

Session

Asset Allocation in the New Economic Environment

Moderator/Speaker

Rhonda Smith

Executive Director

Houston Municipal Employee Pension System

Houston, Texas

Speakers

Bill Rodenbeck

Cash and Investment Manager

Gwinnett County, Georgia

Wayne Wicker

Senior Vice President and Chief Investment Officer

ICMA-RC

- I. Thinking differently about asset allocation
 - a. reframing by asset type, liquidity potential, and level of risk
 - b. taking advantage of illiquidity
 - c. considering risk factors
- II. What hasn't changed in the new economic environment
 - a. what drives the markets in the short run: greed and fear
 - b. what works is time in the market rather than timing the market
- III. Steps taken by the Houston Municipal Employee Pension System
- IV. Practical concerns about asset allocation
 - a. risk vs. return in bull and bear markets
 - b. the lost decade
 - c. the average asset allocation for public pension plans
- V. Case study: Gwinnett County, Georgia
 - a. lessons learned from 2008 and 2009
 - b. pension risk
- VI. A closer look at pension risk
 - a. three steps to having ultra low volatility contributions
 - b. dynamic asset allocation
 - c. other ways to manage risk
- VII. Hedging activities
 - a. the goal of LDI
 - b. long duration bonds