

Spotlight on CIEBA 2021 January Working Group Meeting

A fresh outlook on 2021 – and a little bit of fun! – were the themes for the CIEBA January 2021 Virtual Working Group Meeting. A special thanks to the many CIEBA Members who helped organize a timely, substantive two days of sessions. Below are some meeting highlights, a reminder for our next meeting, and a link for more information.



Michael Cembalest of J.P. Morgan & New CIEBA Chair, Paul Cavazos, Lead Wide-Ranging Discussion on Outlook for 2021

Michael Cembalest, Chairman of Market and Investment Strategy for J.P. Morgan Asset & Wealth Management, and **Paul Cavazos**, CIO of American Beacon Advisors and new CIEBA Chairman of the Board, led CIEBA Members in a broad discussion looking forward to 2021. Michael covered a variety of topics including low interest rates, the COVID pandemic, a forecast for a new administration and an outlook for where the overall economy is headed.

Stacy Dion of Carlyle Group Discusses Potential Policy Changes

Stacey Dion, Managing Director and Head of Global Government Affairs for The Carlyle Group, kicked off the Meeting on Tuesday with an insightful look at the likelihood of major potential policy changes requiring executive or legislative action in a session entitled “A Discussion of the Current State of Public Policy in Washington, DC . . . and Beyond.”



Our Next Working Group Meeting is

April 6-7, 2021 via Zoom

For more information about CIEBA, including information for applying for consideration for CIEBA membership, please go to: <https://cieba.memberclicks.net/join-cieba>

2021 Outlook with Henry McVey: “Another Voice”



Henry McVey, Partner & Head of Global Macro & Asset Allocation, CIO of KKR Balance Sheet – Kohlberg Kravis Roberts, and **Rob Sparling**, CIO of Dow and Vice Chair of CIEBA engaged in a discussion based on Henry’s views on macro trends and the outlook for nominal GDP growth, market breadth, and shifts in portfolio allocations in both the public and private markets.

Fireside Chat with Josh Friedman

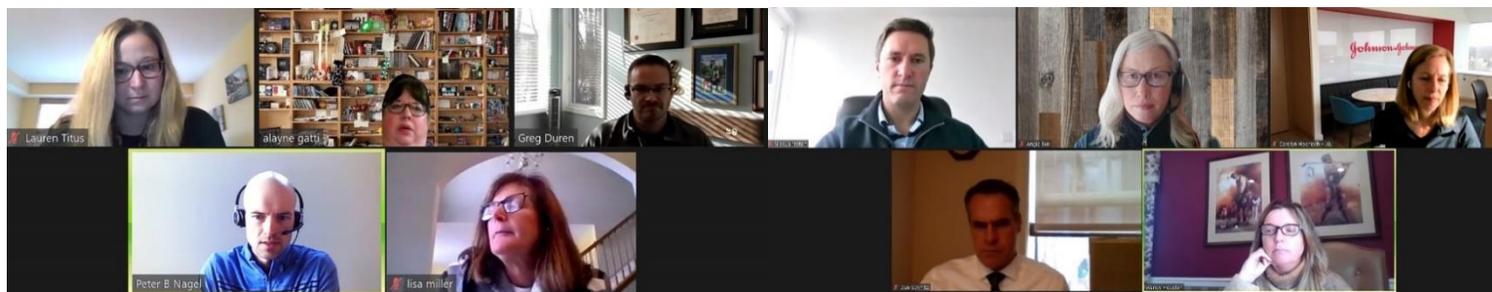
Canyon Partners’ Co-Founder, Co-Chairman and Co-Chief Executive Officer, **Josh Friedman**, provided CIEBA Members his candid take on how the markets and high-yield bonds may react after the 2020 pandemic. **Jeffrey Lewis**, CIO of FedEx (who appeared to have actually been “fireside!”), led a discussion with Josh on a number of topics, including changes Canyon is making to improve their team’s effectiveness and quality of life.



Cause for Concern: Cybersecurity & Fraud Prevention

On Day 2, CIEBA was pleased to welcome **Tim Rouse**, Executive Director of The SPARK Institute and **Ben Taylor**, Senior Vice President of Callan, to discuss the latest investment fiduciary best practices for dealing with cyber threats and securing confidential plan and participant data.

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Informal Networking Breakout Sessions -- Robust Discussions Among Industry Colleagues

CIEBA hosted Informal Networking Breakout Sessions on the second day of the Meeting. CIEBA organizations' team members were invited to network and share information in the same collegial manner that our CIOs do at live meetings. Participants received a contact list of the individuals present in their respective rooms for a unique opportunity to keep in touch with similarly situated colleagues, whom they had usually not met prior to the Breakout Sessions.

CIEBA Investment & Defined Benefit Committee Presentations

The **CIEBA DB Committee** asked the question: "What considerations does a lower rate environment mean for both DB plans & their sponsors?" The Committee invited Insight's **Kevin McLaughlin**, Head of Liability Risk Management – North America and **Abdallah Nauphal**, CEO of Insight to help lead the discussion. All three Members of the CIEBA DB Committee, **Ernie Caballero**, CIO of United Parcel Service, **Laurence Fulton**, CIO of Verizon Investment Management Corporation and **Liza Scott**, Director of Asset Management of Dominion Energy, elaborated on the topic with practical, timely observations based on their real-life experiences.

The **CIEBA Investment Committee** presented a similarly engaging panel on "Asset Allocation in a Low-Yield Environment." **Michael Mendelson**, Principal of AQR Management, kicked off the session, which teed up insights on plan funded status and current thinking on target date funds from CIEBA Investment Committee Members **Jon Glidden**, Managing Director – Pensions of Delta Air Lines, **Heather Oberschmid**, Manager – Pension Investments of 3M and **Dekia Scott**, CIO of Southern Company.



CIEBA Public Policy Washington Update

Dennis Simmons of CIEBA and **Michael Kreps** of Groom Law Group updated Members on the outlook for retirement savings legislation, the highly active regulatory agenda and how CIEBA is helping to shape that agenda. Dennis and Michael shared outcomes from several successful policy initiatives undertaken by the CIEBA Public Policy Task Force during 2020.

"On-Site" Survey Results

With a continued virtual twist, CIEBA hosted CIEBA Secretary **Jay Vivian's** real-time, "on-site survey," where Members poured over data on EROA assumptions and projections for the coming year. This regular session hosted by Jay continues to put invaluable real-time information in the hands of CIEBA's CIO Members.

Mercer Provides Overview of "PEPs"



CIEBA welcomed Mercer to help discuss the topic of Pooled Employer Plans in a session titled: "Pooled Employer Plans – Who Will Be Ready to Take the Plunge?" Speakers included **Liana Wagner**, Mercer's US Defined Contribution Leader and **Preston Traverse**, Mercer's Mid-Market DC Solutions Leader. **Walter Kress**, CIO of Ernst & Young, guided the discussion, which elicited the latest thinking from Members on this evolving topic.