

Smart Beta Summit

New York | October 29, 2015 | Grand Hyatt New York

All sessions will take place in Empire State Ballroom I - Ballroom Level unless otherwise noted

7:30 am - 8:30 am

Registration and Networking Breakfast

Empire State Ballroom Foyer

8:30 am - 8:45 am

Welcome and Opening Remarks

*Speaker: Fabio Cecutto [Conference Chair]
Head of Multi-Region Equity Manager Research
Towers Watson*

8:45am am - 9:25 am

WORKSHOP: Innovations in Indexing: The Smart Beta Discussion

One of the central debates in indexing today is whether alternatively weighted indexes provide investors better longer term risk and return opportunities than traditional market capitalization-weighted indexes. Luciano Siracusano, WisdomTree's Chief Investment Strategist and co-creator of the firm's patented Indexing methodology, will discuss the framework for understanding and evaluating indexes that select or weight constituents by measures other than a company's market value.

- What is meant by the phrases "Smart Beta" and "return premia" and "weighting by income"
- How has this approach performed in real time and in different size segments around the world outside of the United States
- What are the implications for passive and active managers and financial professionals, running globally diversified portfolios

*Speaker: Luciano Siracusano
Chief Investment Strategist
WisdomTree*

9:25 am - 10:15 am

PANEL DISCUSSION: Smart Beta and Factor Funds – From Idea to Implementation

There has been a lot of discussion on the theory behind smart beta strategies. Yet, there is little consensus on what they are and how they should work, and less attention has been placed on their practical implementation. The question isn't merely what makes a good smart beta strategy, but what exactly is it, and how should it be executed? Is "Smart Beta" an active or passive strategy? What is its use in the context of an investor portfolio? How should investors think in terms of their factor-based investments, and what are the rational yardsticks and expectations? Topics for discussion include:

- What is meant by "smart beta," and does the name capture the reality
- Determining the objective of your factor-based fund investment
- Is a factor-based fund a strategic or tactical tool and what role does it play in portfolios
- How to effectively monitor a factor-based fund investment

*Panelists: Howard M. Hodel, CFA
Investment Officer and Risk Manager
Hawai'i Employees' Retirement System (HIERS)*

*Jay Love, CFA
Partner and Senior Consultant
Mercer Investments*

*Michael R. Roach, CFA
Portfolio Manager
Vanguard Quantitative Equity Group*

*Sara Shores, CFA
Managing Director and Global Head of Smart Beta
BlackRock*

10:15 am - 10:35 am

Networking Break

Empire State Ballroom Foyer

10:35 am - 11:15 am

WORKSHOP: Evolution of Smart Beta ETFs: Expanding the Investors' Toolbox

Steven Sixt of Market Strategies International will present the results of his firm's most recent study on the growing smart beta ETF trend in the institutional market. The report will share some of the ways that institutional investors are using smart beta strategies to reduce costs and volatility and manage performance. Robert Ross, Senior ETF Institutional Consultant, Invesco, will present three smart beta solutions and discuss how investors can use smart beta ETFs to access markets, fine-tune exposures and help manage portfolio risks.

*Speakers: John G. Feyerer, CFA
Vice President, Director of Equity ETF Product Strategy
Invesco PowerShares Capital Management, LLC*

*Robert Ross
Senior ETF Institutional Consultant
Invesco PowerShares Capital Management, LLC*

*Steven Sixt
Vice President, Financial Services
Market Strategies International*

11:15 am - 11:55 am

WORKSHOP: Smart Investing with Smart Factors: The Factor Selection Process

Indices with contrasting factors that correspond to factors whose reward is well-documented in academic asset pricing literature allow investors to avoid the poor factor exposure of cap-weighted indices. This discussion will survey factors used to build indices that produce good risk-return performance over the long term and discuss the behavior of those factors. Scientifically chosen factors and the proper weighting of those factors allow non-rewarded risks to be reduced. This session will cover factor selection that both provides access to rewarded risk and minimizes exposure to unrewarded risk. Topics for discussion include:

- Academically validated factors: size, value, momentum, low volatility, high probability and low investment
- Optimal portfolio construction using these factors
- Avoiding factors that are short-term anomalies as opposed to providing a positive long-term premium
- Avoiding specific or non-rewarded operational or non-financial risks

Speaker: Eric Shirbini
Global Product Specialist
ERI Scientific Beta

11:55 am - 12:45 pm

PANEL DISCUSSION: Multi-factor Funds – The Smarter Beta Strategies

Smart Beta strategies have become more complex, but they have also become smarter. The earlier funds used a one factor tilt such as volatility, dividends, momentum, value, growth or other factor. The newer models combine factors, increasing the chance that they will beat the market in the longer term. But while creating a more robust product can result in stronger performance, multi-factor funds further complicate efforts to properly place them in the portfolio, assess risk and benchmark. Topics for discussion in this session include:

- Identifying factors that work with your portfolio
- Identifying and mitigating risk factors
- Understanding factor weighing methods
- Rebalancing the fund to take advantage of factors' cyclicalities
- Benchmarking techniques for multifactor indexes

Panelists: Christina Barger, CFA
Manager Research Consultant
Towers Watson

Syed Haque
Director of Public Markets
UPS Investment Group

Eric Shirbini
Global Product Specialist
ERI Scientific Beta

12:45 pm - 2:00 pm

Networking Luncheon

Imperial Room - Conference Level

2:00 pm - 2:40 pm

WORKSHOP: Fixed Income Strategies in Smart Beta

As a bull market in bonds that lasted for more than three decades comes to an end, investors increasingly question traditional means of accessing fixed income investments. What exists beyond cap-weighted indices?

In this workshop, BlackRock explores key concepts of fixed income Smart Beta investing:

- Inefficiencies in traditional fixed income indices
- Fixed income factors driving investment returns
- Approaches to implementation

*Speaker: Andrew Ang, Ph.D.
Managing Director, Head of Factor Investing Strategies
BlackRock*

2:40 pm - 3:30 pm

PANEL DISCUSSION: Achieving Active Returns with Passive Products – Does Smart Beta Deliver?

Smart Beta products have now been around long enough for the market to evaluate their risk-adjusted performance. The attraction of smart beta products is that they are a low cost way to achieve alpha, access markets and mitigate risks. The first smart beta products emerged about a decade ago. While the appeal of smart beta products is clear, it is now time for a review. Have smart beta products actually outperformed the market over time? Do they mitigate risk or incorporate new risks? How does the cost-return ratio compare with active management? Topics to be discussed include:

- What is the real risk-adjusted rate of return
- How do the results compare with those of active managers and traditional passive products
- Are the risks of smart beta products fully accounted for
- Should smart beta products replace or complement other strategies

*Panelists: John Feyerer, CFA
Vice President, Director of Equity ETF Product Strategy
Invesco PowerShares Capital Management, LLC*

*Roger Fenningdorf
Head of Global Manager Research, Founder and Partner
Rocaton*

*Luciano Siracusano
Chief Investment Strategist
WisdomTree*

3:30 pm - 3:50 pm

Networking Break

Empire State Ballroom Foyer

3:50 pm - 4:30 pm

WORKSHOP: Measuring Factor-Based Portfolio Performance

With growing interest in factor-based strategies, there's ongoing debate about how to appropriately measure these strategies. Are investors getting the information they need to properly assess the effectiveness of these strategies? What is the proper benchmark? How do you find a well-matched peer group? What is the role of back-tested data?

Take part in an interactive discussion on this topic. Matt Jiannino, head of Global Product Strategy for Vanguard Quantitative Equity Group, will facilitate the conversation where we encourage you to share your insights.

*Speaker: Michael R. Roach, CFA
Portfolio Manager
Vanguard Quantitative Equity Group*

4:30 pm - 5:15 pm

KEYNOTE CASE STUDY: California Public Employees' Retirement System

CalPERS is a leading institutional investor in SmartBeta. Dan Bienvenue will share why CalPERS chose this strategy, how they implemented and manage their smart beta investments, and what the results have been.

*Speaker: Daniel J. Bienvenue, CFA, CAIA
Senior Investment Officer for Global Equity
California Public Employees' Retirement System*

5:15 pm - 6:30 pm

Networking Cocktail Reception

Morosco - Conference Level