APRIL 22ND – APRIL 24TH
36TH ANNUAL WILSHIRE CONSULTING CLIENT CONFERENCE

History

Since 1982 and on an annual basis, Wilshire Consulting has invited its clients to participate in a multi-day event designed to review the current market environment, deliver practical insights on every step of the investment decision-making process and propose thought-leading strategies for achieving long-term investment objectives.

Wilshire

KEYNOTE SPEAKER
CAITLIN LONG

GUEST SPEAKER
MARK OKADA

SEA KAYAKING
SHOPPING IN
LA JOLLA

AVIARA GOLF CLUB
#1 IN SAN DIEGO

GENERAL AND
BREAKOUT
SESSIONS

INVESTMENT
PANELS

PARK HYATT AVIARA

7100 Aviara Resort Drive
Carlsbad, CA 92011

aviara.park.hyatt.com

Sunday, April 22nd through
Tuesday, April 24th

36th Annual Wilshire Consulting Client Conference

Sunday, April 22, 2018	
7:00 am to 8:30 am	**BREAKFAST BUFFET**
8:15 am to 1:30 pm	**GOLF – AVIARA GOLF CLUB** Wind through the green rolling hills of the Aviara Golf Club, taste the salty air of the blue Pacific and enjoy spectacular views of the Bataquitos Lagoon. Aviara Golf Club was named by Golf Digest and Golf Magazine as one of the top resort golf courses in America, and the #1 golf resort in San Diego by the readers of Condé Nast Traveler. This championship Arnold Palmer 18-hole layout is the proud home of the LPGA Kia Classic. The spectacular course at Aviara Golf Club in Carlsbad, CA is complemented by premier golf facilities, including a practice driving range, putting and pitching greens, an industry-leading GPS system on all golf carts, and an upscale golf shop. The elegant two-story Spanish colonial clubhouse features locker facilities, a full-service bar, and a cozy lounge with a fireplace.
10:00 am to 3:00 pm	**LA JOLLA – SEA KAYAKING OR SHOPPING** Do you like to play in the open ocean waters, the cool sea spray whispering over you? Then join us for an exciting day of adventure and exploration! You will be kayaking in one of the many San Diego County breathtaking ocean water areas – La Jolla. If you've ever wanted to try sea kayaking or just want to enjoy the thrill once again, this is the experience for you! If you prefer a more relaxing option, stroll through La Jolla's village where the shopping is endless! Enjoy window shopping or treating yourself with a few new items then meet up with the rest of the group for a delicious lunch.
5:00 pm to 6:30 pm	**REGISTRATION**
5:30 pm to 6:30 pm	**WELCOME RECEPTION**
6:30 pm to 10:00 pm	**DINNER & KEYNOTE SPEAKER: CAITLIN LONG**

Monday, April 23, 2018	
6:00 am to 7:00 am	**GROUP YOGA**
7:00 am to 8:30 am	**BREAKFAST BUFFET**
7:00 am to 9:00 am	**REGISTRATION**
8:15 am to 8:30 am (General Session)	**OPENING REMARKS** *Andrew Junkin, CFA, CAIA, President, Wilshire Consulting*
8:30 am to 9:15 am (General Session)	**THE CURRENT STATE OF "THE INVESTOR'S CHALLENGE"** *Steve Foresti, Chief Investment Officer, Wilshire Consulting, Maggie Ralbovsky, Managing Director and Michael Rush, Vice President* Despite being nine years clear of the global financial crisis and having posted strong investment gains, many investors continue to struggle to meet their investment goals. This section begins with a high-level examination of recent economic trends and market levels. We then review the current funding landscape and contrast Wilshire's forward-looking market expectations against institutional return targets to frame today's investment dilemma. In our focus on "the investor's challenge" we consider the importance of investment horizon and potential portfolio construction techniques. Through this opening session we hope to provide a contextual framework from which to assess the potential investment merits of strategies discussed throughout this year's conference.
9:15 am to 9:30 am	**NETWORKING BREAK**
9:30 am to 10:15 am (Breakout Session)	**BENEFITS OF INVESTING IN REAL ASSETS** *Bradley Baker, Managing Director, Shawn Quinn, Vice President* Despite strong equity returns since the global financial crisis, institutional investors continue to face significant challenges in meeting their overall portfolio return objectives. A sole reliance on financial assets may not support investors return needs given the current market environment as well as the cyclical nature of these investment instruments. Recent trends have indicated that institutional investors have turned to alternative investments, particularly Private Real Assets, to help bridge the gap between assets and liabilities. The Private Real Asset sectors offer the potential for consistent risk-adjusted returns with lower correlations to public markets, combined with potential inflation-protected income streams. This session will review and revisit the opportunity set and current market trends of the Private Real Asset sectors, including the potential benefits of a diversified real assets portfolio to a plans' broader investment objectives.
9:30 am to 10:15 am (Breakout Session)	**FROM A TO Z: CRASH COURSE IN ROLES AND RESPONSIBILITIES OF ASSET OWNERS** *Alex Ford, Vice President, Vikrant Khadilkar, Senior Associate* As an investment Trustee, there are a myriad of decision points that must be evaluated and acted upon throughout the management of an institutional pool of capital. Join us as we walk step by step through the process of crafting a policy

	statement, understanding and balancing risk, implementing an investment program through asset allocation, investment structure, and manager selection, and more. With the help of Wilshire's Risk Lenses framework, see what challenges lurk at each step of the process. New Trustees as well as seasoned professionals looking for a refresher will benefit from this session.
10:15 am to 10:30 am	**NETWORKING BREAK**
10:30 am to 11:15 am (Breakout Session)	**PRIVATE EQUITY EMERGING MANAGERS: DOES SIZE MATTER?** *Marc Friedberg, Managing Director, Rob Appling, Managing Director* When it comes to private equity investing, does size really matter? Do larger, deeply resourced private equity firms have a distinct competitive advantage? Conversely, can smaller private equity firms exploit their ability to be more nimble and opportunistic in driving returns? In this presentation, we present Wilshire's analysis on how emerging firms, with smaller levels of AUM, perform relative to the broader private equity market. What are the benefits and risks of investing in these managers? How do investors evaluate funds that are essentially brand new? We also discuss the utilization of diverse-owned managers and other private equity strategies that are potentially underrepresented in institutional private equity programs.
10:30 am to 11:15 am (Breakout Session)	**TARGET DATE FUNDS: WHAT IS RIGHT FOR MY PARTICIPANTS?** *Felicia Bennett, Managing Director and Steve DiGirolamo, Vice President* Over the past two decades, target date funds have moved from the fringes of the defined contribution world to being the primary investment vehicles of many DC participants. Selecting and monitoring Target Date Funds has become one of the most important decisions a plan sponsor will make on behalf of plan participants. Despite this shift into the mainstream, significant differences in investment philosophies and processes among managers have produced wide dispersion in performance and risk over time. Whether the underlying portfolios that comprise a fund are managed actively, passively or a blend of both, all target date managers make numerous active decisions that significantly impact performance and risk. We will explore these active decisions and discuss their tradeoffs, and provide a framework for monitoring this important investment option.
11:15 am to 1:15 pm	**LUNCH: GUEST SPEAKER MARK OKADA**
1:30 pm to 2:15 pm (Breakout Session)	**DISCRETIONARY SOLUTIONS TO ORGANIZATIONAL CHALLENGES** *Mark Brubaker, Managing Director, Ryan Lennie, Managing Director* Organizations have become ever more resourceful in finding creative solutions to financial challenges. In many instances, the development and successful execution of an innovative investment program is only one part of a comprehensive strategy designed to ensure the organization will reach its objectives. Join our OCIO team as we discuss real world examples of several innovative solutions, including: identifying the most cost effective path to closing a pension's funding gap; meeting a foundation's spending needs without sacrificing the future; and implementing a

	streamlined defined contribution plan to boost participation and improve retirement outcomes.
1:30 pm to 2:15 pm (Breakout Session)	**HEDGE FUNDS: EVOLUTION OF AN INDUSTRY** *Jonathan Miles, Managing Director, James Gnall, Vice President* With low interest rates and extended equity valuations, institutional investors need to use every tool in their toolkit to achieve target returns and meet their objectives. In this regard, while the hedge fund industry has been rightfully maligned for its poor median performance, high fees and embedded betas, an intelligent and targeted use of hedge funds can provide exposure to unique sources of return that can make them a valuable component of an investor's portfolio. Join our HFA team as we share innovative ways clients are integrating hedge funds into portfolios, which strategies can prove to be the most valuable and how risk premia strategies are challenging the traditional definition of alpha.
2:15 pm to 2:30 pm	**NETWORKING BREAK**
2:30 pm to 3:30 pm (General Session)	**ARE ESG CONSIDERATIONS A LUXURY ONLY SOME ASSET OWNERS CAN AFFORD?** *Daniel Ingram, Vice President (moderator)* *John Skerjvem, CIO of Oregon State* *Linda Eling Lee, Head of ESG research, MSCI* *Priya Mathur, Board President, CalPERS* *Douglas Laurence, Board member, University of Connecticut Foundation* With the challenges of meeting investment targets keeping asset allocators awake at night, it may be tempting to postpone or even dismiss entirely the daunting task of determining how long-term, non-traditional, financial risks and opportunities such as resource efficiency, human capital management and board composition could affect the fund's value. Delaying discussions may seem sensible if ESG risks and opportunities take longer to materialize than some think they will. What if, however, these risks accelerate to impact your fund's value faster than you thought they ever could? Wilshire's first dedicated ESG panel will give you insights into how and why some leading asset owners are bringing forward their analysis and management of ESG risks and opportunities while at the same time ensuring their process for doing so is consistent with their unique funding and liability profile, their specific organizational mission, resource pressures, aggressive return targets and strict risk budgets
3:30 pm to 3:45 pm	**NETWORKING BREAK**
3:45 pm to 4:30 pm (General Session)	**LIQUIDITY MANAGEMENT: BRIDGE OVER TROUBLED WATER** *Steve Foresti, Chief Investment Officer, Wilshire Consulting, David Lindberg, Managing Director, Ned McGuire, Vice President* We encourage attendees to arrive properly hydrated, as this session explores recent Wilshire research on concepts and techniques related to managing portfolio liquidity needs. We present a clear definitional framework for segmenting sources

	of liquidity and discuss the mechanics of Wilshire's quantitative Liquidity Metrics, which can be used as direct inputs within asset allocation studies. The presentation begins with an overview of Wilshire's factor-based asset allocation framework and its various uses, as this architecture serves as the platform underpinning our asset class liquidity scoring model. We conclude with an asset allocation case study to demonstrate a practical application of these liquidity management concepts.
6:00 pm to 9:30 pm	**RECEPTION & DINNER**

Tuesday, April 24, 2018

6:30 am to 7:30 am	**GROUP HIKE – BATIQUITOS LAGOON**
7:00 am to 8:30 am	**BREAKFAST BUFFET**
8:30 am to 9:15 am (General Session)	**DIVERSITY – A PATH TO IMPROVED RISK/RETURN TRADEOFFS?** *Andrew Junkin, CFA, CAIA, President, Wilshire Consulting (moderator)* *Cheryl Alston, CIO, Employees' Retirement Fund of the City of Dallas* *Jonathan McBride, Managing Director, BlackRock* *Robert Raben, President & Founder, The Raben Group* Diversity is a critical topic for investors, as behavioral biases and group think can negatively affect an asset owner's or asset manager's decision making process. In particular, confirmation bias can be exacerbated when an organization is homogeneous. This panel will discuss how diversity can impact outcomes and how asset owners and their managers can think about the effects of diversity on an institutional investment program.
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9:30 am to 10:15 am (Breakout Session)	**BENEFITS OF INVESTING IN REAL ASSETS** *Bradley Baker, Managing Director, Shawn Quinn, Vice President* Despite strong equity returns since the global financial crisis, institutional investors continue to face significant challenges in meeting their overall portfolio return objectives. A sole reliance on financial assets may not support investors return needs given the current market environment as well as the cyclical nature of these investment instruments. Recent trends have indicated that institutional investors have turned to alternative investments, particularly Private Real Assets, to help bridge the gap between assets and liabilities. The Private Real Asset sectors offer the potential for consistent risk-adjusted returns with lower correlations to public markets, combined with potential inflation-protected income streams. This session will review and revisit the opportunity set and current market trends of the Private Real Asset sectors, including the potential benefits of a diversified real assets portfolio to a plans' broader investment objectives.
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10:15 am to 10:30 am	**NETWORKING BREAK**
10:30 am to 11:15 am (General Session)	**PORTFOLIO CONSTRUCTION 3.0 – UNTANGLING ALPHA FROM BETA ON A TOTAL FUND LEVEL** *Tom Toth, Managing Director, Rose Dean, Managing Director, Ali Kazemi, Managing Director* After determining the appropriate asset allocation for a portfolio, the next step in implementation often involves the decision between active and passive management, or alpha vs. beta. Active management is utilized with the expectation that managers can capture opportunities to enhance the total fund return beyond market beta. However, traditional portfolio construction limits the extent to which alpha can impact the total fund return by constraining the search to the beta weights established in the asset allocation process. In this session we discuss how investors can tackle this issue by separating the search for alpha from the target asset class allocations. We explore several approaches plan sponsors can take in separating the alpha from beta, as well as some of the challenges that need to be considered. Finally, we walk through a case study to examine some of lessons learned in going down the path of separating these fundamental drivers of return.
11:15 am to 1:00 pm	**LUNCH**
1:00 pm	**ADJOURN**