SENIOR DELEGATES ROUNDTABLE

February 15-17, 2017 ▪ The Four Seasons Hotel ▪ Palm Beach, Florida

Turning Point or Tipping Point?

Introduction

Raising assets has been a tough sell this year as many institutional investors, including many of the largest state pension funds, have rethought their commitments in light underwhelming returns and high fee structures. Meanwhile, managers are finding the costs of compliance are skyrocketing, and competition remains fierce. Although overall investor sentiment for the asset class is at a historically low ebb, there remain sectors of the industry which offer investors good returns on their investment. Thus, it's clear that future success in the alternatives sector will require intense strategizing and hard decisions. Nowhere is this pressure felt more keenly than in the sales, marketing, and distribution functions.

In order to prosper in the current environment, alternative asset managers need to make sure that their marketing strategies and product design are attuned to the changing marketplace. Practical solutions must be developed to build and retain effective and efficient sales organizations that can enable a firm to meet its growth and profitability targets.

But asset management firms are not blank slates. Leaders must build on their firm's existing core competencies and embedded cultures. How can sales and marketing leaders determine the optimum model to meet investor demands within the context of a firm's unique attributes?

The 2017 AII Senior Delegates Roundtable will offer members an important opportunity to share perspectives on industry trends and explore sales and marketing strategies that address the changing environment. The Roundtable will utilize a variety of formats to encourage and facilitate a peer-to-peer exchange of ideas. Delegates will work together to explore strategic concepts and practical implementation that address the rapidly changing alternatives marketplace.

Wednesday, February 15, 2017

5:00- 6:30

Advisory Board Meeting & Reception

6:30- 8:30

Welcome Reception & Buffet Dinner

Mix and mingle with friends, new and old.

Thursday, February 16, 2017

7:30– 8:30am

Breakfast Buffet & Registration: All Delegates

8:30 – 8:45am

Welcome and Introductory Remarks

Robin Coffey, *Executive Director*, Institutional Investor Memberships

Kip McDaniel, *Chief Content Officer & Group Editorial Director*, Institutional Investor

8:45 – 9:00am

The New Normal: IIN Allocator Trends Report

For the fourth straight year, we've surveyed members of the *Investor Intelligence Network*, an online platform allowing asset owners to connect and share information year-round. This presentation will provide an overview of this exclusive data with an eye toward examining major alternative asset allocation trends in North America.

Leanna Orr, *Global Content Director,* Investor Intelligence Network

9:00 – 9.45am

State of the Alternatives Industry

AII/Casey, Quirk by Deloitte 2nd Annual Distribution Benchmarking Study

This presentation will provide an overview and analysis of the big industry trends affecting leaders of alternative distribution organizations and provide select findings on key topic areas of industry trends, distribution effectiveness and organizational model design. Highlights will include the following:

I. Operating Environment: What are the opportunities/challenges faced by institutional distribution organizations? What channels and products are driving growth?

II. Fee Pressure: What are the drivers of industry fee pressure and how have managers responded?

III. Organizational Models and Staffing: How have firms organized sales and marketing? In which roles are firms in most need of key talent?

IV. Differentiated Client Engagement: How are firms differentiating their service offering to create a unique client experience? What role does technology play?

V. Managing a Leading Distribution Team: How do firms attract, retain, and incentivize talent to maximize team effectiveness and promote a collaborative culture?

Jonathan Doolan, *Principal,* Casey, Casey Quirk by Deloitte

Michael McConville, *Senior Consultant,* Casey, Casey Quirk by Deloitte

Kevin P. Quirk, *Principal*, Casey Quirk by Deloitte

9:45 – 10.15am

Coffee Break

10:15 – 11:00am

What Are Investors Seeking Today?

Due to the proliferation of funds in recent years and the wide dispersion between the top performing strategies and individual managers in the industry today, investors are finding it more difficult to pinpoint the most attractive investment opportunities in the current environment. Utilizing alternatives to achieve optimal diversification is still a key way to mitigate volatility, lower risk and provide more stable returns. And as institutional allocators become more and more dependent on their alternative allocations to meet their return - increasingly seeking more than just pooled fund investments from managers with a clear focus on partnerships around terms, strategy focus, implementation and idea sharing - managers have

tried to adapt their fund strategies and marketing accordingly. But are the innovations significant enough to move the investor's overarching demands over and above just moving the needle? What investment strategies and services top the lists of investors in this period of volatile negative performance? What has changed with the turmoil in the markets? What it will take for managers to succeed in a world where the business models and growth vectors of traditional asset managers and alternatives specialists are increasingly converging? This panel of industry experts will explore the products and processes required to capitalize on investor interest in alternatives and the implications for those responsible for the firm's distribution of products and services.

Moderator: Kip McDaniel*, Chief Content Officer & Group Editorial Director,* Institutional Investor

Anurag Pandit, *Chief investment Officer,* ALSAC / St. Jude Children's Research Hospital

Additional panelists to be announced.

11:00 – 12:00pm

Idea Labs I: Innovative Products and Strategies

Reflecting on the previous presentations and panel, roundtable delegates will be divided into small groups to discuss ways in which they are thinking about current industry trends and meeting client demands.

IDEA LAB CO-LEADERS:

I. **Graeme Daykin**, *Partner, Head of Investor Relations*, Magnitude Capital, LLC

   Additional Co-Leaders to be announced.

12:00 – 1:00pm

Lunch

1:00 – 1:45pm

Something's Gotta Give

Insurance investors are in a unique position, aka 'between a rock and a hard place'! As regulators mandate the assets to liabilities mix they must maintain, fixed income continues to be the predominant asset class of necessity. Lower rates for longer have pushed insurers further afield in an attempt to compensate for this, by investing their remaining capital in alternative investments. Add to that fees for these investments are generally greater and that regulators place a higher charge on risk-based capital. All strategies are on the table, and this discussion between Martin Racek, Partner at Deloitte and Rip Reeves, Chief Investment Officer & Treasurer, AEGIS Insurance, will focus on the different approaches AEGIS is considering and implementing: direct lending, infrastructure, real estate equity and opportunistic strategies. This session will explore parameters and requirements of insurance investors as asset managers develop new strategies with insurers in mind.

Martin Racek, *Partner*, Deloitte

Rip Reeves, *Chief Investment Officer & Treasurer*, AEGIS Insurance

1:45 – 2:30pm

Sales and Social Media: Killing It Both Online and Off

In an increasingly social age, what does social media mean for asset managers? Does social media presence really impact growth, and if so what does this mean for the future of asset management? Utilizing an interactive format this speaker will discuss how sales heads and their teams can effectively marry traditional marketing methods with social media to deepen client relationships, connect with prospects in meaningful ways, and properly communicate with Millennials. Topics to be covered, but not limited to, will include:

I. Are you engaging with the correct audiences online?

II. Are you using Social Media to connect deeply with investors?

III. Is your message personalized/humanized?

IV. Is your message strategic/technical?

V. Are you speaking about the outcome investors will receive?

VI. Are you using social media to take the conversation offline?

Laura Virilli, *Financial Services Social Media Speaker, Influencer & Coach*

2:30 – 3:00pm

Coffee Break

3:00 – 3:45pm

Back to Basics: Key Skills to Effective Communication

What are the biggest communications mistakes Marketers make when interacting with investors? What do you do when your CIO/PM just isn't good with clients? Should you engage with the media before they engage with you? When a crisis hits, what should you be thinking of first? Join former White House spokeswoman/Director of Television News and Chairwoman of Edelman public relation's global public affairs business Katie Burke for an overview of communications best practices for funds. Whether you're already a terrific communicator, in need of the basics or somewhere in between, this presentation will leave you with practical skills on how to better communicate with investors, the media, employees and third parties.

Katie Levinson Burke*, Founder,* Katie Burke Communications

3:45 – 4:30pm

The Reality of the Investor's Perception

Alon Kutai of Rivel Research Group will be presenting key findings from their AM 20/20 research platform, a multi-faceted research program that has both investor and peer-based research. The research is based on extensive phone interviewing conducted amongst US-based allocators. Alon will be reviewing of mosaic of select excerpts from different research reports coupled with relevant action steps. Topics will include "Fees," "Risk," "Solutions, not Products," and "How to Please Consultants." Additionally, Alon will be revealing some major emerging themes that have been emanating from Rivel's bespoke alternative asset manager perception study projects.

Presenter & Moderator: Alon D. Kutai, *Senior Managing Director*, Rivel Research Group

Panel Conversation:

Alejandra Arguello, *Marketing & Investor Relations,* Caspian Capital Advisors

Additional panelists to be announced.

4:30 – 5:15pm

Behind The Scenes of the Institutional Decision-Making Process

Governance: The Investment Office and Investment Committee

Good governance is the most important aspect of an efficient pension system, enhancing investment performance and benefiting security. That means having the right people in the right roles following the right processes to make the right decisions. For a pension plan, good governance also aims at delivering high fund performance while also keeping costs low for all stakeholders. Boards are intended to make decisions as a group and, as such, should speak with one voice. This session will take a peek behind the decision making process of the board and the investment office and examine the drivers of their asset allocation, portfolio construction and manager selection process.

Cheryl D. Alston*, Executive Director,* Employee's Retirement Fund of the City of Dallas

Dennis R. Sugino*, Trustee,* Mercy Health

Anthony S. Waskiewicz, *Chief Investment Officer*, Mercy Health

5:00 – 6:00pm

Idea Labs II with *Refreshments*: Superior Client Service

Roundtable delegates will be divided into small groups to discuss client service, the models they have built and how this effort can be most effectively delivered.

IDEA LAB CO-LEADERS:

1. **James-Keith (JK) Brown**, *Head Of Global Investor Relations, Executive Managing Director,* Och-Ziff Capital Management Group

   Additional Co-Leaders to be announced.

7:00 – 9:00pm

Cocktails & Dinner

Friday, February 17, 2017

7:15 – 8:15

Breakfast Buffet

8:15 – 9.00

Hearing What Isn't Said

In a crowded and increasingly competitive industry, asset managers must become masters of communication to maintain strong relationships with investors, and explain their unique value proposition to prospects. Communication also plays a large role internally through its relationship to a firm's brand identity and culture. Messaging isn't merely a matter of crafting formal announcements. As Peter Drucker once put it, "The most important thing in communication is to hear what isn't being said." This panel of experts on internal and external communications will discuss common challenges, how firms often mess up communications, what matters in a crisis, whether hedge funds have a branding problem, managing internal vs external public relations, what firms are trying to achieve through communications, how to think about the press, how to balance transparency to investors while managing public perception, and other topics.

Moderator: Josh Friedlander*, Editor,* Absolute Return

Jonathan Gasthalter*, Managing Partner,* Gasthalter & Co. LP

Ed O'Reilly, *Global Head, Client and Partner Group*, Citadel Investment Group

Andrew Rabinowitz, *Partner, President & Chief Operating Officer*, Marathon Asset Management

Additional panelist to be announced.

9:00 – 9.45

Investment Culture in the New Era, Part II

The New Era for investment firms is characterized by challenges like fee compression, scarce alpha, and highly skeptical clients. To meet these challenges, investment leaders must understand how firm culture is changing. What are the new demands from younger workers? What values and behaviors are appropriate for winning in this New Era? FCG's research and client experience provides insights for responding to the new culture demands. Values like "Excellence/Continuous Improvement" and "Accountability" are more important now as firms face tougher competition. At the same time, "Balance (Work/Life)" and "Autonomy" are more important than ever before. How do leaders build performance cultures to meet these different demands? FCG will share perspectives about how investment firms are meeting these challenges. What is

working, and what is not. And what are the biggest dangers for losing talent if your leaders fail to respond. As always, FCG will use real examples and case studies from client engagements to prove their points.

Jim Ware, CFA, *Founder*, Focus Consulting Group

Keith Robinson*, Managing Partner,* Focus Consulting Group

9:45 – 10.15

Coffee Break

10:15 – 11.00

Leading Successful Distribution Efforts Through Challenging Times

Competition for superior distribution talent continues to be fierce as managers seek to elevate their value proposition with clients and prospects. Thus, it is imperative that those tasked with building powerful sales teams be kept abreast of current hiring trends, the skills in greatest demand in the market today and what is considered to be best practices for attracting and retaining key talent. This presentation, panel conversation and table-top discussions will explore these issues and more.

Presenter & Panel Moderator: Laurie Thompson, *Principal, Global Asset Management & Hedge Fund Practices,* Heidrick & Struggles

Panel Conversation:

Tim Gullickson, *Managing Director,* Man Investments

Additional panelists to be announced.

11:00-11:45

McLagan: Compensation using Polling Mechanism in Real-Time

Structuring the right compensation packages for investment and sales staffs is key to attracting and retaining talent. This session will highlight the dominant factors today regarding compensation related to the sales and marketing functions.

Shelley Eisenhandler, *Associate Partner*, Mclagan

11:45 – 12:30

Idea Labs III: Talent & Compensation Trends

Reflecting on the previous presentations, roundtable delegates will be divided into small groups to discuss how they are meeting the challenge of hiring, attracting, compensating and retaining talent.

IDEA LAB CO-LEADERS:

Co-Leaders to be announced.

12:30 – 1:30

Luncheon Buffet

Roundtable Concludes