

# 401(k) Investment Lineup Summit

## Evolution of the 401(k)-Get your Plan to the Next Level

Chicago | April 14, 2015

**NOTE: All panel discussions will feature a live artist creating real-time visuals that capture all key content of the discussions.**

7:30 am - 8:30 am

**Registration and Networking Breakfast**

8:30 am - 8:40 am

**Welcome and Opening Remarks: Evolution of the 401(k) – Current Trends Overview**

*Speaker: Sue Walton [Conference Chair]  
Director  
Towers Watson*

8:40 am - 9:20 am

**WORKSHOP: Can You Get the Best of DB with the Best of DC? Ideas for “DB’izing” a Defined Contribution Plan**

Critics have said that DC plans lack some of the advantages of defined benefit pensions. For example, in pensions, professional managers set the asset allocation and match assets to liabilities. In contrast, in DC plans, participants must forecast their own retirement lifestyle expenses and choose their own investment options. Although the creation of Qualified Default Investment Alternatives and target date funds has introduced some DB-like characteristics in DC plans, more can be done. By seeking to unite the best traits of DC and DB – while avoiding the main pitfalls for each – plan sponsors can take a proactive approach to helping DC participants prepare for retirement. Join Capital Group’s Senior Defined Contribution Specialists as they explore this important topic.

*Speakers: Toni Brown, CFA  
Senior Vice President, Senior Defined Contribution Specialist  
Capital Group*

*John Doyle  
Senior Vice President, Senior Defined Contribution Specialist  
Capital Group*

9:20 am - 10:00 am

**WORKSHOP: The New World of Retirement – Alternative Thinking for DC**

Until recently, alternative investments have played a limited role in DC plans, most frequently used for risk diversification and inflation protection. Has the time come for alts to play a wider role? Join BlackRock Alternative Advisors, the firm’s hedge fund solutions platform, as well as our head of DC implementation for a discussion of how alts can be further used to hedge risk and capture returns as part of specialized funds or within multi-asset class solutions like target date funds.

*Speakers: Dan Basile  
Director  
BlackRock*

*Bryan White  
Managing Director  
BlackRock Alternative Advisors*

10:00 am - 10:50 am

**PANEL DISCUSSION: The Evolving 401(k) Plan through Simplification and Menu Choice Consolidation**

The phrase “less is more” has never been more true than when it comes to successfully designing 401(k) plans with simplicity and clarity for the participant. This session will discuss various items to consider for your plan including:

- Aligning plan objectives with investment structure
- Menu consolidation
- Educating plan participants on the benefits of target-date fund
- Implementing white-label options
- Improving outcomes through a target-date re-enrollment
- Effective communication through uncomplicated messaging
- Establish financial literacy building blocks better understanding of plan fundamentals

*Moderator:* Lorie L Latham, CFA, Director, Towers Watson

*Panelists:* John Galateria  
Head of North America Institutional Sales  
J.P. Morgan Asset Management

Dana Hammonds  
Director of Player Affairs and Development  
NFL Players Association - 2015 Eddy Award Winner

Amy Haug  
Human Resources Director  
DePauw University

Richard Weiss  
Senior Vice President and Senior Portfolio Manager  
American Century Investments

10:50 am - 11:15 am

**Networking Break featuring Interactive “Retirement Inspiration Wall”**

11:15 am - 11:55 am

**WORKSHOP: It's Getting Personal - The Shift to Customized Portfolios**

Amazon. Nike. Chipotle. What do these companies have in common? Each of them is leading the charge on creating personalized experiences, services, and products for their customers. And, hundreds of other companies across all industries and sectors are getting in on the act. As consumers, we're not only embracing our new personalized lifestyle, but we've come to expect it. What does this mean for the retirement industry? A top industry expert shares insights on how personalization is impacting the retirement industry and what it means for plan sponsors, participants, and their retirement readiness.

*Speaker:* Chris Weirath  
Head of Product Management, Managed Solutions  
Morningstar

11:55 am - 12:45 pm

**PANEL DISCUSSION: Current and Future Trends of Revenue-Sharing in 401(k) Plans**

The DOL's fee-disclosure requirements are meant to ensure that all participants are paying an equal share of plan administrative fees. That means fiduciaries must evaluate whether the payments are not only reasonable but are also free of any potential conflicts of interest. This session will discuss best practices to:

- Determine if compensation proposed for the recordkeeper or other service provider under the revenue-sharing arrangement is reasonable
- Confirm that the revenue-sharing formula used to determine amounts credited to the plan and paid back to the provider and the plan are consistent with market trends
- Consider the types of reporting needed to confirm that amounts paid back to the plan are correctly calculated and applied for the benefit of the plan
- Track revenue-sharing payments in a trust or bookkeeping account (understand the pros and cons to having either type of account)
- Establish a policy addressing how and when revenue-sharing payments paid back to the plan will be allocated among participants or used to pay plan expenses in accordance with ERISA

*Moderator:* Sue Walton, Director, Towers Watson [Conference Chair]

*Panelists:* Toni Brown, CFA  
Senior Vice President, Senior Defined Contribution Specialist  
Capital Group

Marty E. Torres  
Investment and Vendor Oversight Committee  
United Airlines Pilots' Retirement Account Plan (PRAP) - 2015 Eddy Award Winner

James Veneruso, CFA, CAIA  
Vice President and Defined Contribution Consultant  
Callan Associates

12:45 pm - 1:45 pm

**Networking Luncheon**

1:45 pm - 2:30 pm

**KEYNOTE: Deflation - Should You be Afraid or Very Afraid?**

Slowing growth in many developed nations and China has unwanted consequences. Even though the drop in oil prices and low inflation are good for consumer purchasing power, the threat of deflation and economic stagnation can easily become self-fulfilling. This could prove disastrous for equity markets and retirement investing. We already see record-high unemployment and record-low interest rates in many countries. It seems that monetary stimulus allows central banks to export deflation to other parts of the world.

One of the nation's top behavioural finance researchers offers historical and psychological perspectives on today's threat of deflation.

- How does the perceived danger compare to the actual danger?
- What are probable economic scenarios and how will investors and their advisors react?
- What can investors do?

*Speaker:* Werner DeBondt, Ph.D.  
Director - Driehaus Center for Behavioral Finance  
DePaul University

2:30 pm - 3:10 pm

**WORKSHOP: Risk Management and Target-Date Funds**

DC plan participants are exposed to a broad range of risks that impact their investment outcomes throughout the life of the glide path. It is important that plan sponsors understand the various types of risks associated with target date investing because the way in which different managers weigh risks affects the design of the glide path. Accumulation risk, longevity risk, market risk, interest rate risk and inflation risk are some of the risks that impact target date funds. While not all of these risks can be managed in a target date fund, target date managers need to adopt a dynamic and holistic approach to identifying and prioritizing these risks as they seek to mitigate their effects in portfolio design.

*Speaker: John Galateria  
Head of North America Institutional Sales  
J.P. Morgan Asset Management*

*Daniel Oldroyd, CFA, CAIA  
Client Portfolio Manager, Investment Management Solutions, Global Multi-Asset Group  
J.P. Morgan Asset Management*

3:10 pm - 3:30 pm

**Networking Break featuring Interactive “Retirement Inspiration Wall”**

3:30 pm - 4:10 pm

**WORKSHOP: A Case Study in Plan Design, Participant Behavior and Better Outcomes**

This session features an interactive case study on the evaluation, design and execution of a thoughtful program to revamp a company’s retirement plan in order to put employees on a positive path to saving and investing and to improve plan participant outcomes. Discussion items will include:

- Understanding participant behavior and working to increase savings rates
- Retroactive automatic enrollment, escalation and a plan investment re-enrollment
- Improving asset allocation for all participants

*Speakers: Chris Monachino  
Vice President of Territory Sales  
American Century Investments*

*Richard Weiss  
Senior Vice President and Senior Portfolio Manager  
American Century Investments*

4:10 pm - 5:00 pm

**PANEL DISCUSSION: How to Refresh 401(k) Plan Design to make the Most Impact**

The challenge of enhancing a plan's design year after year often comes down to cost, particularly when faced with economic factors that can weigh a plan down. Learn how to get around such obstacles with this interactive discussion covering the following topics:

- Tips for plan design improvements that won't throw off your budget
- Market practices to optimize plan design
- Ensure the plan design reaches metrics successfully and provides a competitive benefit
- How to measure retirement readiness and retirement income
- Ensuring the plan succeeds in a tough economy while maintaining its governance

*Moderator: Sue Walton, Director, Towers Watson [Conference Chair]*

*Panelists: John Jurik  
Area Vice President, Investment Advisory Representative - Retirement Plan Consulting  
Arthur J. Gallagher & Co.*

*Laraine McKinnon  
Managing Director  
BlackRock*

*Jim Smith  
Vice President, Head of Retirement Strategy - North America  
Morningstar*

5:00 pm - 6:00 pm

**Closing Cocktail Reception**