



2017 MMI Alternative Investments Forum
May 11, 2017
The Yale Club of New York

7:45AM – 8:15AM

Registration and Continental Breakfast

8:15AM – 8:30AM

Welcome and Opening Remarks

Craig Pfeiffer, President & CEO, Money Management Institute

Co-Chairs:

William Cashel, Principal, AQR Capital Management

Jennifer Suden, Director of Alternative Investments Research, Raymond James Financial

8:30AM – 9:00AM

Industry Update

Dover Financial Research will present the findings from its annual report, *The Distribution of Alternative Investments through Retail Channels*, which it believes shows the liquid alternatives industry to be at a turning point.

In 2016, liquid alternative mutual funds experienced net redemptions as liquidations outpaced launches and overall performance continued to lag. (ETF liquid alternatives fared slightly better, though this segment is largely commodity-based and much smaller.) Traditional alternative investments, on the other hand, appear to be experiencing a mini boom. Private equity and single-manager hedge funds have increased in popularity as investors continue to search for enhanced returns.

Dover examines these trends, as well as the outlook, opportunities, and challenges across retail distribution channels, including for the first time data and analysis on non-wirehouse firms to provide a more comprehensive outlook for the industry.

Jean Sullivan, Principal, Dover Financial Research

Robert Martorana, Director of Research, Dover Financial Research

9:00AM – 10:00AM

Navigating Radical Uncertainty

In this engaging, entertaining and dynamic talk, Harvard lecturer Dr. Vikram Mansharamani will help the audience use the power of a multi-lens approach to navigate the uncertain environment they face. By considering the interaction of politics, economics, demographics, and technology, he demonstrates how an integrated



perspective can provide a compass through today's geopolitical and economic cross-currents. His talk will be global in focus with an investigation of the local ramifications. He concludes by evaluating the alternative investments industry and the political, regulatory, economic, demographic, and technological uncertainty it faces.

Dr. Vikram Mansharamani, Author, Academic, Advisor

10:00AM – 10:15AM

Refreshment and Networking Break

10:15AM – 11:30AM

Tackling the Challenge of Increasing Adoption Rates in Alternatives

As equity markets soar to new highs and the historic “bull market in bonds” looks to be coming to an end, advisors and clients are beginning to climb the “wall of worry” for stocks and bonds. Yet adoption of risk-managed and alternative strategies are at all-time lows, just when advisors and clients need them most. Panelists will discuss broadly the challenges to adoption from a top-down “platform” perspective, internal hurdles that may be encountered, considerations relative to product and structure, and potential solutions to address all of the aforementioned. Questions to be answered in this comprehensive panel discussion are...

- Why are advisors, RIAs, wealth managers, and clients pulling back from alternative and risk-managed strategies?
- What is working, what is not, and why?
- How can we address the shortfall? What is holding advisors back and what needs to change?
- Should alternatives be used in retirement planning, DC plans, and the target date space?

Moderator: **Michael Dieschbourg**, Senior Vice President, Managing Director, Alternative/Managed Risk Teams, Federated Investors

Panelists:

Hazlitt Gill, Senior Research Director, Global Manager Research, Wells Fargo Investment Institute

Sandy Kaul, Global Head of Business Advisory Services, Citigroup

Adam Kudelka, Head of Strategy and Relationship Management, Investment Solutions, Morgan Stanley

Jerry Pascucci, Managing Director, Head of Alternative Investments, UBS Financial Services

11:30AM – 12:30PM

State of the Institutional Marketplace: Challenges and Opportunities



Some industry observers are proclaiming the death of hedge funds as they watch capital flow into more liquid and passive instruments. This panel will explore the definition of “alternative investments” in today’s financial marketplace and address how institutional investors and investment managers can stand up to the winds of change. Topics include:

- Institutional portfolios holding strong to alternatives
- The “illiquidity premium” - Why liquid alternatives are not alternatives at all
- The changing face of private equity
 - Co-investments
 - Secondaries
 - Separate accounts
 - SPVs
- Alternative investment exposure to emerging markets
- How investment managers are gearing processes to meet the demands of a growing institutional marketplace
 - Investment and operational due diligence
 - Use of technology for investment screening, idea synthesis, and portfolio management
 - Resource commitment

Moderator: **Mark Yusko**, CEO and CIO, Morgan Creek Capital Management, LLC

Panelists: **James Bruno**, Managing Director, Morgan Stanley

Stan Lindgren, Head of Alternative Investment Due Diligence - Institutional Consulting, UBS Financial

Jeff McGoey, Managing Director, Head of Alternative Investments Platform, Bank of America – Merrill Lynch

12:30PM – 1:30PM

Executive Networking Luncheon

1:30PM – 2:30PM

Ease of Access: Diversifying the Client Base through Third-Party Structures

As many funds across the alternative investments space seek to expand and diversify their client base through the HNW and RIA channels, they are looking to partner with firms that can help them gain access to these universes with respect to distribution, structure, and user ease. This panel will discuss:

- Why the current interest in adopting third-party structures, even from firms that have historically created their own internal structures?
- What impact are regulatory issues, internal feeder funds, and the tech buildout having?
- What are the primary hurdles that must be overcome to solve the access issue?



- How can technology make the process of investing in alternatives – from subscription documents to accessing ongoing commentary – easier? What types of risk are entailed?
- With a third party involved and continuous headlines regarding fee compression, what is necessary to keep overall client fees reasonable?

Moderator: **Bill Cashel**, Principal, AQR Capital Management

Panelists:

Brody Browe, Senior Vice President, Investment Management, FS Investments

Matt Brown, CEO, CAIS

James Waldinger, CEO, Artivest

2:30PM – 3:30PM

FA Panel: Let's Hear It Straight from the Allocators

Every client understands long-only equities and fixed income. When invested in these asset classes, most investors understand why their portfolio performed as it did given the news they have seen or the articles they have read. Alternative investments, on the other hand, require constant education and explanation. This panel of advisors will discuss how they handle the complexities involved in investing in alternative investments and talking to clients about them. Topics will include:

- The progression involved in allocating client assets to alternative investments
- The level of client education necessary to create realistic expectations
- The type of support firms offer to advisors with respect to alternative investments,
- The support required from firms and sponsors to increase advisor utilization
- How best to keep clients updated on ongoing performance

Moderator: **Beverly Goodman**, Assistant Managing Editor, Barrons.com

Panelists:

John F. Coyle III, Managing Director, Alternative Investments Director, The Founders Group at Morgan Stanley

Ryan Davis, Director of Research, Next Capital Management

Gerard Klingman, Founder and President, Klingman & Associates

3:30PM – 3:45PM

Refreshment and Networking Break

3:45PM – 4:45PM

The Continued Clamor for Private Equity: Trends in the Space

Even though alternative investments in general have had a challenging time gathering assets, flows continue to go to the private equity space. This panel will discuss current private equity trends, both on the investment and structuring sides.



- We keep hearing that there are record-high levels of dry powder in the PE space and that historical 2.0 multiples are now more difficult to attain. Yet funds are targeting larger capital raises than ever before. How do we make sense of what seems to be an incongruous trend?
- Demand for secondaries and co-investments continues to rise. How do both of these universes compare today with five years ago? What are the benefits and drawbacks of funds that invest across the full spectrum of primaries, secondaries, and co-investments versus those that focus on a single strategy?
- There have been a number of private credit funds coming to market in the past 18 months, particularly in the direct lending space. Given investor thirst for yield and low rates, are leverage levels in the non-BDC space at higher levels, are funds moving further down in the capital structure, or is what we are seeing simply opportunistic?
- Historically, PE was an asset class accessible only to UHNW or institutional investors for investment minimums upwards of \$5-\$10 million. However, we have seen a trend of registered products hitting the market that allow access to alternatives or QC for as little as \$25,000. These funds offer the potential of liquidity for a traditionally illiquid asset class.
 - When structuring a PE fund, what are the key factors in offering stated liquidity?
 - What additional provisions need to be incorporated relative to a locked-up private equity fund?
 - What type of liquid sleeve is incorporated, and how does this impact performance projections?
 - What are the hurdles in onboarding these funds with platforms or RIAs?

Moderator: **Jennifer Suden**, Director of Alternative Investments Research, Raymond James Financial

Panelists:

Howard Nifoussi, Group Head, Alternative Investments, Goldman Sachs Asset Management

Ria Nova, Head of Broker Dealer National Accounts, Neuberger Berman

Eric Zeigler, President- Distribution, Central Park Group

4:45PM

Closing Remarks & Adjournment