance
- A transparent and customized partnership is essential
- Institutional-grade operational infrastructure is important to support investment goals

Outsourced Chief Investment Officer Services
An OCIO is an external partner who takes on resource-intensive responsibilities and provides value-enhancing and holistic expertise to the manner in which an endowment is managed, operated and invested.

THE COVARIANCE MISSION
Covariance offers principled investment leadership to empower not-for-profit institutions to further their mission through the responsible growth of their permanent capital. We deliver comprehensive endowment management services drawing from our accomplished team, deep resources, and the values of our not-for-profit heritage.

Headquarters
1221 McKinney Street
Suite 1800
Houston, Texas 77010
713.770.2000
Covariance_IR@CovarianceCapital.com

Inception: Founded in 2010 by TIAA as an independent subsidiary

Assets Under Management: $2.3 Billion as of 6/30/2016

Employees: 36
Covariance partners with its clients as an extension of their investment committee and staff, providing a customized solution and access to some of the most experienced professionals in the not-for-profit endowment-management world. Each client relationship begins with the Covariance team gaining a full understanding of the partner institution’s unique needs, and then recommending a customized approach that meets the institution’s objectives.

Covariance understands that holistic endowment management draws upon cross-functional resources, and the Covariance team works to strengthen each client’s capabilities along every measure.

**Benefits of Partnering with Covariance**

- Expertise in asset allocation and manager selection
- Specialized knowledge in a wide array of asset classes
- Vigilance over market opportunities and ability to make timely decisions
- Robust risk management infrastructure
- Streamlined operational and accounting processes
- Turnkey implementation
- Customized performance and risk reporting
- Accountability for returns
- Global scale and access to top-tier managers
- Diverse expertise brought to the table cost effectively
Chair’s Opening Remarks

Stephen Lanzo, Managing Director
U.S. TRUST
Macro Overview of the OCIO Landscape

Moderator:
Bryan Decker, Managing Director
MESA INVESTMENT CONSULTING

Michael Cagnina, Vice President and Managing Director
SEI’S INSTITUTIONAL GROUP

Matthew Wright, CFA, President & CIO
DISCIPLINA GROUP, LLC
BIOGRAPHIES

Bryan R. Decker
Principal, Managing Director

Bryan has 24 years of investment experience. Prior to co-founding MESA, he was a Managing Director and Director of Research at Clearbrook Global Advisors. The majority of Bryan’s career was spent at Evaluation Associates (EAI). From 2008 to 2011, Bryan served as Managing Director and Chief Investment Strategist with overall responsibility for the management of EAI. He also served as Chair of the firm’s Executive Committee and was a member of the firm’s Asset Allocation Committee. Between 1997 and 2008, Bryan served in a variety of senior research roles, including director of alternative strategy research where he oversaw private equity, real estate, hedge funds and commodities. Bryan’s career started in 1993 when he joined Evaluation Associates Capital Markets, as a hedge fund research analyst. He earned his MBA in Finance and International Business from New York University Stern School of Business. He received his BA in Physics and Economics from Vassar College.
Michael Cagnina
Vice President and Managing Director
SEI Institutional Group

Michael Cagnina is Vice President and Managing Director for SEI’s Institutional Group and oversees all new business development within the institutional investment marketplace. His team is responsible for marketing SEI’s integrated investment outsourcing and discretionary solutions to corporations, non-profits, multiemployer plan sponsors, public pension plans and healthcare organizations throughout the United States and Canada.

Mike has over 25 years of institutional investment experience, having spent the last 20 years with SEI. Prior to joining SEI, Mr. Cagnina spent four years at the Chicago Board of Trade in the U.S. Treasury Bond Futures Pit, where he employed technical and fundamental analysis to strengthen trading strategies. Prior to his current role at SEI, he was responsible for new business development focused on large non-profit, corporate and union organizations. He has also worked for the company’s Consulting Group, where his primary responsibilities were portfolio analysis and client services.

Mike is recognized as an expert in investment outsourcing and discretionary strategies for institutional investors. He regularly speaks at industry conferences and webinars on the topic of investment outsourcing and discretionary investment management. He has been interviewed on best practices by numerous media outlets including Non-profit News, Plan Sponsor, Bloomberg News, Pensions & Investments and Fundfire.

Mr. Cagnina graduated from the University of Arizona with a Bachelor of Science in Finance and is licensed in NASD Series 6, 7, 63, and 65. He also maintains membership in the Association of Investment Management Sales Executives.

About SEI’s Institutional Group
SEI’s Institutional Group is one of the first and largest global providers of outsourced investment management services. The company delivers integrated retirement, healthcare and non-profit solutions to more than 475 clients in eight countries. Our solutions are designed to help clients meet financial objectives, reduce business risk and fulfill their due diligence requirements through implemented strategies for the management of defined benefit plans, defined contribution plans, endowments, foundations and board designated funds. For more information visit: seic.com/institutions.
Matthew W. Wright, CFA - Founder & President

Mr. Wright is the President and Chief Investment Officer of Disciplina Group LLC founded in 2013. Disciplina seeks to provide small to mid-sized institutional investors with investment capabilities on par with to $1 billion plus institutions. Prior to launching Disciplina he was the Vice Chancellor for Investments and Chief Investment Officer of Vanderbilt University. In his position, which he held from 2007 – 2012, he led a twenty person team responsible for investment oversight of the university’s $4.0 billion long term investment portfolio, which includes the university endowment. Specific duties entailed strategic and tactical asset allocation, investment manager selection, internal management, risk management, reporting and coordination with the university’s administration, alumni and the Board of Trust.

Prior to joining Vanderbilt University in the summer of 2007, Mr. Wright was the Director of Investments at Emory University for over six years. While at Emory, his primary duties included implementation of asset allocation policies, investment strategy, manager selection, and internal management within Emory’s long-term investment portfolio of $5.0 billion. Prior to joining Emory, Mr. Wright worked for Bank of America Capital Management’s Quantitative Strategies Group as a portfolio manager and Xerox Corporation’s Trust Investments department as an investment analyst.

Mr. Wright has a bachelor’s degree in Finance from Seton Hall University (1989) and holds an M.B.A. from the University of Rochester (1991). He is also a member of the CFA Institute, member of the Seton Hall University Board of Regents (2015-current), Board Member of Youth Life Foundation of Tennessee (2014-current), Advisory Board Member Habitat for Humanity of Greater Nashville (2008-current), Co-Chair of the Bethel World Outreach Church Building Campaign (2012-current), and Former Investment Committee Chair (2011-2014) and Committee Member (2008-2014) for The Ensworth School in Nashville, Tennessee.

Throughout his career Mr. Wright has been a featured speaker, moderator and panelist at industry conferences such NMS Management, Institutional Investor, Thomson Reuters, and others. In addition, he has been featured in local and national publications regarding institutional investing and investment risk management. In 2006, he was chosen as a featured participant in the Chicago Mercantile Exchange Group’s (CME) global advertisement campaign, which appeared in periodicals such as Barron’s, the Wall Street Journal, USA Today and Institutional Investor magazine. Matthew was also a guest lecturer at Emory University’s Goizueta School of Business and Vanderbilt University’ Owen School of Business.
Considerations when thinking about OCIO

Know what you want.
- Consider a self-assessment to determine optimal model for you.
- Consider an OCIO consultant with no affiliations or conflicts to advise you.
- Be clear about what is important to you: examples: small versus large firm, service team, experience, track record, fees.

Learn about various OCIO types.
- Dedicated OCIO, Consultant, Multi-Product, Single NAV.
- Different benefits and drawbacks to each.

Consider RFI then RFP.
- RFI to broad audience first. Then, RFP to small audience. Much more efficient use of time.

If you are doing RFP on your own, talk with others first.
- Read footnotes. Know if performance is real or “model, simulated.”
- Ask for all levels of fees: OCIO advisory, fund of funds (who gets them) and all underlying manager fees, even if netted out of returns shown.

Questions and Answers

- What are the biggest issues/mistakes people have faced/made in this selection?
- How can they avoid making these mistakes?
- What are the areas that are the hardest to evaluate for a prospect?
- What is the biggest surprise people have expressed after running a search?
  - …after making their selection?
- What was your biggest surprise in running a search?
What to do after you hired an OCIO?

Be clear on roles and responsibilities.

Oversee the transition.
- Some OCIOs fire all managers when hired. Some review existing managers.

Ask the OCIO to help with governance.

Conduct regular reviews of OCIO.
- Keeps things running smoothly. Allows you to articulate preferences.
- Increasingly common for committees to review every 3 years formally (doesn’t mean you have to issue RFP).
Keynote Address: The Market Analysis, An Investment Strategy Update

Bronwyn Bailey, Ph.D, VP, Research and Investor Relations

AMERICAN INVESTMENT COUNCIL
Bronwyn Bailey directs the research program and industry outreach at the American Investment Council, the private equity trade association. Her knowledge leadership supports communications about private investment and market dynamics.

Bailey has led high profile, strategic initiatives throughout her career. Prior to joining the AIC, she managed an analytics team at BlackRock to optimize distribution strategy for iShares ETFs. She was formerly the research director at SVB Capital, where she assessed venture investment opportunity and monitored a $1B fund portfolio. Bailey also advised the Institutional Limited Partners Association (ILPA) as an external consultant to develop benchmarks measuring private equity fund performance.

Bailey began her career as a management consultant advising international corporate clients. She conducted financial and economic analysis in support of commercial litigation at PricewaterhouseCoopers in Los Angeles and provided strategic recommendations to telecommunications and media companies while at Gemini Consulting in London. She has authored numerous publications, including articles for The New York Times and Pensions & Investments, and is a frequent speaker at investment conferences.

Bailey graduated magna cum laude from Cornell University and earned a doctorate from the University of California, Los Angeles. She is a CAIA charter holder.
Forecasting Amidst Unpredictability

Bronwyn Bailey, Ph.D.
American Investment Council

The Outsourcing CIO Summit
For Family Offices, Endowments & Foundations
March 15, 2017

We are at the beginning of a paradigm shift

- Economic recovery after GFC was uneven and unequal
- Inequality produced political outcomes
- Policy decisions from new leaders will determine the impact on investible assets
- Bumpy road ahead
  - Markets have priced in optimism
  - Political risks during next 12 months
How economics and politics affect investments

Unequal Recovery: Stagnation or Longest Period of Growth?
Post GFC economic growth has been sluggish

GDP Growth, Annual %

US, EU, and Japanese GDPs have not grown >3% annually after 2010

GDP Growth, Annual %
Low interest and inflation rates created Goldilocks conditions – slow and steady growth

Interest Rates And Inflation Rates Since 1990

US unemployment recovered to pre-recession levels

Unemployment Rate And Monthly Non-Farm Employees Added

Source: Federal Reserve Economic Data (FRED)
But employment gains were mainly in services industries

Monthly Change In Nonfarm Payroll Employment ('000)

Source: Federal Reserve Economic Data (FRED)

Stagnant wage growth can be attributed to declining US productivity

Productivity Growth Comparison %

Source: KKR
US income inequality became acutely sharp

Average Household Income By Income Percentile, 2014

Bottom 90% $33,068
Top 10% $295,845
Top 5% $448,489
Top 1% $1,260,508
Top 0.1% $6,087,113

Source: Emmanuel Saez & Thomas Piketty's Analysis of IRS data

Populist Expression of Economic Frustration
High output America voted for Clinton

Percent of GDP produced by counties won


Small counties *lost* – rather than gained - businesses during the recovery

US Business Loss by County Size

In the latest recovery, small counties lost businesses, a decrease of 1.2%, from the previous recovery.


Source: Economic Innovation Group
Immigration seems to be driving European populism

![Graph showing number of asylum seekers in Europe](image)

- **UK** – Brexit
- **Philippines, Korea, Brazil**
- Populist candidates are gaining support in Europe
  - Austria
  - France
  - Netherlands
  - Germany
  - Denmark

Populism has fueled the rise of political entrepreneurship globally

What does this mean for investments?

Market reactions to political changes have been muted

- Big currency reactions: Brexit, Mexican Wall
- Little stock reaction
  - Except for companies targeted on Twitter
- Markets respond to actions that have explicit business implications
- Markets assume that the new Administration will enact pro-business policies
The stock market has priced in optimism…


...and current VIX levels do not indicate much concern

VIX Levels
Will the Trump Administration’s policies live up to these expectations?

- President Trump
  - Isolationism
    - Restrictions on trade, immigration
  - Infrastructure
    - Fiscal stimulus
  - Reduced regulation
    - Dodd-Frank, EPA
  - Tax reform
    - Corporate rate = 15%

- Congress
  - ACA
    - Eliminate 3.8% tax on gains
  - Supreme Court Appointment
  - Tax Reform
    - Corporate rate = 20%
    - Border Adjustment
    - Elimination of many deductions, including interest

One list of possible Winners and Losers, depending on what is passed

**Winners**
- Infrastructure
- Oil/Gas
- Financial Services
  - Banking
- Exporting companies

**Losers**
- Healthcare
- Alternative Energy
- Retail
- Importing companies
Risks over next 12 months are mainly political

- European elections
  - Austria, President 2016
  - Netherlands, General Election (March 15\textsuperscript{th})
  - France, President (April 23\textsuperscript{rd}/May 7\textsuperscript{th})
  - Germany, Federal (September 2017)
- ACA replacement
  - Public reaction
- Tax reform stalls
- Stagflation?
  - Inflation + Low growth

Growing inflation indicates stronger demand

Inflation Rates Over Last 24 Months

Source: Bureau of Labor Statistics
And will put upward pressure on interest rates

Effective Federal Funds Rate Over Last 24 Months

What about Private Equity?

- Higher interest rates will reduce competition for deals
  - Result in more reasonable valuations
- Greater volatility will slow exits
  - IPOs
  - M&A purchases
- Great time to invest?
  - Record amounts of dry powder from years of strong fundraising
- Infrastructure expansion will need private capital
  - Public-private partnerships
Private equity outperforms in a lower return environment

US PE Average Relative Returns in different market environments

S&P 500 Total Return

It’s Time We Spread Our Wings Beyond Traditional Investment Management

John Mattera, Managing Director
U.S. TRUST

Marko Vukosavovic, Chief Financial Officer
ACADEMY OF MANAGEMENT
As More Family Offices Turn to External CIOs, Rivalry Heats Up

Robert Casey, Director of Research
FAMILY WEALTH ALLIANCE
Robert W. Casey
Senior Managing Director
The Family Wealth Alliance

Robert W. Casey is senior managing director of research for The Family Wealth Alliance, a research and consulting firm based in Wheaton, Illinois. He leads the Alliance's research activities and is involved in a number of consulting assignments for the firm. Bob has been a consultant for financial institutions, investment firms, publishers, and other organizations interested in the area of wealth management. A long-time observer of the financial advisory industry, he was founding editor of Bloomberg Wealth Manager magazine. He is former managing editor of American Banker, founding editor of Your Company magazine (later Fortune Small Business) and the original planning editor/Money for USA Today. Bob is a graduate of the Medill School of Journalism of Northwestern University and The Wharton School of the University of Pennsylvania, and holds a certificate in financial planning from New York University. He lives in Rhinebeck, New York.

The Family Wealth Alliance is a research and consulting firm focused on the family wealth marketplace, including single-family offices, multifamily offices, and firms functioning as external chief investment officers to families and family offices. The Alliance's core value, We Place Families First, drives all its research and consulting activities. More information about the Alliance can be found at: www.FamilyWealthAlliance.com.

##
OUTSOURCE CIOs FIND FERTILE GROUND IN FAMILY WEALTH MARKETPLACE

PRINCETON CLUB APRIL 4, 2017

OCIO Market for Family Wealth

• Market Continues to Evolve Rapidly
• Players Beefing up Their Offerings
• Awareness Still Chief Challenge for OCIOs
• Strong Demand, Including Offshore Families
OCIO Market for Family Wealth

• Market Size (Taxable) ~ $1.8 Trillion
• Roughly Half of Assets Come from Single-Family Offices, Half Directly from Families Without Family Office Entities
• One-Third of Single-Family Offices now Outsource Their CIO Function

OCIO Market Competitors

• 300+ Firms Competing on Family Wealth Side
• Firm Types Include Investment Consultants, Managers of Managers, Separate Account Managers, Large Banks, and Multifamily Offices
• Service Models Converging as Firms Broaden Their Offerings
U.S. Family Wealth Marketplace

- Households with Net Worth ≥ $30 Million
- 58,000 HHs $30 Million to $100 Million*
- 16,000 HHs Net Worth ≥ $100 Million*
- 3,000 Stand-Alone Single-Family Offices
- More Embedded in Operating Businesses

*Wealth-X

Notes on Single-Family Offices

- Recent High-Profile Entrants to the Space
- Overall Population Is Growing Slowly
- $100M Minimum to Play Is Now $300M
- Expense Ratio 4-5 Times Higher for Small Single-Family Offices than for Large Ones
Notes on Single-Family Offices

- Unclear Nomenclature Sows Confusion
- Family Office = Single-Family Office
- Family Office ≠ Multifamily Office
- It’s Now the Law per SEC and Dodd-Frank

What Families Want

- Objective Advice
- Stability of Relationship Management
- Stability of Ownership
- Open Architecture for Implementation
- Competency and Consistency of Delivery
- Breadth of Service Offerings
Demand Side Drivers

- Growing Complexity of Investments
- Cost + Difficulty of In-House CIO Operations
- Back-Office, Technology, and Reporting Costs
- Recurring Turmoil in the Markets

“...This seemed to be a manageable task in the 1980s and 1990s, but over the past decade it has become quite daunting....(It) is clearly the case that many investors who formerly took a hands-on approach to management of their portfolios decided after 2008, that ‘We give up! We’re not very good at this and we need to outsource it!’”

--Greycourt & Co. white paper
Demand-Side Drivers

- Appeal of Open-Architecture Platforms
- Retiring In-House Chief Investment Officer
- Fiduciary and Compliance Risks
- Generational Transition Prompts New Approach

“As generational changes occur within families, family members may become less attached to their historical providers of advice and less interested in directly managing their assets. If the third, fourth, or sixth generation has no interest in running a family office or even being part of it, then hiring a consultant is an obvious alternative.”

--Fortigent, Inc. white paper
Supply-Side Drivers

- Slow Growth on the Institutional Side
- Data Aggregation and Other Technologies
- Opening Seen at High End of Market
- Capitalize on Scale Investments and Manager Relationships

Welcome to Wealth Management

- Asset Managers Manage Money
- Wealth Managers Manage Clients
- Trend Toward Comprehensive, Integrated Advice
- Six in 10 OCIOs Now Offer Financial Planning
Three Roles of Outsource CIOs

1. Investment Consultant
   - Investment Policy Development
   - Asset Allocation
   - Portfolio Construction
   - Manager Selection
   - Performance Reporting and Analysis

Three Roles of Outsource CIOs

2. Asset Manager
   - Manager of Managers
   - Separate Account Manager
   - Manager of Pooled Investment Vehicles, e.g. Family Partnerships
Three Roles of Outsource CIOs

3. Investment Planner

- Liquidity and Liability Management
- Tax Planning and Overlay Management
- Integrating Investments with Goals and Planning Strategies

Investment Discretion

<table>
<thead>
<tr>
<th>Investment Discretion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Investment Discretion</td>
<td>38%</td>
</tr>
<tr>
<td>Partial (Usually at Manager Level)</td>
<td>17</td>
</tr>
<tr>
<td>No Discretion</td>
<td>21</td>
</tr>
<tr>
<td>Flexible</td>
<td>24</td>
</tr>
</tbody>
</table>
### Improved Services to SFOs

<table>
<thead>
<tr>
<th>Service</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Investment Strategies</td>
<td>100</td>
</tr>
<tr>
<td>2. Improved Client Reporting</td>
<td>72</td>
</tr>
<tr>
<td>3. More Managers, Research</td>
<td>50</td>
</tr>
<tr>
<td>4. Better Client Communications</td>
<td>44</td>
</tr>
<tr>
<td>5. Senior Relationship Hires</td>
<td>33</td>
</tr>
</tbody>
</table>

### Top Challenges for OCIO Firms

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketplace Awareness</td>
<td>100</td>
</tr>
<tr>
<td>2. Investment Markets</td>
<td>94</td>
</tr>
<tr>
<td>3. Client Relationships</td>
<td>82</td>
</tr>
<tr>
<td>4. Managing Growth</td>
<td>71</td>
</tr>
<tr>
<td>5. Human Capital</td>
<td>49</td>
</tr>
</tbody>
</table>
OCIO Market for Family Wealth

• Market Continues to Evolve Rapidly
• Players Beefing up Their Offerings
• Awareness Still Chief Challenge for OCIOs
• Strong Demand, Including Offshore Families
Defining the Yardstick to Measure Your OCIO

Bryan Decker, Managing Director
MESA INVESTMENT CONSULTING

Leah Zveglich, Founder, Managing Partner
THE ASTER CLUB
Bryan R. Decker
Principal, Managing Director

Bryan has 24 years of investment experience. Prior to co-founding MESA, he was a Managing Director and Director of Research at Clearbrook Global Advisors. The majority of Bryan’s career was spent at Evaluation Associates (EAI). From 2008 to 2011, Bryan served as Managing Director and Chief Investment Strategist with overall responsibility for the management of EAI. He also served as Chair of the firm’s Executive Committee and was a member of the firm’s Asset Allocation Committee. Between 1997 and 2008, Bryan served in a variety of senior research roles, including director of alternative strategy research where he oversaw private equity, real estate, hedge funds and commodities. Bryan’s career started in 1993 when he joined Evaluation Associates Capital Markets, as a hedge fund research analyst. He earned his MBA in Finance and International Business from New York University Stern School of Business. He received his BA in Physics and Economics from Vassar College.
Leah Zveglich, MBA
Founder and Managing Partner, Aster Club
Managing Partner, Aster Family Advisors

She is a trusted advisor and executive coach on succession, successor development and leadership transition. She founded the Aster Club, a community of business families to connect, collaborate and build a sustainable family heritage. The club focuses on learning and prevention rather than intervention after the problem arises.

She has worked with several prominent global families for long-term engagements and a dozen families and family owned businesses on projects. Family sustainability, harmony and growth are Leah’s goals. She uses her knowledge and experience as a seasoned entrepreneur and coach to bring value-based solutions to every family.

She specializes in building family legacy, maximizing family capital and growing family wealth across generations by:

- Organizing and executing a family succession plan
- Developing family members to maximize their potential
- Assessing and developing executives in family business to ensure continuity and sustainable success
- Preparing family business to transition from current leaders to new leaders
- Providing sustainable growth strategy, supporting strategy execution, managing transformation, and identifying and developing leaders.

She recognizes and understands the complicated needs, challenges and dreams of affluent families. Prosperous families need a new approach to succession planning that goes beyond estate planning and financial and investment management: people and organizational development building individual and organizational capacity. Leah’s strengths stem from her strategic perspective, integrated systems approach and global exposure. Her clients appreciate her direct and pragmatic approach that is often unconventional yet successful.

She has been an entrepreneur since her senior year in college. The White House and the Young Entrepreneurs Association have recognized Leah for her outstanding achievements in business. She understands every founder’s dilemma and recognizes symptoms of their syndrome. She has been in their shoes and walked miles.

Leah is a global citizen, born in Korea, who has lived in 10 countries and worked in over 20 countries. She is a life-long learner who combines theory with practice. She studied organizational behavior at Harvard University and international business at University of Western Sydney.
Interactive Polling: Making a Difference in Your Portfolio

Ned Rosenman, Director, *National Endowments and Foundations*
BLACKROCK

Catherine Ulozas, *Chief Investment Officer/Vice President*
DREXEL UNIVERSITY
Ned Rosenman, Director, is a member of BlackRock’s Institutional Client Business, where he is responsible for providing investment management services and advisory solutions to endowments and foundations.

Prior to his current role, Mr. Rosenman spent 10 years in BlackRock’s multi-asset portfolio solutions and alternatives businesses, most recently as a member of the Client Solutions team within BlackRock Solutions. Mr. Rosenman led Client Solutions’ endowments and foundations practice, providing investment strategy and risk advice to institutions globally. Mr. Rosenman was a member of the effort to design and build the firm’s Outsourced CIO ("OCIO") business in the United States, and helped integrate the firm’s multi-asset capabilities during its merger with Barclays Global Investors. Mr. Rosenman began his career in BlackRock’s Proprietary Alpha Strategies Group, where he was a lead product specialist representing BlackRock’s commodity products and equity hedge fund strategies. He fostered product development initiatives, overall investment approach, and business development efforts for alternatives.

Mr. Rosenman earned a bachelor’s degree in English literature from Princeton University.
OCIO: Making a Difference in Your Portfolio

April 4th 2017

Pyramid of Resource Allocation

Risk Management
Strategic Asset Allocation
Manager Research/TAA
TAA
Investment Committee
Target OCIO
Risk Factors As A Universal Language Across Asset Classes

Risk factors can be understood as common exposures across various asset classes: risk factors enable direct comparison across public and private asset classes.

Using a Factor-Based Approach to Asset Allocation

Look beneath asset class labels at the underlying drivers of risk and return: risk factors, which allow us to identify unintended concentration risk.

1. Source: Sample Client current asset allocation as of August 31, 2016. Please see appendix for assumptions regarding representative proxies, market indices, and asset weights.
2. Calculations performed using BlackRock Solutions Aladdin risk model, exposures as of 8/31/16 from the trailing 180 months of equal weighted observations. Asset classes are represented using illustrative market exposures and risk proxies. Each index component is mapped to a granular set of 2,200+ risk factors to determine exposures. The parametric exposures are then summed using the appropriate weights to compute the portfolio’s exposure to systematic market risk factors. The risk is calculated by isolating the risk from a particular risk factor and combining the exposure and volatility as measured by standard deviation.
### Evaluating Your OCIO

<table>
<thead>
<tr>
<th>Attribution</th>
<th>3 Mo</th>
<th>YTD</th>
<th>ITD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Asset Allocation</td>
<td>0.09%</td>
<td>0.27%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Sub Asset Allocation</td>
<td>-0.3%</td>
<td>-0.2%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Manager Selection</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Residual</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Total</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

#### Unbundling the OCIO Decisions

<table>
<thead>
<tr>
<th>Function</th>
<th>Advice</th>
<th>Approval/Execution</th>
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</thead>
<tbody>
<tr>
<td>Investment Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Overall Investment Policy</td>
<td>OCIO</td>
<td>Investment Committee</td>
</tr>
<tr>
<td>Design of Strategic Asset Allocation</td>
<td>OCIO</td>
<td>Investment Committee</td>
</tr>
<tr>
<td>Implementation of Strategic Asset Allocation</td>
<td>OCIO</td>
<td>OCIO</td>
</tr>
<tr>
<td>Implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation and Engagement of External Managers</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Active Allocation Monitoring</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Operational Activity with Custodian</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Daily Cash Investing</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Compliance</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Daily Portfolio Monitoring</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Reporting and Service</td>
<td></td>
<td></td>
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<tr>
<td>Ongoing Portfolio Review</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Performance and Risk Reporting</td>
<td>OCIO</td>
<td>OCIO</td>
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<tr>
<td>Custom Analysis</td>
<td>OCIO</td>
<td>OCIO</td>
</tr>
<tr>
<td>Periodic (e.g. Quarterly) Portfolio Review</td>
<td>OCIO</td>
<td>Investment Committee</td>
</tr>
</tbody>
</table>
Currently working at Drexel University as the Chief Investment Officer, Catherine has had significant positive impact during her six and half year tenure. Catherine has repositioned the portfolio assets into a more stable structure and has increased value by over 20%. She improved the manager selection process, reduced fees and streamlined operations. Key factors in her work have been the analysis of the portfolio’s liquidity and risk. Catherine is also an adjunct faculty in the Drexel Le Bow School of Business teaching Financial Markets and Institutions. She is a frequent speaker at investment conferences and has appeared on Bloomberg TV. Catherine was named a Rising Star of Endowment Management by Endowment and Foundation Magazine in 2012.

Her extensive investment experience includes portfolio management, trading and credit analysis. Previous work experience includes ING Direct, Aetna, London Life Reinsurance and the Arizona State Retirement System. She is also currently a Director of the Franklin Mint Federal Credit Union and a member of the Asset/Liability Committee of a local community bank, Penn Community.

Catherine dedicates her personal time to non profit organizations including Clarifi, a non-profit community resource devoted to Lifelong Financial Literacy for consumers and is on the advisory council of Green Light, an organization that aims to transform the lives of children in Philadelphia high-poverty urban areas by creating local infrastructure. Previously, she has served on the board of the Career Wardrobe, the Rock School of Ballet and on the investment committee of the Philadelphia Horticultural Society.

Catherine holds an MBA in International Business from George Washington University and BA in Economics and Political Science from Drew University.
The Benefits an OCIO Can Bring in Alternatives

Kevin Matthews, Vice President and Managing Director, Solutions Team
SEI’S INSTITUTIONAL GROUP

Sidney Wigfall, Founding-Managing Partner/Consultant & Managing Corporate Counsel
SCA COMPLIANCE + CONSULTING GROUP (LLC)

Matthew Wright, CFA, President & CIO
DISCIPLINA GROUP, LLC
Kevin Matthews
Vice President and Managing Director, Solutions Team, Institutional Group

Areas of expertise
- SEI's global retirement, nonprofit, and healthcare solutions
- Dynamic investing
- Risk management
- Goals-based investing

Kevin Matthews serves as Vice President and Managing Director for SEI’s Institutional Group and oversees the Solutions Team. The team is responsible for overseeing the maintenance and development of the company's global retirement, nonprofit, and healthcare solutions.

Kevin has over 15 years of experience in actuarial and investment work. In his preceding role at SEI, Kevin was a Director on the Advisory Team, responsible for delivering ongoing advisory services on investment strategy, portfolio construction, funding policy, and plan design. He has also held positions in solutions development and on the Asset Allocation Team. Prior to his employment with SEI in 1999, Kevin was an Actuarial Analyst at Towers Perrin in Philadelphia, Pennsylvania.

Kevin holds a degree in psychology from Cornell University. He is a CFA Charterholder and member of the Financial Analysts of Philadelphia.
SCA ▲ COMPLIANCE
SCA COMPLIANCE + CONSULTING GROUP

SIDNEY WIGFALL (JD/ESQ.)
FOUNDING-MANAGING PARTNER/CONSULTANT &
MANAGING CORPORATE COUNSEL
SCA COMPLIANCE + CONSULTING GROUP
SCA CORPORATE & COMPLIANCE COUNSEL GROUP

SIDNEY WIGFALL (JD/ESQ.) is the Chicago-based Founding and Managing Partner/Consultant & Managing Corporate Counsel of SCA COMPLIANCE+CONSULTING GROUP and SCA CORPORATE & COMPLIANCE COUNSEL GROUP, a multi-disciplinary compliance management and operations, strategic, legal and regulatory/compliance consulting group focused on advising asset management firms, other investment/securities firms, investment professionals, and buyers/sellers of investment firms, including private equity firms. In founding Braintrust Consulting-Counsel Group in 2001 as the predecessor firm to SCA Compliance+Consulting, Sidney launched one of the first multi-disciplinary compliance, consulting and counsel groups focused on the asset-fund management and investment sectors which combined integrated consulting, counsel, and related advisory services across investments-securities, business-operations, compliance, regulatory/legal counsel, finance, private equity/M&A and strategic consulting projects.

Sidney is a senior-level compliance adviser and counsel with 20-plus years of expertise and background in regulatory-compliance matters and asset-fund management matters. During his extensive career in varied legal, compliance, and consulting roles, Sidney has designed, developed, and administered the regulatory-compliance and risk management functions of investment firms of all sizes and ranges of assets under management (AUM).

Sidney has held senior level legal-compliance positions with asset management firms, including serving as senior vice-president and chief compliance officer (CCO), and chief regulatory officer for a New York-based multi-billion-AUM institutional asset management firm and affiliated investment funds group managing equity, fixed income, hedge/alternative, and private equity investments. He has also served as chief legal officer and CCO for a Midwest-based multi-billion-AUM multi-manager investment firm and funds group. Sidney has also had securities-corporate attorney roles with large corporate law firms, including global-100 law firm Morgan Lewis, which has one of the leading asset management, SEC, and investment funds practice group. Sidney was also with the U.S. Securities & Exchange Commission (SEC), having served as a Managing Counsel & Branch Chief with the SEC’s New York Office. He earned a BA in political science from the University of Rochester and a JD from Touro-Fuchsberg Law School (Long Island, New York).

Sidney is also a frequent speaker and writer in the field of investment management, and has spoken and written articles about numerous regulatory/compliance topics and the “business of
SCA COMPLIANCE + CONSULTING

asset-funds management.” He has been a panelist for Institutional Investor Network, Investment Management Institute, GAIM Hedge Funds Cayman/EU, Opal Financial, Financial Research Associates/FRA conferences and also a frequent industry expert-commentator for FundFire-Ignites (Financial Times/UK-US), Emerging Manager Focus e-Magazine, Opalesque, The Monitor Magazine (Investment Management Consultants Association/IMCA), Financial Investment News (FIN), FINalternatives, Emerging Manager Monthly and other investment-business publications. He has also written and spoken on private equity/VC topics for national publications and private equity/VC groups, including American Venture Magazine and the Emerging Venture Network-EVN Group.

Sidney also is a member of and participates in a number of investment and regulatory/compliance institutes, associations and programs, including the Association of SEC Alumni (ASECA), Investment Advisers Association (formerly Investment Counsel Association of America), Asset Managers Forum-SIFMA, Investment Company Institute, Closed-End Fund Forum, Managed Funds Association, National Association of Investment Companies, Midwest-Chicago Chief Compliance Officers Group, National Society of Compliance Professionals, Securities Industry & Financial Markets Association (SIFMA), National Association of Securities Professionals, American Bar Association, American Corporate Counsel Association, and Minority Corporate Counsel Association.

An attorney by training, Sidney began his career in the securities/investment field as a Managing Counsel-Branch Chief with the SEC in New York. After the SEC, he broadened his SEC and related securities/corporate law and investment adviser/funds exposure while working with two large corporate law firms in the New York-New Jersey region, including global-100 law firm, Morgan Lewis. Sidney also founded one of the first multi-disciplinary consulting firms combining integrated advice and advisory services across investments-securities, business, finance, compliance, strategy and regulatory-law consulting projects. Sidney focused on working with investment advisers and investment funds, and also counseled alternative managers on the formation and structuring of hedge/alternative and private equity funds. As corporate counsel and consultant, he has also advised numerous US and foreign-offshore investment firms as to SEC/securities and asset management matters, investment product/services agreements, capital markets and corporate finance transactions (equity/debt/IPOs), brokerage/trading matters, formation/structuring of investment funds, alternative/private investment funds, private equity and buyout deals, venture/angel capital, small business investment companies (SBICs), and M&A transactions involving asset management and other investment and securities firms.
SELECTED ARTICLES & COMMENTARY

♦ Expert-Commentator, FundFireAlts- Hedge Funds Face New Insider Trading Questions (12/ 2016)
♦ Expert-Commentator, FundFireAlts-Wide Fallout as SEC Targets Hedge Fund Administrator Services Firm (9/2016)
♦ Expert-Commentator, FundFireAlts-SEC Performance Marketing Questions Hint at Next Regulatory-Compliance Target (3/2016)
♦ Expert-Commentator, FundFire Alts-Hedge Funds Chase Clues in SEC Liquid Alts Cases (5/2015)
♦ Expert Contributor, Fund Board-IQ, A Fund Board Road Map for Vetting Liquid Alts (11/2014)
♦ Expert-Commentator, FundFire-Managers Face Catch-22 if Pay-to-Play Rule is Repealed (8/2014)
♦ Expert-Commentator, FundFire - Consultants Stress Ops Risk in Manager Evaluations (2/2014)
♦ Expert Contributor, FundFire - ExpertQ&A: Misleading Info on Institutional RFPs & DDQs Can Attract SEC Scrutiny (2/2014)
♦ Expert-Commentator, FundFire - SEC Hedge Fund Exams & Rules to Tighten after SAC Probe (4/2013)
♦ Expert Contributor, Hedge Fund Manager (HFM) Week, CPO-CTA Registration Challenges for Hedge Fund Managers with NFA (1/2013)
♦ Expert-Commentator, FundFire - GIPS Compliance Should Be Mandatory? - Survey (5/2012)
♦ Expert-Commentator, Bloomberg - Some Hedge Fund Managers AUM Soars with Leverage and SEC Rule Change Regarding AUM Reporting (4/2012)
♦ Expert-Commentator, Ignites-SEC Grills Top Execs About Firms “Compliance Culture” (10/2011)
♦ Author/Expert Contributor, FundFire - ExpertQ&A: Are Funds-of-Funds (FoFs) & Managers-of-Managers (M-o-Ms) Facing Increased Scrutiny? (10/2010)
♦ Author/Expert Contributor, FundFire - ExpertQ&A: How Do Pensions and Institutions Handle Due Diligence on ETFs? (7/2010)


Author, *Hedge Funds, Their Managers and The SEC: A Summary Primer on Key Hedge Manager, Hedge Sub-Manager, and Affiliate Firm Registration Matters*, National Bar Association Quarterly (2008)

Author, *Emerging Manager Focus - Funds-of-HedgeFunds: At an Evolution Crossroads?* (8/2007)


Expert-Commentator, *FINalternatives - Former SEC Lawyer Advises Hedge Funds To 'Stand Pat' Regarding SEC Hedge Fund Registration Rule as Struck Down by Federal Court* (6/2006)


Matthew W. Wright, CFA - Founder & President

Mr. Wright is the President and Chief Investment Officer of Disciplina Group LLC founded in 2013. Disciplina seeks to provide small to mid-sized institutional investors with investment capabilities on par with to $1 billion plus institutions. Prior to launching Disciplina he was the Vice Chancellor for Investments and Chief Investment Officer of Vanderbilt University. In his position, which he held from 2007 – 2012, he led a twenty person team responsible for investment oversight of the university’s $4.0 billion long term investment portfolio, which includes the university endowment. Specific duties entailed strategic and tactical asset allocation, investment manager selection, internal management, risk management, reporting and coordination with the university’s administration, alumni and the Board of Trust.

Prior to joining Vanderbilt University in the summer of 2007, Mr. Wright was the Director of Investments at Emory University for over six years. While at Emory, his primary duties included implementation of asset allocation policies, investment strategy, manager selection, and internal management within Emory’s long-term investment portfolio of $5.0 billion. Prior to joining Emory, Mr. Wright worked for Bank of America Capital Management’s Quantitative Strategies Group as a portfolio manager and Xerox Corporation’s Trust Investments department as an investment analyst.

Mr. Wright has a bachelor’s degree in Finance from Seton Hall University (1989) and holds an M.B.A. from the University of Rochester (1991). He is also a member of the CFA Institute, member of the Seton Hall University Board of Regents (2015-current), Board Member of Youth Life Foundation of Tennessee (2014-current), Advisory Board Member Habitat for Humanity of Greater Nashville (2008-current), Co-Chair of the Bethel World Outreach Church Building Campaign (2012-current), and Former Investment Committee Chair (2011-2014) and Committee Member (2008-2014) for The Ensworth School in Nashville, Tennessee.

Throughout his career Mr. Wright has been a featured speaker, moderator and panelist at industry conferences such NMS Management, Institutional Investor, Thomson Reuters, and others. In addition, he has been featured in local and national publications regarding institutional investing and investment risk management. In 2006, he was chosen as a featured participant in the Chicago Mercantile Exchange Group’s (CME) global advertisement campaign, which appeared in periodicals such as Barron’s, the Wall Street Journal, USA Today and Institutional Investor magazine. Matthew was also a guest lecturer at Emory University’s Goizueta School of Business and Vanderbilt University’ Owen School of Business.
The Outsourced CIO Partnership: Problem or Paradise

Charlotte Beyer, Founder
INSTITUTE FOR PRIVATE INVESTORS
Charlotte Beyer CV

After 20 years on Wall Street, Charlotte B. Beyer founded the Institute for Private Investors (IPI) in 1991 to help improve the relationship between wealthy investors and their financial advisors. She also later launched the Investor Education Collaborative in 2004 to continue to spread the message of IPI, where she served as CEO for 21 years until her retirement in 2012. A pioneer in social media, IPI launched the first private investor online community, and many of those online conversations are included in Beyer’s book, Wealth Management Unwrapped.

In 1999, Beyer collaborated with The Wharton School of the University of Pennsylvania to create the first private wealth management curriculum in the country and continues to serve on the faculty of these five-day residential programs held twice a year at Wharton. Her book, Wealth Management Unwrapped, is modeled after her lecture inside that curriculum and includes the same lessons Beyer shares with those attending, now totaling nearly 900 investors with substantial assets from around the globe.

A graduate of Hunter College, Beyer also attended the University of Pennsylvania and the Stern/NYU Graduate School of Business Administration. She is past President of the Board of Trustees of the Westover School, an all-girls school, and from 2009-2012 served as Vice Chair of the Board of Trustees of the Museum of American Finance. She currently serves on the global association board of 100 Women in Hedge Funds and on the Advisory Board of Institutional Investor’s Journal of Wealth Management. In March of 2015 Family Wealth Report awarded Beyer a Lifetime Achievement citation for her ‘tangible legacy’ that ‘championed the interests of private investors.’ In 2016 IMCA® recognized Beyer with the J. Richard Joyner Wealth Management Industry Impact Award.

Today Beyer oversees the Principle Quest Foundation, her own private foundation, whose mission is to support innovative education and mentoring programs for girls and women.

December 2016
PARTNERSHIP

PROBLEM OR PARADISE?

OCIO MARCH 16, 2017
CHARLOTTE BEYER

A herd of sheep is leaving the stall. There is no fence, only the gate ...

"The Trap of thinking"
My Frame of Reference

Playing chess on four boards at once

Risk & Return Trade-Offs
Investor Personality & Values
Family Dynamics
Impact of Taxes
Is a partnership different from a traditional relationship?

You are the CEO of My Wealth, Inc.
5 Things You’d Never Do as CEO

1. Not know what product you make
2. Not know the costs of production
3. Fire everyone except IT
4. Hire only friends & family
5. Not receive meaningful reports

Time to Recalibrate the Balance of Power?
Where To Start

1. Language
2. Knowledge
3. Hidden biases
4. Unspoken Expectations

What you know about yourself, you can control; what you don’t know controls you

SELF AWARENESS IS CRITICAL
Where you’re most vulnerable: The five Ps exercise

People  Philosophy  Process  Performance  Phees

____%  ______%  _____%  _____%  ____%

5 - 40%  5 - 30%  5 - 30%  12 - 80%  5 %
The Investment Policy Statement is your manifesto

At a minimum, your IPS should include:

The purpose of your money; what is this portfolio supposed to provide for?

The target return and target level of risk along with the measure of risk, time period and benchmarks that will be used.

The allocation that will get you where you wish to go, both in terms of return and risk.

When you will rebalance or reset the allocation.

Permissible investments and investments that are not allowed, e.g., no options.

---

Inflation, returns and fees

Returns. Wouldn't it be nice if...

And more fees

Minus inflation

Returns minus inflation minus fees = less than you'd like

Now subtract fees
Benchmarks matter!

Risk-adjusted performance looks pretty good against this one benchmark, BUT...

...with the correct benchmark, you can clearly see that this manager did not beat the benchmark!

NOTE: Both of these charts happens to show performance in down markets.

Is this good or bad performance?

<table>
<thead>
<tr>
<th>Performance Benchmarks</th>
<th>Beat inflation</th>
<th>Surpass the return of the S&amp;P</th>
<th>Beat the performance of managers with the same strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>But what if?</th>
<th>Inflation is 1%</th>
<th>The S&amp;P is down 15%</th>
<th>Your manager’s return is 15%, peer group’s average return is 12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>And...</td>
<td>Your portfolio return is 2%</td>
<td>Your portfolio loses 15%</td>
<td>Your manager took twice as much risk</td>
</tr>
</tbody>
</table>


For every complex problem there is an answer that is clear, simple, and wrong.

H. L. Mencken

Rules, rules and more rules

Rule #1
Never take your relationship for granted

Rule #2
Remember Rule #1

Rule #3
Speak up, but gently, and with a keen awareness that the blame for your deteriorating relationship is shared 50-50.
Emotional intelligence/EQ and IQ: Who scores high on both?

Report card for the CIO?
What are time frames for evaluating OCIO?

- **Homework** = reliable follow up
- **Midterm report** = proactive progress report
- **Parent teacher conferences** = meeting
- **Notes home** = contact frequency
- **Clarity of standards for grading** = benchmarks
- **Tests** = executive summary against IPS
Your Expectations

- Clarify before the conflict
- Define reactive vs proactive
- Specify preference:
  - phone vs emails vs meetings
- What if we disagree?
Questions To Ask Yourself

- How much (as a percentage of your portfolio) am I willing to pay?
- How will I measure the success of anyone I hire?
- Who can help defining success?

Q & A

The most serious mistakes are not being made as a result of wrong answers. The true dangerous thing is asking the wrong question.’
- Peter Drucker
Day One Re-cap

Stephen Lanzo, Managing Director
U.S. TRUST
Weighing Your Options to Make the Ideal Selection

Bryan Decker, Managing Director
MESA INVESTMENT CONSULTING

Jane Kerr, Director
STRATEGIC INVESTMENT GROUP

Anne Reid, Assoc. Vice President for Finance
MORAVIAN COLLEGE
BIOGRAPHIES

Bryan R. Decker  
Principal, Managing Director

Bryan has 24 years of investment experience. Prior to co-founding MESA, he was a Managing Director and Director of Research at Clearbrook Global Advisors. The majority of Bryan’s career was spent at Evaluation Associates (EAI). From 2008 to 2011, Bryan served as Managing Director and Chief Investment Strategist with overall responsibility for the management of EAI. He also served as Chair of the firm’s Executive Committee and was a member of the firm’s Asset Allocation Committee. Between 1997 and 2008, Bryan served in a variety of senior research roles, including director of alternative strategy research where he oversaw private equity, real estate, hedge funds and commodities. Bryan’s career started in 1993 when he joined Evaluation Associates Capital Markets, as a hedge fund research analyst. He earned his MBA in Finance and International Business from New York University Stern School of Business. He received his BA in Physics and Economics from Vassar College.
Ms. Kerr is responsible for building new client relationships throughout the Midwest and East Coast. Prior to joining Strategic, she served as Regional Director at SEI, where she focused on business development in the non-profit marketplace. She held various other positions at SEI in the Institutional Group and Advisor Network.

She has a B.B.A. in Finance and Business Economics from the University of Notre Dame.
Anne M. Reid

Anne currently serves as Associate Vice President for Finance at Moravian College in Bethlehem, Pa where she has worked for the past 23 years. In her position she has administrative responsibility for the $100 million endowment of the College and Theological Seminary. Her other duties include management of the College budget and debt portfolio. She has previously held positions at Lehigh University as well as in private industry and public accounting. She holds a B.A. from Franklin and Marshall College, an M.B.A. from Villanova University and is a certified public accountant.
Considerations when thinking about OCIO

Know what you want.
- Consider a self-assessment to determine optimal model for you.
- Consider an OCIO consultant with no affiliations or conflicts to advise you.
- Be clear about what is important to you: examples: small versus large firm, service team, experience, track record, fees.

Learn about various OCIO types.
- Dedicated OCIO, Consultant, Multi-Product, Single NAV.
- Different benefits and drawbacks to each.

Consider RFI then RFP.
- RFI to broad audience first. Then, RFP to small audience. Much more efficient use of time.

If you are doing RFP on your own, talk with others first.
- Read footnotes. Know if performance is real or “model, simulated.”
- Ask for all levels of fees: OCIO advisory, fund of funds (who gets them) and all underlying manager fees, even if netted out of returns shown.

Questions and Answers

- What are the biggest issues/mistakes people have faced/made in this selection?
- How can they avoid making these mistakes?
- What are the areas that are the hardest to evaluate for a prospect?
- What is the biggest surprise people have expressed after running a search?
  - ….after making their selection?
- What was your biggest surprise in running a search?
What to do after you hired an OCIO?

Be clear on roles and responsibilities.

Oversee the transition.
- Some OCIOs fire all managers when hired. Some review existing managers.

Ask the OCIO to help with governance.

Conduct regular reviews of OCIO.
- Keeps things running smoothly. Allows you to articulate preferences.
- Increasingly common for committees to review every 3 years formally (doesn’t mean you have to issue RFP).
What Every Investor Needs to Know About Your Legal Responsibilities

Moderator:
Joy Chaillou, Managing Director, National Practice Executive
U.S. TRUST

Chris Fowle, Associate Director, Americas, Global Networks & Outreach
PRINCIPLES FOR RESPONSIBLE INVESTMENT

Sidney Wigfall, Founding-Managing Partner/Consultant & Managing Corporate Counsel
SCA COMPLIANCE + CONSULTING GROUP (LLC)

Patrick Dunleavey, CPA, Accounting and Auditing Manager
BLUMSHAPIRO
Joy Hunter Chaillou
Senior Vice President, Institutional Philanthropic Specialist

Joy Hunter Chaillou is a Senior Vice President and Institutional Philanthropic Specialist at U.S. Trust, responsible for providing ongoing support to help institutional clients pursue their mission-related objectives. Her areas of focus include investment management, charitable administration, planned giving, endowment development, and nonprofit governance. Joy works closely with organizational leadership and boards of directors, providing tailored services, solutions, and best practices to assist in capitalizing on opportunities and addressing challenges in support of successful mission fulfillment. Prior to joining U.S. Trust, Joy was a part of an investment management team at Morgan Stanley where she worked with nonprofit organizations to help increase organizational capacity. Additionally, Joy spent six years at the American Heart Association serving as the Vice President of Planned Giving and Chair of their National Planned Giving Marketing Committee. Joy earned her B.S. degree from Old Dominion University through the Centre d'Etude Franco-Américain de Management (CEFAM) and her M.B.A. in Strategic Leadership from Dominican University of California. She is a founder of the Association of Fundraising Professionals in Westchester County, New York; serves as Vice Chair of the board of Girl’s Inc. Westchester, and on the boards of The Children’s Support Foundation and Saints John and Paul School Foundation. Joy is an active planned giving advisory committee volunteer for myriad organization across the nonprofit sector. She recently co-authored a book titled, Nonprofit Investment & Development Solutions: A guide to thriving in today’s economy published by John Wiley & Sons, Inc.
Chris Fowle, Associate Director, Americas, Global Networks & Outreach, PRI

Chris Fowle is an Associate Director for Networks for the UN PRI, covering Canada, the US and Latin America. Previously he served as the Vice President of Investor Initiative for CDP, the former Carbon Disclosure Project, for North America. Chris has a background in finance having worked at firms in New York and Tokyo including JPMorgan, Deutsche Bank and the former Lehman Brothers. He holds an MBA from Columbia University.
Principles for Responsible Investment (PRI): ESG and Fiduciary Duty

The Outsourcing CIO Summit for Endowments & Foundations, New York, NY
Chris Fowle, Associate Director, Americas, Global Networks & Outreach
212 332 3439 | chris.fowle@unpri.org

PRI Gathering Momentum

THREE TYPES OF SIGNATORIES
- Asset Owners
- Investment Managers
- Service Providers

*Asset owner asset under management for 2007-2013 is estimates based on 2014 asset under management data, discounting for annual growth rates, based on annual pension growth figures from the OECD pension data book reports from 2015.
POLICY AND RESEARCH

1. OPERATIONALISING LONG-TERM AND RESPONSIBLE INVESTMENT MANDATES

2. POLICY FRAMEWORKS FOR LONG-TERM AND RESPONSIBLE INVESTMENT

3. WORKING WITH OTHER THIRD PARTY GLOBAL INITIATIVES ON LONG-TERM RESPONSIBLE INVESTMENT

“Simply put, short-termism is undermining the ability of companies to invest and grow, and those investments, in turn, have far-reaching consequences, including slower GDP growth, higher unemployment, and lower return on investment for savers.”

Harvard Business Review January 2014

Why Fiduciary Duty?

- PRI survey 2014: signatories identified Fiduciary Duties as a barrier to ESG integration.
- The result of two misconceptions:
  - the nature of Fiduciary Duty
  - the nature of ESG
- The report *Fiduciary Duty in the 21st Century* found that:
  - Fiduciary duty was not a legitimate barrier to ESG integration.
  - Failure to consider long-term investment value drivers, of which ESG issues are a core element, in investment practice is a breach of fiduciary duty.

“Sustainability is an important factor in the long-term success of a business. Therefore as with any other issue related to the prudent management of capital, considering sustainability is not only important to upholding fiduciary duty, it is obligatory.”

Al Gore and David Blood, Generation IM

Fiduciary Duty in the 21st Century
Fiduciary Duty Roadmaps
A global initiative: www.fiduciaryduty21.org

- Nine Jurisdictions:
  - US, UK, Canada, Australia, Brazil roadmaps published
  - South Africa, Germany and Japan for Q1 2017
  - China for Q4 2017

- Thematically similar issues across markets:
  - Improved corporate reporting
  - Awareness and knowledge gaps of ESG
  - Accountability and oversight for regulations and codes
  - From "empty ownership" to "consequential ownership"

- Related output:
  - Investor Statement on Fiduciary Duty
  - Investor Duties in Asia
  - Regulatory Mapping
  - Investment policies and strategies
  - ESG integration in listed equities

US roadmap: recommendations
Developed through over 30 meetings with key US stakeholders

- Overcoming misconceptions and knowledge gaps
  - ESG as a core competency in fiduciary training

- Enhanced reporting of material ESG issues:
  - Reg S-K & Stock exchanges

- Guidance on investment consultant services:
  - Strengthen asset owner oversight
US roadmap: recommendations (cont.)
Developed through over 30 meetings with key US stakeholders:

- Updated legal guidance
  - Legal advice lags the trajectory of ESG practice

- Framework for shareholder engagement
  - Shareholder rights bulletin, barriers to collaborative engagements, universal proxies

- Investment policy statements
  - Incorporate ESG into IPS

US roadmap: recommendations (cont.)
Developed through over 30 meetings with key US stakeholders:

- Disclosure of investment practices
  - Accountability to regulators and beneficiaries

- Diversified governance structures
  - Global best practice / learning from corporate governance
PRI ACADEMY
Educate staff on ESG issues

CFA-accredited online training for your staff on how ESG issues impact company performance, shareholder value and investment decisions.

Courses feature content from international experts, real and hypothetical case studies and financial modelling. The PRI Academy has enrolled in excess of 1,500 candidates from over 225 investment organisations in more than 40 countries.

"The PRI Academy is a particularly well put together course, and it is helping us better understand how we can integrate ESG issues into our investment frameworks."

Sovereign, New Zealand

"The PRI Academy is the gold standard and unique in the marketplace."

Colonial First State Global Asset Management, Australia

<table>
<thead>
<tr>
<th>Course</th>
<th>Description</th>
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<tr>
<td>RI Fundamentals</td>
<td>Three-hour introduction to the basic tenets of responsible investment.</td>
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<tr>
<td>RI Essentials</td>
<td>Comprehensive examination of responsible investment from theory to practice.</td>
</tr>
<tr>
<td>Enhanced Financial Analysis</td>
<td>In-depth look at using sustainability data in fundamental investment analysis.</td>
</tr>
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Every course is delivered entirely online – work wherever and whenever suits you.
Chris Fowle, Associate Director, Americas, Global Networks & Outreach, PRI

Chris Fowle is an Associate Director for Networks for the UN PRI, covering Canada, the US and Latin America. Previously he served as the Vice President of Investor Initiative for CDP, the former Carbon Disclosure Project, for North America. Chris has a background in finance having worked at firms in New York and Tokyo including JPMorgan, Deutsche Bank and the former Lehman Brothers. He holds an MBA from Columbia University.
SIDNEY WIGFALL (JD/ESQ.) is the Chicago-based Founding and Managing Partner/Consultant & Managing Corporate Counsel of SCA COMPLIANCE + CONSULTING GROUP and SCA CORPORATE & COMPLIANCE COUNSEL GROUP, a multi-disciplinary compliance management and operations, strategic, legal and regulatory/compliance consulting group focused on advising asset management firms, other investment/securities firms, investment professionals, and buyers/sellers of investment firms, including private equity firms. In founding Braintrust Consulting-Counsel Group in 2001 as the predecessor firm to SCA Compliance+Consulting, Sidney launched one of the first multi-disciplinary compliance, consulting and counsel groups focused on the asset-fund management and investment sectors which combined integrated consulting, counsel, and related advisory services across investments-securities, business-operations, compliance, regulatory/legal counsel, finance, private equity/M&A and strategic consulting projects.

Sidney is a senior-level compliance adviser and counsel with 20-plus years of expertise and background in regulatory-compliance matters and asset-fund management matters. During his extensive career in varied legal, compliance, and consulting roles, Sidney has designed, developed, and administered the regulatory-compliance and risk management functions of investment firms of all sizes and ranges of assets under management (AUM).

Sidney has held senior level legal-compliance positions with asset management firms, including serving as senior vice-president and chief compliance officer (CCO), and chief regulatory officer for a New York-based multi-billion-AUM institutional asset management firm and affiliated investment funds group managing equity, fixed income, hedge/alternative, and private equity investments. He has also served as chief legal officer and CCO for a Midwest-based multi-billion-AUM multi-manager investment firm and funds group. Sidney has also had securities-corporate attorney roles with large corporate law firms, including global-100 law firm Morgan Lewis, which has one of the leading asset management, SEC, and investment funds practice group. Sidney was also with the U.S. Securities & Exchange Commission (SEC), having served as a Managing Counsel & Branch Chief with the SEC’s New York Office. He earned a BA in political science from the University of Rochester and a JD from Touro-Fuchsberg Law School (Long Island, New York).

Sidney is also a frequent speaker and writer in the field of investment management, and has spoken and written articles about numerous regulatory/compliance topics and the “business of
“asset-funds management.” He has been a panelist for Institutional Investor Network, Investment Management Institute, GAIM Hedge Funds Cayman/EU, Opal Financial, Financial Research Associates/FRA conferences and also a frequent industry expert-commentator for FundFire-Ignites (Financial Times/UK-US), Emerging Manager Focus e-Magazine, Opalesque, The Monitor Magazine (Investment Management Consultants Association/IMCA), Financial Investment News (FIN), FINalternatives, Emerging Manager Monthly and other investment-business publications. He has also written and spoken on private equity/VC topics for national publications and private equity/VC groups, including American Venture Magazine and the Emerging Venture Network-EVN Group.

Sidney also is a member of and participates in a number of investment and regulatory/compliance institutes, associations and programs, including the Association of SEC Alumni (ASECA), Investment Advisers Association (formerly Investment Counsel Association of America), Asset Managers Forum-SIFMA, Investment Company Institute, Closed-End Fund Forum, Managed Funds Association, National Association of Investment Companies, Midwest-Chicago Chief Compliance Officers Group, National Society of Compliance Professionals, Securities Industry & Financial Markets Association (SIFMA), National Association of Securities Professionals, American Bar Association, American Corporate Counsel Association, and Minority Corporate Counsel Association.

An attorney by training, Sidney began his career in the securities/investment field as a Managing Counsel-Branch Chief with the SEC in New York. After the SEC, he broadened his SEC and related securities/corporate law and investment adviser/funds exposure while working with two large corporate law firms in the New York-New Jersey region, including global-100 law firm, Morgan Lewis. Sidney also founded one of the first multi-disciplinary consulting firms combining integrated advice and advisory services across investments-securities, business, finance, compliance, strategy and regulatory-law consulting projects. Sidney focused on working with investment advisers and investment funds, and also counseled alternative managers on the formation and structuring of hedge/alternative and private equity funds. As corporate counsel and consultant, he has also advised numerous US and foreign-offshore investment firms as to SEC/securities and asset management matters, investment product/services agreements, capital markets and corporate finance transactions (equity/debt/IPOs), brokerage/trading matters, formation/structuring of investment funds, alternative/private investment funds, private equity and buyout deals, venture/angel capital, small business investment companies (SBICs), and M&A transactions involving asset management and other investment and securities firms.
SELECTED ARTICLES & COMMENTARY

♦ Expert-Commentator, *FundFire-Managers Face Catch-22 if Pay-to-Play Rule is Repealed* (8/2014)
♦ Expert Contributor, *Hedge Fund Manager (HFM) Week, CPO-CTA Registration Challenges for Hedge Fund Managers with NFA* (1/2013)
♦ Author/Expert Contributor, *FundFire - ExpertQ&A: Are Funds-of-Funds (FoFs) & Managers-of-Managers (M-o-Ms) Facing Increased Scrutiny?* (10/2010)
SCA COMPLIANCE + CONSULTING


♦ Author, *Hedge Funds, Their Managers and The SEC: A Summary Primer on Key Hedge Manager, Hedge Sub-Manager, and Affiliate Firm Registration Matters*, National Bar Association Quarterly (2008)

♦ Author, *Emerging Manager Focus - Funds-of-HedgeFunds: At an Evolution Crossroads?* (8/2007)


♦ Expert-Commentator, *FINalternatives - Former SEC Lawyer Advises Hedge Funds To 'Stand Pat' Regarding SEC Hedge Fund Registration Rule as Struck Down by Federal Court* (6/2006)


SCA COMPLIANCE + CONSULTING GROUP
SCA CORPORATE & COMPLIANCE COUNSEL GROUP-NY
SCA GROUP, LLC
CHICAGO ♦ NEW YORK-CONNECTICUT ♦ WASHINGTON-DC ♦ ATLANTA ♦ CALIFORNIA
Transitioning Your Portfolio to an OCIO Model

David Kushner
INDEPENDENT CONSULTANT

Michael Cagnina, Vice President and Managing Director
SEI’S INSTITUTIONAL GROUP
David E. Kushner, CFA

Mr. Kushner has more than 37 years of investment management experience. He currently serves as a Managing Director for NexTier Consulting Solutions, where he provides strategic advice regarding investment and business initiatives to clients. Mr. Kushner also functions as a Senior Advisor to Mountain Pacific Group (currency and emerging markets equity), and is a member of the Advisory Board for Knightsbridge Advisors (venture capital fund of funds).

Mr. Kushner previously served as the Chief Investment Officer at Los Angeles County Employees Retirement Association (LACERA). LACERA is a $49 billion public pension trust (at time of departure), serving approximately 165,000 members, and is the largest County Pension Plan in the U.S. As Chief Investment Officer, Mr. Kushner was responsible for managing all aspects of the investment activities for the organization. While at LACERA, the Fund outperformed its benchmark 12 of 14 quarters and AUM grew from $38B to $49B in the face of negative cash flow of approximately $1.2B per year.

Before joining LACERA, Mr. Kushner served as Deputy Director for Investments (Chief Investment Officer) for The San Francisco Employees’ Retirement System (SFERS), a public pension trust serving approximately 66,000 members. Mr. Kushner was responsible for managing all aspects of the investment activities for the organization. Under his leadership at SFERS, AUM increased from $10.5B to $17.5B despite negative cash flow of approximately $300 mil/yr.

As CIO at LACERA and SFERS, Mr. Kushner was responsible for developing and implementing innovative investment approaches in Real Estate, Alternative Investments (primarily Private Equity, Venture Capital, Distressed Debt, Oil and Gas, and Opportunistic Credit), Equities and Fixed income. Under his leadership, both organizations established new manager relationships, entered new markets, adopted leading edge investment strategies, and enhanced risk management capabilities.

Mr. Kushner’s efforts have been acknowledged by internationally recognized organizations. While serving as CIO at SFERS, the Fund received awards from Money Management Letter for “Savviest Plan of the Year” (2005) and “Large Plan of the Year” (2007). He has been named multiple times to the aCIO Magazine “Top 100 CIOs Globally”, and in 2014 received the “Champions Award for Promoting Diversity in Investment Management” from the Association of Asian American Investment Managers (AAAIM).
Mr. Kushner began his career in Trust Investments, first at City National Bank of Miami, then at Flagship Bank of Tampa. In 1983, he joined the equity staff at the Florida State Board of Administration (SBA), ultimately rising to Senior Portfolio Manager overseeing internally managed equities—approximately $4.5 billion—including creating and managing a Large Cap Active Core Equity portfolio which generated top decile returns within “S&P 500-like” risk parameters.

In 1990, Mr. Kushner formed a private investment advisory firm drawing on the success of the investment process he created while at the Florida SBA. After successfully managing the firm for 7 years, Mr. Kushner joined ING Investment Management in Atlanta to establish a presence for U.S. Equities management and create a platform for engaging in the Institutional Asset Management and Mutual Fund businesses.

Mr. Kushner served as a member of the Board of Directors for the Council of Institutional Investors (CII) from 2012 to 2015, where he participated on the Audit Committee and Policies Committee of the Board. Mr. Kushner has been teaching Investments to Trustees since 1993, first for the Florida Public Pension Trustees’ Association (FPPTA) and, more recently, for the California Association of Public Retirement Systems (CALAPRS).

Mr. Kushner has a B.S. in Business Administration, Finance from the University of Florida and holds the Chartered Financial Analyst (CFA) Designation.
Michael Cagnina
Vice President and Managing Director
SEI Institutional Group

Michael Cagnina is Vice President and Managing Director for SEI’s Institutional Group and oversees all new business development within the institutional investment marketplace. His team is responsible for marketing SEI’s integrated investment outsourcing and discretionary solutions to corporations, non-profits, multiemployer plan sponsors, public pension plans and healthcare organizations throughout the United States and Canada.

Mike has over 25 years of institutional investment experience, having spent the last 20 years with SEI. Prior to joining SEI, Mr. Cagnina spent four years at the Chicago Board of Trade in the U.S. Treasury Bond Futures Pit, where he employed technical and fundamental analysis to strengthen trading strategies. Prior to his current role at SEI, he was responsible for new business development focused on large non-profit, corporate and union organizations. He has also worked for the company’s Consulting Group, where his primary responsibilities were portfolio analysis and client services.

Mike is recognized as an expert in investment outsourcing and discretionary strategies for institutional investors. He regularly speaks at industry conferences and webinars on the topic of investment outsourcing and discretionary investment management. He has been interviewed on best practices by numerous media outlets including Non-profit News, Plan Sponsor, Bloomberg News, Pensions & Investments and Fundfire.

Mr. Cagnina graduated from the University of Arizona with a Bachelor of Science in Finance and is licensed in NASD Series 6, 7, 63, and 65. He also maintains membership in the Association of Investment Management Sales Executives.

About SEI’s Institutional Group
SEI’s Institutional Group is one of the first and largest global providers of outsourced investment management services. The company delivers integrated retirement, healthcare and non-profit solutions to more than 475 clients in eight countries. Our solutions are designed to help clients meet financial objectives, reduce business risk and fulfill their due diligence requirements through implemented strategies for the management of defined benefit plans, defined contribution plans, endowments, foundations and board designated funds. For more information visit: seic.com/institutions.
Maximizing the Value of the OCIO Partnership

Moderator:
Joy Chaillou, Managing Director, National Practice Executive
U.S. TRUST

JR Miller, Senior Vice President, Finance
THE LEUKEMIA & LYMPHOMA SOCIETY

William Horan, VP, Principal and Planned Giving
SMILE TRAIN
Joy Hunter Chaillou
Senior Vice President, Institutional Philanthropic Specialist

Joy Hunter Chaillou is a Senior Vice President and Institutional Philanthropic Specialist at U.S. Trust, responsible for providing ongoing support to help institutional clients pursue their mission-related objectives. Her areas of focus include investment management, charitable administration, planned giving, endowment development, and nonprofit governance. Joy works closely with organizational leadership and boards of directors, providing tailored services, solutions, and best practices to assist in capitalizing on opportunities and addressing challenges in support of successful mission fulfillment. Prior to joining U.S. Trust, Joy was a part of an investment management team at Morgan Stanley where she worked with nonprofit organizations to help increase organizational capacity. Additionally, Joy spent six years at the American Heart Association serving as the Vice President of Planned Giving and Chair of their National Planned Giving Marketing Committee. Joy earned her B.S. degree from Old Dominion University through the Centre d'Etude Franco-Américain de Management (CEFAM) and her M.B.A. in Strategic Leadership from Dominican University of California. She is a founder of the Association of Fundraising Professionals in Westchester County, New York; serves as Vice Chair of the board of Girl’s Inc. Westchester, and on the boards of The Children’s Support Foundation and Saints John and Paul School Foundation. Joy is an active planned giving advisory committee volunteer for myriad organization across the nonprofit sector. She recently co-authored a book titled, Nonprofit Investment & Development Solutions: A guide to thriving in today’s economy published by John Wiley & Sons, Inc.
JR Miller

SVP Finance, Leukemia & Lymphoma Society (LLS)

JR Miller has extensive experience related to financial management in the nonprofit sector. He is currently SVP of Finance for LLS, the world’s largest voluntary health organization dedicated to blood cancers, and is responsible for finance, accounting, investments, financial systems, and treasury functions. He has recently conducted a search for an OCIO provider for LLS’ Investment Portfolio and hired U.S. Trust. He has been with LLS for fifteen years holding various positions in finance and field operations. Before that, he was in corporate accounting for eight years with David C. Cook, a nonprofit organization dedicated to publishing and distributing leadership and discipleship resources to help Christians all over the world. He is a member of the AICPA not-for-profit section and a member of Financial Executives Institute (FEI) and has a B.A. in accounting from Gordon College.