PAPERS

Pennsylvania Association of Public Employee Retirement Systems
PO Box 61543, Harrisburg, PA 17106-1543
Website: *www.pa-pers.org*

Winter 2018

In This Issue

Coming Up

14th PAPERS Forum

May 22-23, 2018
(Tuesday-Wednesday)
Hilton Hotel Downtown Harrisburg

12th PAPERS Fall Workshop

Nov. 27-28, 2018
(Tuesday-Wednesday)
Wyndham Philadelphia Historic District

Look for conference agendas and registration details in future issues.

Alternative Investments Surge Ahead

By: Chandresh Iyer & Frank J. La Salla of BNY Mellon

BNY Mellon's new survey, conducted in partnership with FT Remark, presents unique views from over 450 senior leaders of institutional asset owner, investment management and fund management firms from around the world. This report reveals a bright outlook for alternative assets. Investors are satisfied with the returns their alternative exposures are generating, and the vast majority feels that performance has either met or exceeded expectations. Indeed, more than half of respondents expect allocations to increase over the coming 12 months.

While investors are broadly positive about their experience of alternative allocations, they are putting pressure on managers to improve. Fees remain an item under negotiation, and investors are pushing for greater control and transparency. Fortunately, managers recognize the need to meet these demands, through the use of new operational solutions and cutting-edge technology.

The full report (the first chapter of a series) demonstrates how a greater understanding between investors and fund managers, enabled by new technologies, will take the industry to a new level and further establish alternative assets as mainstream investments.

Key Findings:

Five key insights that investors and fund managers need to know.

- Alternative asset appetite is insatiable. Over half (53%) of respondents expect allocations to alternatives to increase in the next 12 months. Not surprisingly, one of the main drivers for this is outperformance. As a U.S.-based pension fund investment director notes: "With traditional investment options underperforming, overall asset allocations towards alternatives are going to increase—they are generating very strong returns." This sentiment is supported by our survey results.
- Asset classes jockey for share. Which ones lead the way? Private equity has the highest share of institutions' alternative asset allocations and highest levels of outperformance. But the rising stars are real estate and private debt, whose share of allocation continues to grow. Sustainability is important in investors' real estate fund allocation decisions.

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Alternative Investments Surge Ahead *(continued from Page 1)*

- Hedge funds hit back. How will they regain their ground? After a period of disappointing returns, nearly two-thirds of respondents say they are more positive about the prospects for hedge funds than they were a year ago. More than 4 out of 5 respondents will be looking for lower management fees in the next 12 months.
- Investors are speaking loudly. Are fund managers listening? Institutional investors want more control over investment direction and fees, as well as more transparency into where their money is going. Managers are listening. 98% of managers say that investor demands are leading them to focus on how technology infrastructure can help support operational efficiencies. Managed account platforms can also help meet managers' demands for operational efficiency.
- Asset managers turn to tech. From big data to predictive analytics and the use of satellite imagery, technology is set to be the key driving force behind the alternative assets industry in the years to come. As clients want more integration and automation which leads to faster NAVs, managers should compare their focus areas to investor priorities to better align.

Methodology:

In the third quarter of 2017, FT Remark interviewed senior executives from 350 large institutional investors to understand their strategy for allocating funds to alternative investments (defined as private equity, hedge funds, real estate, infrastructure and private debt/loans). At the same time, FT Remark interviewed 100 alternative fund managers, to understand how they are reacting to a changing regulatory landscape and increasing demands from their institutional investor client base. Senior executives respondent splits:

- Pension funds - 30%
- Investment managers -25%
- Endowments/Foundations/Sovereign wealth funds - 25%
- Insurance funds - 20%

Chandresh Iyer *is the CEO of BNY Mellon's Alternative Investment Services and Structured Products business, which provides operational support to alternative asset managers through a full range of prime custody, cash management, hedge fund, accounting, private equity and real estate administration services. Prior to this role, Chandresh was Global Head of Middle Office Solutions, Client Service Delivery, leading middle-office outsourcing technology and solutions. Chandresh joined BNY Mellon from Citi Investor Services, where he was the business head responsible for the wealth and asset manager services segment.*

Frank La Salla *is the Chief Executive Officer of BNY Mellon's Issuer Services business, which includes Corporate Trust and Depositary Receipts. He previously served as CEO of BNY Mellon's Alternative Investment Services and Structured Products business. Prior to that, Frank was a member of the Executive Committee of Pershing LLC, a BNY Mellon company, where he was co-head of Global Client Relationships and head of Trading Services. Frank was previously CEO of BHF Securities Corporation, the U.S. broker-dealer subsidiary of Germany's BHF Bank AG, and COO of Societe Generale Securities, responsible for developing the French financial institution's U.S. brokerage business.*

From the Executive Director's Desk

Welcome to the winter (2017-2018) edition of the PAPERS newsletter.

Our goal is to provide interesting reading and a variety of points of interest to spark conversations in the realm of public pensions. I hope you find the following items as informative and interesting as I have. Thank you to those who have contributed articles and suggestions to this edition. Many of the comments I received were in follow up and as a result of one of our most successful fall workshops ever. Held in Pittsburgh in November, the sessions were informative, the speakers were inspiring, and the weather was actually not that cold!

With the exception of the weather, the success of the workshop was 100 percent due to the efforts of our members. We had a record number of plans attending and our Education and Corporate Advisory committees went above and beyond to provide speakers that were amazing. I find myself already looking forward to May. Not just because of the freezing weather we are having now, but the anticipation of putting together another great conference.

If you would like to participate by sponsoring part of a conference or providing a suggestion for a session please let me know. In the meantime, I hope everyone is having a happy and prosperous New Year.

Warmly,

Karen Deklinski

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Perfect Timing:
Updating the Investment Return Assumption in 2018

By: Greg Stump, FSA, *Boomershine Consulting Group*

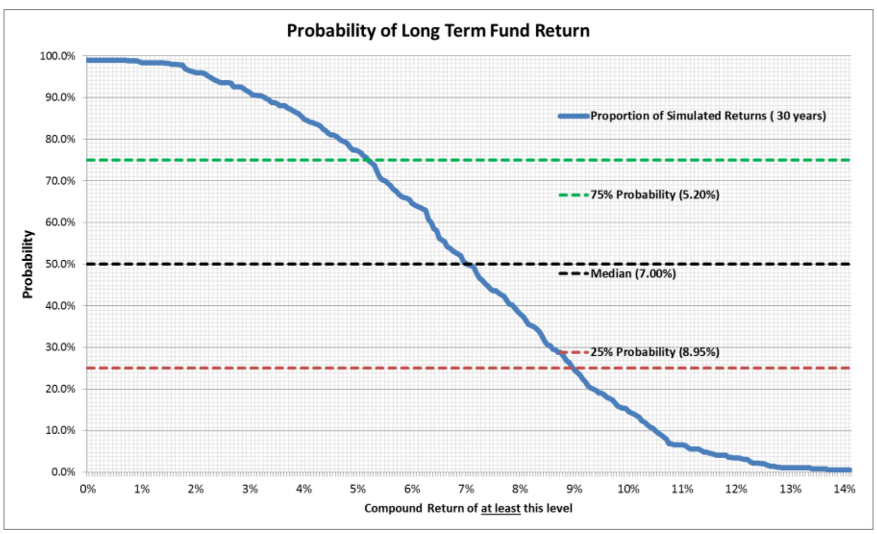
So many assumptions go into the plan valuation calculations that your actuary does each year, but the most important, most impactful, and most recognizable one is the investment return assumption. If you are wondering when this assumption should be addressed, possibly decreased, I am here to tell you the time is now!

Last year was a good year, right? Capital markets cooperated in a big way, with many pension funds earning double digit returns. With most current investment return assumptions in the 7.0% to 7.5% range, the 2017 returns represent gains. Gains are good: they increase the funding ratio and decrease the employer's actuarial contributions. But not so fast…

If you have an unfunded liability, especially a significant one, decreasing contributions is not going to help. Taking a more conservative approach will most definitely help. With some gains under our belts from 2017, this is a perfect time to dial back that return assumption. There is not one "right answer", so I am not going to pretend there is. However, many experts agree that a 7.5% is too optimistic, even with a relatively high (e.g., 70%) equity allocation.

Here are some advantages of a lower rate. Whether it is 7.25% versus 7.50%, 7.00% vs. 7.75%, or any other change, the list is the same:

1. Increases the magnitude of actuarial gains, and decreases the magnitude of losses. For example, a return of 8.50% versus an assumption of 7.50% is a 1.00% gain. Versus 7.00%, it is a 1.50% gain, fifty percent more!
2. Increases the likelihood of gains, and decreases the likelihood of losses. In the graph below (made for a specific system, so does not apply to all funds), the probability of attaining a long term return of 7.00% is 50%, while the probability of 7.75% is 41%. This difference is significant.



3. A lower return assumption is likely more in line with short term expectations of investment professionals. It is a long term assumption; however, the short term always comes first!
4. More flexibility and room for conservativism in the asset allocation decision.

Impact of a Change

Boards and plan sponsors should always know impact of ¼% reduction in their assumed return, even if the change itself is not imminent. The three examples below show a range of possible impacts of the change in assumption. Not all systems will fall within this range.

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Perfect Timing *(continued from Page 4)*

Two key factors influence the impact of the change: plan maturity (proportion of plan members who are retired) and funding ratio. The more mature a plan is, the less impactful the change will be (compare Plan 1 to Plan 2). This isbecause the percent change in liability from the assumption is lower for older participants. The closer to 100% funding, the more impactful the change will be, because the percent change in *unfunded liability* is greater (Compare Plan 2 to Plan 3). Each plan is assumed to have $100 million in their fund.

	Plan 1	Plan 2	Plan 3
Funding Ratio	75%	75%	90%
Maturity Level	High	Low	Low
	7.50% Return Assumption		
Actuarial Liability	$133,000,000	$133,000,000	$111,000,000
Unfunded Amount	$33,000,000	$33,000,000	$11,000,000
Normal Cost	$2,500,000	$2,500,000	$2,500,000
Contribution	$6,300,000	$6,300,000	$3,800,000
	7.25% Return Assumption		
Actuarial Liability	$136,000,000	$138,000,000	$115,000,000
Unfunded Amount	$36,000,000	$38,000,000	$15,000,000
Normal Cost	$2,600,000	$2,600,000	$2,600,000
Contribution	$6,600,000	$6,900,000	$4,300,000
Impact of Change on Contribution	**$300,000 (+5%)**	**$600,000 (+9%)**	**$500,000 (+13%)**

Contribution = Normal Cost + Amortization of Unfunded Liability, each of which is affected by the assumption change.

Why Now?

Continuing the fictitious, though realistic examples from above, a $100 million dollar fund with a 12.50% return in 2017 versus 7.50% assumed represents a 5% gain, or $5 million. The impact of a change in return assumption can vary, as illustrated above. However, in each example the $5 million investment gain at least offsets the increase in the actuarial liability.

Assuming standard five year asset smoothing, one million is recognized immediately, with the rest left to buffer a possible bad year or two ahead. The impact of that is a decrease in the amortization component of the contribution of about $100,000. That is the close to the increase in normal cost built into the examples, so we are breaking even so far.

Although there is an immediate cost increase of up to $600,000 due to the amortization of the liability increase, by 2023 the entire 2017 investment gain will be recognized, bringing the contribution closer to the pre-2018 level. This is oversimplified because we know that things tend to change over any five year period, but the key point still remains: gains offset losses and vice-versa. Over long periods of time, it is a zero-sum game (given realistic assumptions) and the cost of any pension is really just the normal cost.

So I encourage all plans to see if they are positioned similarly to my examples, with the 2017 investment gain perhaps enabling a less painful change in the return assumption. As the saying goes, timing is everything!

Gregory M. Stump, FSA, EA, MAAA, FCA

Chief Actuary and Vice President, Boomershine Consulting Group

Greg Stump is Chief Actuary at BCG, and specializes in public sector defined benefit systems. Greg is an expert on pension cost and funding projections and benefit design, focusing on the risks faced by public pension and retiree healthcare systems. Over the past two decades, he has worked with a variety of systems in Pennsylvania and sixteen other states. He has provided advice and service to some of the largest and most complex public plans in the nation, and has also served on a number of national and regional committees and educational groups, providing continuing education for pension trustees and other governmental groups.

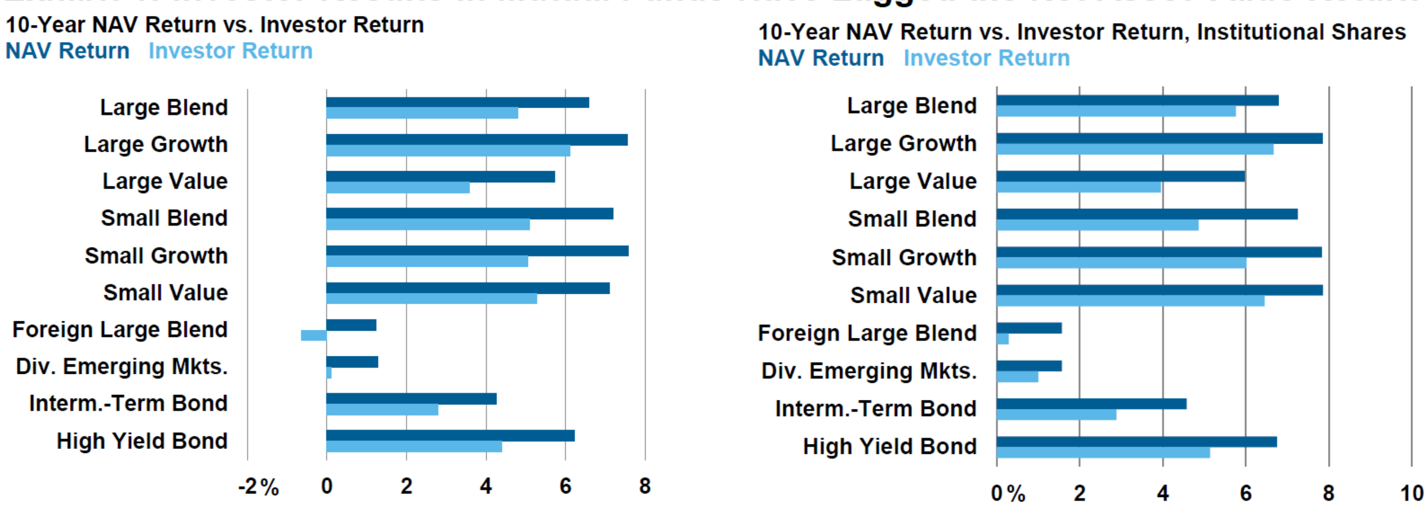
When to Sell ... and When Not To

Written by: Jeff McConnell, ***Graystone Consulting/Morgan Stanley***
Submitted by: Richard J. Hazzouri, ***The Hazzouri Group at Morgan Stanley***

Most investors focus their efforts on the buy side, and indeed, much has been written about how to categorize managers, how best to evaluate them for potential purchase and how to group them together within a portfolio. There is much less documentation about the decision of when to redeem, or sell, a position with an investment manager. Yet a satisfactory long-term return can be earned only by following a disciplined process for both buying and selling: The portfolio of an investor who consistently sells at the wrong time is just as likely to trail its benchmark as if their process is hindered on the buy side.

Ample evidence shows that investors do a poor job buying and selling the active managers in their portfolios. A review of mutual funds' dollar-weighted returns as measured by Morningstar's Investor Return metric—the return the average investor in a fund has achieved in a given time period based on flows into and out of the fund—makes that clear. Across most categories and in most trailing time periods, these dollar-weighted returns have trailed the time-weighted, net asset value (NAV) returns that mutual funds publish (see Exhibit 1, left chart). In other words, no matter what the investment style, fund investors' buy and sell decisions have cost them: The average investor would have been better off staying put. Importantly, this effect is not limited to individual investors. It's also evident in the comparison of NAV return to institutional investors' returns using mutual funds' institutional share classes. Investors who make up the so-called "smart money" have also detracted from their overall return owing to poorly timed buy and sell decisions (Exhibit 1, right chart).

Exhibit 1: Investor Results in Mutual Funds Have Lagged the Net Asset Value Return



Note: NAV return and Morningstar Investor Return© are both calculated after subtracting normal fund expenses, including management, administrative, and 12b-1 fees. For category definitions, see page 6.
Source: Morningstar as of Sept. 30, 2017

Most investors focus their efforts on the buy side, and indeed, much has been written about how to categorize managers, how best to evaluate them for potential purchase and how to group them together within a portfolio. There is much less documentation about the decision of when to

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When To Sell… *(continued from Page 6)*

redeem, or sell, a position with an investment manager. Yet a satisfactory long-term return can be earned only by following a disciplined process for both buying and selling: The portfolio of an investor who consistently sells at the wrong time is just as likely to trail its benchmark as if their process is hindered on the buy side.

Our whitepaper discusses the factors an investor should consider in deciding to redeem a position with a mutual fund, separately managed account (SMA) or co-mingled fund or any actively managed vehicle. We describe a framework for developing a thesis—a rationale for recommendation—for each strategy within the portfolio at the time of purchase, evaluating each strategy against its thesis on an ongoing basis, and using that thesis to determine when a strategy should be replaced.

The full whitepaper referenced above may be accessed at:

http://www.pa-pers.org/newweb/documents/Winter2018-MorganStanleyHazzouriGroup.pdf

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Jeff McConnell, *Chief Investment Officer of Graystone Consulting. Jeff joined Morgan Stanley in 2013 after spending three years at Johnson & Johnson as Director of Pension Funds. In that role, he oversaw the Firm's defined-benefit and defined-contribution plans, which totaled more than $20 billion in assets.*

Prior to joining J&J, Jeff worked at Morningstar for 12 years as a retail mutual-fund analyst, a stock analyst, and primarily as a Senior Consultant/Portfolio Manager for Morningstar Associates. He was a member of the firm's portfolio management team, which sub-advised a series of multi-manager funds of funds with a combined total of $15 Billion.

Jeff holds an MBA in Finance from DePaul University and a BA in Economics from Michigan State University. He is a member of the CFA Institute and the New York Society of Securities Analysts.

Richard J. Hazzouri, CFA, *is a Senior Vice President, Institutional Consulting Director of The Hazzouri Group at Morgan Stanley. He is responsible for the development, maintenance, and oversight of the strategic investment program for clients. This includes the development and implementation of policies, strategies, procedures, reporting, and performance metrics, the selection and oversight of investment managers, and the development of asset allocation models.*

A graduate of Scranton Preparatory School, Richard earned a Bachelor of Science degree from Loyola University, Baltimore, Maryland. He is a holder of the Chartered Financial Analyst (CFA) designation and the Accredited Investment Fiduciary (AIF) designation from Center for Fiduciary Studies. Richard is a member of the CFA Institute as well as the New York Society of Security Analysts. In addition, he serves as President of the Association of Professional Investment Consultants (APIC), an independent organization made up of Morgan Stanley Financial Advisors dedicated towards professionalism within the investment industry.

REITs Had Highest Average Annual Net Return During 18-year Period, Pension Data Shows

By: Meredith Despins, *NAREIT*

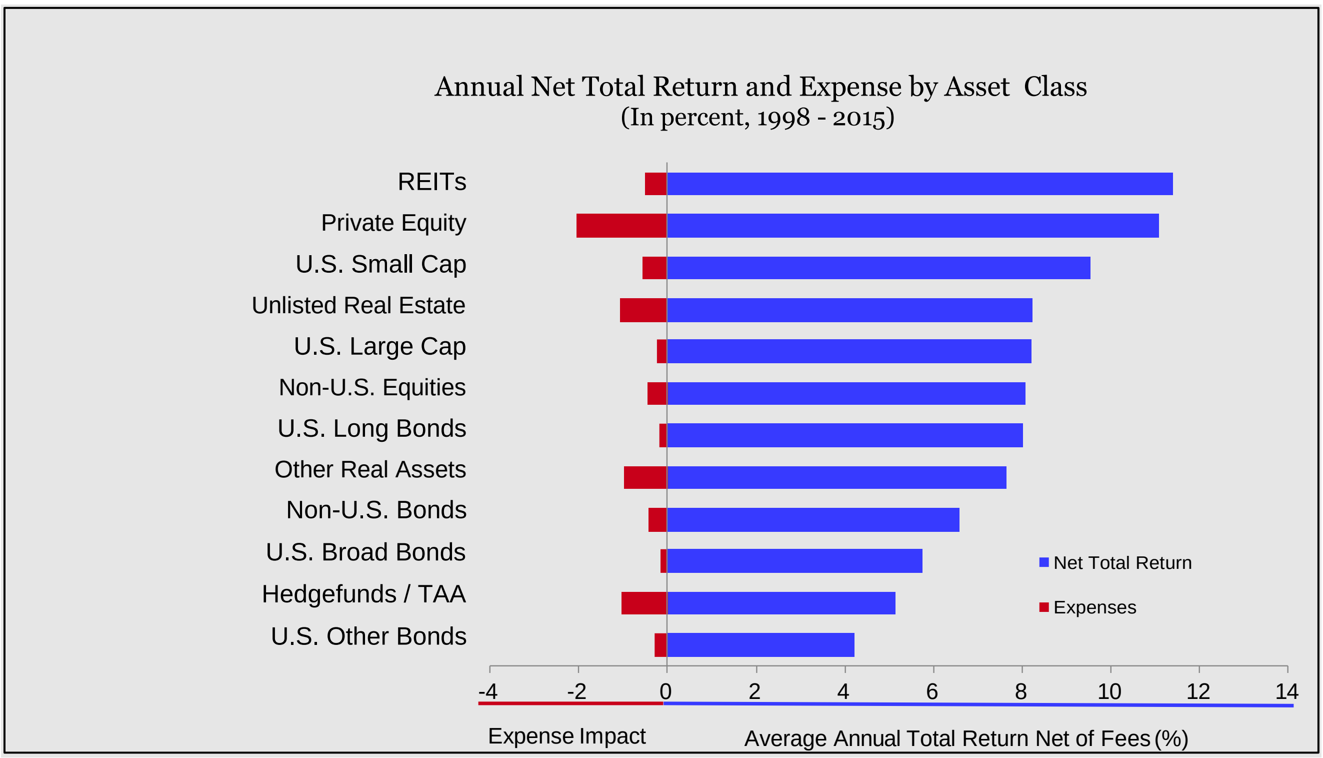
An analysis of pension investment returns by CEM Benchmarking, Inc., sponsored by Nareit, shows that from 1998 to 2015, REITs had the highest average annual net return of 12 asset classes covered in the study.

CEM Benchmarking's 2017 study provides a comprehensive look at realized investment performance across asset classes using a proprietary dataset covering more than 200 public and private sector pensions with nearly $3.5 trillion in combined assets under management. The study also confirms that during the 18-year period, REITs had relatively low correlations with other asset classes, implying good diversification benefits and strong risk adjusted returns.

The CEM dataset is unique in that it provides the actual realized performance net of investment costs of the assets chosen by plan managers and trustees. The study compares gross and net average annual total returns as well as correlations and volatilities for 12 asset classes with appropriate adjustments for reporting lags associated with illiquid asset classes (unlisted real estate and private equity).

Returns

Over the 18-year period there are striking differences in performance across asset classes.



Source: CEM Benchmarking, 2017

Listed equity REITs had the highest average net return over the period, averaging 11.4%. Private equity had the highest average gross return, estimated as 13.1%, but had the second highest average net return of 11.1% because of the impact of expenses. Unlisted real estate produced average net returns of 9.3% during the period, nearly 20% less than REITs.

The two worst-performing asset classes were hedge funds/tactical asset allocation (TAA) strategies and U.S. other fixed income. U.S. other fixed income, however, includes cash. If cash is excluded from U.S. other fixed income as an aggregate asset class, then hedge funds/TAA would have been the worst performing asset class with an 18-year arithmetic average annual net return of 5.1 percent.

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REITs Had Highest Average Annual Return *(continued from page 8)*

Correlations

The study computed correlations of annual returns among the 12 asset classes. REIT and unlisted real estate returns were highly correlated when illiquid returns are adjusted for reporting lags. The correlation is measured as .92. The high correlation is not surprising given the similarities in underlying assets.

REIT and unlisted real estate returns had relatively low correlations with listed equity returns. These relatively low correlations reflect the well-known diversification benefits associated with the real estate asset class, whether REITs or unlisted real estate.

Volatilities and Risk Adjusted Returns

The study also compared volatilities and risk adjusted returns using the Sharpe ratio across asset classes. Two fixed income asset classes had the highest Sharpe ratios reflecting their extremely low volatilities albeit modest returns.

Outside of fixed income, REITs had the highest Sharpe ratio measuring .44, reflecting their high returns and just above average volatility. Unlisted real estate had a much lower Sharpe ratio measuring .31, reflecting lower returns and comparable volatility to REITs.

After adjusting for valuation lags, the study found that REITs and unlisted real estate had comparable volatilities. REITs and unlisted real estate had the 4th and 6th most volatile net returns with measured volatilities of 20.7% and 19.0% respectively. As with correlations, the similarity in volatilities is not surprising given that listed Equity REITs and unlisted real estate have the same underlying assets.

Non-U.S. stock and hedge funds/TAA had the lowest Sharpe ratios reflecting high volatility and poor returns, respectively. Afteusting for valuation lags, private equity was by far the most volatile asset class at 28.0%.

Conclusion

CEM Benchmarking used its unique proprietary dataset which is comprised of asset level return data for hundreds of U.S. pension funds with more than $3 trillion in assets. The CEM analysis concluded that over the 18-year period of study covering the years 1998 to 2015, REITs had the highest average annual net return, relatively low correlations with other asset classes, implying good diversification benefits and strong risk adjusted returns.

To read the full study “Asset Allocation and Fund Performance of Defined Benefit Pension Funds in the United States, 1998-2015 (Updated)”, please visit https://www.reit.com/data-research/research/updated-cem-benchmarking-study-highlights-reit-performance.

Meredith Despins *is senior vice president, Investment Affairs & Investor Education for NAREIT. NAREIT serves as the worldwide representative voice for REITs and real estate companies with an interest in U.S. income-producing real estate. NAREIT’s members are REITs and other real estate companies throughout the world that own, operate, and finance income-producing real estate, as well as those firms and individuals who advise, study, and service those businesses.*

Meredith leads NAREIT's global institutional investor education and outreach initiatives for the pension and retirement markets, as well as endowments, foundations, and the investment advisory community. She is a frequent speaker at industry events, delivering a perspective on the role REITs can play in investment portfolios to build portfolio value, deliver income, and manage risk within the real estate investment program.

Meredith has served on PAPERS’ Corporate Advisory Committee since 2014 and is a member of the Education Committee of the Board. A graduate of Trinity College, Hartford, Connecticut, with honors, Ms. Despins is a member of Phi Beta Kappa.

Small-Cap Passive Investing: Low Costs Come With Big Risks

Submitted by: Neuberger Berman

We believe passive small-cap equity strategies pose unique—and often misunderstood—risks to investors that are materially different from and significantly elevated relative to those inherent in the large-cap space. Below we highlight two of the common misperceptions of passive small cap investing.

To read all six of our misperceptions vs. realities, access the full Neuberger Berman paper here: **https://www.nb.com/pages/public/en-us/insights/small-cap-passive-investing-low-costs-come-with-big-risks.aspx.**

Misperception #1: Risk in indexes is static.

REALITY: Risk levels within the Russell 2000 fluctuate dramatically in cycles that can be tied to capital markets activity via IPOs.

Periods of low and/or falling interest rates—such as what we've seen for the last eight years or so—benefit long-duration cash flow streams and help drive IPOs of riskier, money-losing businesses that hope to be profitable in the long run. Given that IPOs are largely the provenance of small-cap companies, their uptick has a significant impact on the composition of indexes like the Russell 2000.

As active managers typically consider a stock's quality as part of the portfolio construction process, we think they're less inclined to embrace the riskier components of the small-cap index. While this has tended to drive underperformance during easing cycles, active strategies largely have outperformed when the cycle reverses.

Active Managers Have Fallen Short as Bubbles Formed

Capital Market Cycle: Small-Cap Annual IPO and Secondary Proceeds

Time Period	1/96 – 2/00 Dot-Com Bubble	3/00 – 9/02 Bubble Burst	10/02 – 5/07 Housing Bubble	6/07 – 2/09 Bubble Burst	3/09 – 12/16 Bond Yield Bubble	1/96 – 12/16 Total Period*
Russell 2000 Performance	+93.1%	-35.1%	+147.3%	-52.9%	+289%	+468.2%
% of Active Small Cap Blend Managers that Outperformed the Russell 2000	24%	88%	18%	53%	21%	50%

Source: Jefferies, Bloomberg, Morningstar. Data as of 12/31/2016. Note: Analysis was performed using all actively managed funds within Morningstar's Small Cap Blend Category. Funds that have merged or went out of existence were included in the analysis to minimize the potential for survivorship bias. *Total Period active performance includes only funds in existence for the entire time period.

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Small-Cap Passive Investing *(continued from Page 10)*

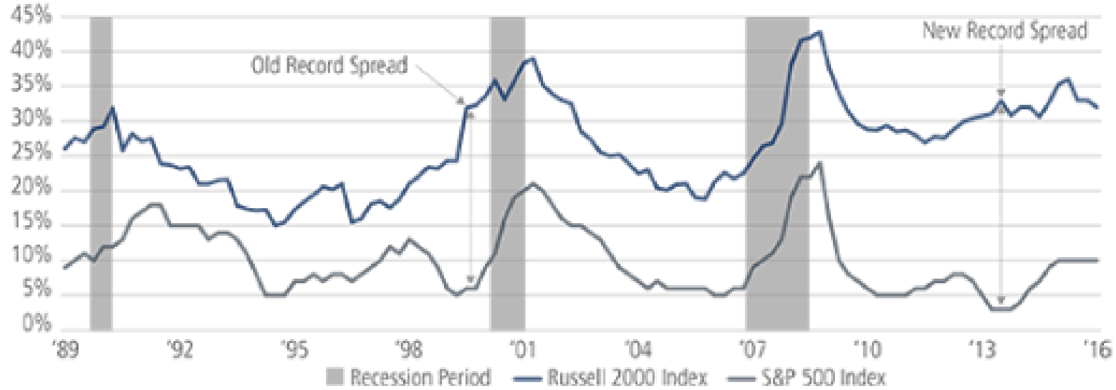
Misperception #2: All passive investing is created equal.

REALITY: The Russell 2000 Index has far greater exposure to money-losing companies than the S&P 500.

One-third of an investment tracking the Russell 2000 would be allocated to companies that are reporting losses, versus just 10% for a passive S&P 500 strategy. The influence of the economic cycle is clearly evident across both indexes, with money-losing companies increasing during recessions and decreasing following them. However, the percentage of loss-making companies—which tend to underperform profitable companies over the long term—within the Russell 2000 is rising structurally.

A Significant and Growing Amount of Companies Reporting Losses Comprise the Russell 2000

% Number of Loss-Making Companies in Index (Based on Trailing GAAP Earnings)



Source: Furey Research Partners, FactSet. Data as of December 31, 2016. Note: The % of loss-making companies is calculated by determining the number of benchmark holdings that have negative trailing GAAP earnings and dividing that total by the total number of names in the overall benchmark. This information is calculated for both the Russell 2000 and the S&P 500 on a quarterly basis.

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The Importance of Educating Your Membership - *Understanding Generational Priorities*

By: Stephan Georgacopoulos, *Pension Technology Group*

In this first installment of ***The Importance of Educating Your Membership***, we will explore the retirement planning and saving tendencies of the various generational groups within the public employee sector, and discuss why it is important for pension administrators to understand the motivations of their funds entire membership population.

Like millions of other Americans who suffered from the Great Recession in the late 2000's, those employed in the public sector also felt the effects and many were forced to make changes regarding retirement. Individuals that had planned on retiring but continued to work constitute a majority of the retiring population we see today. With state and local governments employing a majority of the American workforce, from Baby Boomers (born 1946 – 1964), Gen Xers (born 1965 – 1980) to Millennials (born after 1980), each generation has its own approach and priorities when it comes to their employment and retirement.

Millennials, unlike most Baby Boomers and Gen Xers, did not choose government jobs for the security of receiving defined benefit retirement plans or medical insurance. Rather, studies show that Millennials focus primarily on whether a job can provide stable employment, a flexible work-life balance and, believe it or not, pet insurance.[1] While retirement planning can be influenced by outside factors, e.g. whether a job offers a retirement benefit, the economy and lifestyle decisions continue to play a big role and lead individuals to take different approaches on retirement. For example, among the majority of Baby Boomers and Gen Xers, it was customary that marriage and parenthood take place in early adulthood, whereas Millennials take more of a non-traditional or delayed approach on marriage and parenthood by focusing more on their career and extracurricular lifestyle activities. Moreover, other decisions such as higher education also impact the priorities on retirement. A large population of Millennials are more highly educated compared to other generations, which has opened the doors to greater job opportunities, higher paid positions, and better overall financial stability compared to their previous counterparts.

Unfortunately, while the benefits of higher education have provided more opportunities, the cost for higher education has also played a significant role in contributing to why a majority of Millennials carry debt. With credit cards, auto insurance, and other monthly expenses aside, a recent study showed that "over 10% younger workers with student loans have a balance over $100,000.00" [2].

Similarly, Baby Boomers and Gen Xers have their financial struggles. As mentioned earlier, the financial crisis in the late 2000's forced many to continue working although they were getting ready to retire. Additionally, as it stands, an expected 10,000+ Baby Boomers and Gen Xers are expected to reach retirement age daily - many of which are living longer and finding that their savings may not be sufficient to live comfortably during their golden years.[3] Therefore, understanding your membership's priorities will not only provide you with the necessary tools to educate your membership on retirement, but, more importantly, it will help your fund be more successful in the long run.

Sources

1. https://qz.com/139402/baby-boomers-care-about-retirement-plans-while-millennials-want-pet-health-insurance/
2. http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/05/retirement-needs-and-preferences-of-younger-public-workers
3. https://www.americanadvisorsgroup.com/news/us-news-and-world-report-positive-press-on-reverse-mortgages

Stephan Georgacopoulos *manages all Business Development and module training for the Pension Technology Group. Stephan has 3 years of experience working within the public employee pension community. Stephan began his career working for Sprint Corporation as a Enterprise Account Executive supporting fortune 500 corporations with sales, customer support and training. After nearly 10 years Stephan joined the Pension Technology Group team and is responsible for the introduction of all new products offered by Pension Technology Group as well as software demonstrations to Retirement Board Executive Directors and Board members.*

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- **Associate** ($1,000/year) - *Corporate providers of legal and investment services to pension plans*
- **Affiliate** ($500/year) - *Corporate providers of other services, exclusive of legal and investment services, to pension funds.*

Corporate (Associate & Affiliate) Members also have the additional opportunity to become sponsors for PAPERS' two annual conferences – the Spring Forum and the Fall Workshop. Sponsors receive recognition in the printed and on-line materials produced for the conferences and also receive priority consideration to provide speakers and/or make presentations. The three categories of sponsorships for each conference are:

- **Platinum** - $5,000
- **Gold** - $3,000
- **Silver** - $2,500

More details at: **http://www.pa-pers.org/documents/2018MembershipandSponsorFees.pdf**