

Morningstar ETF Conference Agenda

Wednesday, September 7

1:00 p.m.–4:00 p.m. Pre-Conference Workshops

1:00 p.m.–2:00 p.m.

Morningstar Manager Research Highlights

Ben Johnson, Morningstar's Director of Global ETF Research, will share findings from a pair of recently released research reports. First, he will take an in-depth look at the methodology underlying Morningstar's semiannual Active/Passive Barometer study and share the results of the mid-year 2016 installment of the report. He will then share highlights from Morningstar's third-annual Global Guide to Strategic-Beta Exchange-Traded Products, which examines trends in asset flows, product development, and fees in this fast-growing corner of the market.

Sustainable Investing

Investors are incorporating sustainable investing factors in their investment selection process. Jon Hale, Morningstar's head of sustainability research, and members of the Morningstar Index team will explore Morningstar's recent research in sustainability investing, the outlook for the industry, and how exchange-traded product providers are incorporating sustainability measures in their work. They'll also introduce Morningstar's new Global Sustainability Index family, launching at the end of September.

2:00 p.m.–4:00 p.m.

Morningstar's Approach to ETF Due Diligence

Ben Johnson and Alex Bryan, Morningstar's Director of Passive Strategies Research for North America, will provide a detailed overview of how Morningstar's Manager Research team applies their due diligence framework to ETFs and index funds. This process will be illustrated with a series of case studies which will cover everything from ETFs tracking broad, market-capitalization weighted indexes to those tied to strategic-beta benchmarks.

4:00 p.m.–5:30 p.m. Registration

4:30 p.m.–4:35 p.m. Opening Remarks

Ben Johnson, CFA, Morningstar

4:35p.m.–5:30 p.m. Opening Keynote

Economic and Market Outlook With Liz Ann Sonders

What's in store for the U.S. markets and economy as we head toward a contentious election and (possibly?) higher rates? Is the recent low volatility

likely to persist or could the election and/or Fed policy uncertainty unleash more market choppiness? With the market having eclipsed all-time highs, investors remain highly skeptical. Will this remain a contrarian support for stocks? Liz Ann Sonders investigates economic trends and investor sentiment—and crunches the numbers—to analyze the nation’s economic and market health. Find out her perspective on the implications for investors as we move into the final stretch of 2016.

Liz Ann Sonders, Charles Schwab & Co., Inc.

5:30 p.m.–7:00 p.m. Opening Reception in Exhibit Hall

Thursday, September 8

7:45a.m.– 8:30 a.m. Breakfast in Exhibit Hall

8:30 a.m.– 9:30 a.m. General Session 1

Fact, Fiction, Value and Momentum Investing

Value and momentum strategies have a long and storied history in financial markets. The appetite among investors to access these ideas continues to grow as demonstrated by the growth in assets and number of new “strategic beta” ETF products utilizing these styles. Yet there remains much confusion, some of which is propagated by skeptics in an attempt to disparage these strategies, but others are often, intended or not, perpetuated by people who advocate for them.

Ronen Israel, AQR

9:30 a.m.– 10:30 a.m. General Session 2

Factor Timing: Can Factor Investing Lead to Crowded Trades?

The presentation walks through evidence for, and against, factor and Smart Beta timing. The research explores whether simple valuation measures (like P/B and P/D) can be informative timing signals when applied to factor or Smart Beta portfolios like the Shiller CAPE Ratio is for equity asset classes. Our results find that over the past 10 years, some factors and Smart Beta indexes have become relatively expensive, while others have become relatively cheap. However, the important question is whether the more expensive factors and Smart Beta indexes will subsequently underperform the cheaper factors and Smart Beta indexes. Unsurprisingly, the answer is “it depends.”

Jason Hsu, Rayliant Global Advisors

10:30 a.m.– 10:50 a.m. Break

10:50 a.m.–11:40 a.m. Breakout Session 1—Strategic

Low-Volatility Strategies: Less Risk, More Reward?

The low volatility anomaly turns upside down everything investors think they know about the relationship between risk and reward. Can investors get better returns for taking less risk? Is there any evidence that these low-risk strategies have become too richly valued?

Moderator: Alex Bryan, Morningstar
John Ameriks, Vanguard
Craig Lazzara, S&P Dow Jones Indices
Raman Aylur Subramanian, MSCI

Breakout Session 1—Tactical

Fixed Income ETFs: Liquidity Transformation or Illusion?

ETFs have made inroads into corners of the market that had previously been out-of-reach for many investors. As these intraday-liquid vehicles re-package increasingly liquidity-challenged securities are they transforming the concept of liquidity or creating the illusion that thinly traded securities are now uber-liquid?

Moderator: Sarah Bush, Morningstar
Karen Schenone, BlackRock/iShares
Jerome Schneider, PIMCO
Damon Walvoord, Susquehanna

Breakout Session 1—ETF Managed Portfolios

Beyond the 60/40 Portfolio

It may be hard to get excited about the traditional 60/40 stock/bond portfolio, but it has proved hard to beat. Our panel of experienced asset allocators will discuss their strategies for straying from the tried-and-true to deliver for a diverse client base.

Moderator: Jeff Holt, Morningstar
Steve Blumenthal, CMG
Herb Morgan, Efficient Market Advisors
Ken Raguse, SSI Investment Management
Jared Watts, Morningstar

11:45 a.m.–12:35p.m. Breakout Session 2—Strategic

Will Emerging Markets Re-Emerge?

Amid eroding economic fundamentals and some political factors, the outlook for emerging markets has tumbled in recent years. Will emerging markets re-emerge? Do they have a place in a long-term asset allocation? How can investors pick from this diverse group?

Moderator: Patricia Oey, Morningstar
Edward Kerschner, EGShares
Jeremy Schwartz, WisdomTree
Darek Wojnar, Hartford Funds

**Breakout Session 2—Tactical
Savvy Sector Strategies**

Sector bets, when done right, can help generate long-term value. Of course, making such bets is easier said than done. This session will offer insights into sector strategies and which sectors look most attractive today.

Moderator: Jason Kephart, Morningstar
Michael Arone, State Street Global Advisors
Denise Chisholm, Fidelity
Corey Hoffstein, Newfound Research

**Breakout Session 2—ETF Managed Portfolios
How Technology Is Shaping the Future of Advice**

The rise of the machines has many advisors and investors on edge. From robo-advice to “big data” strategies, bits and bytes are replacing flesh and blood. Our expert panel will discuss how they are applying these technological advances to their benefit and why we should see these “robots” as friends rather than foes.

Moderator: Tricia Rothschild
Katharine Wolf, Future Advisor
Matt Reiner, WELA

12:45 p.m.–2:00 p.m. Luncheon and Keynote Presentation

Rob O’Neill is one of the most highly-decorated combat veterans of our time. He was a SEAL Team Six leader with the Naval Special Warfare Development Group. He has deployed more than a dozen times, and he held combat leadership roles in more than 400 combat missions in four different theaters of war.

Robert O’Neill, former United States Navy Seal

2:10 p.m.–3:00 p.m. Breakout Session 3—Strategic

Examining the Many Dimensions of Quality

Quality is a factor with many dimensions and definitions. It is also a bit of a head scratcher: There isn’t any apparent risk to owning high-quality stocks that should warrant the type of excess returns that the group has historically experienced. What defines quality? Why should higher-quality stocks fare better than their riskier counterparts?

Moderator: Dan Culloton, Morningstar
Elizabeth Collins, Morningstar
Christopher Huemmer, Northern Trust/FlexShares
Simeon Hyman, ProShares

Breakout Session 3—Tactical

Can You Harness Momentum?

Momentum baffles efficient markets theorists. It is also exceedingly difficult for investors to harness. Our all-star panel of momentum experts will discuss why momentum exists and whether or not investors can use it to their advantage.

Moderator: Alex Bryan, Morningstar
Gary Antonacci, Optimal Momentum
Meb Faber, Cambria Investment Management
Wes Gray, Alpha Architect

Breakout Session 3—ETF Managed Portfolios

ETF Strategists Set Their Sights on Retirement

ETF strategists have been making inroads into the retirement market. What makes these strategies appealing to retirement plan sponsors? This session will also cover the challenges that exist and the trends that will shape the future of the retirement.

Moderator: Christine Benz, Morningstar
Will McGough, Stadion
Bob Smith, Sage Advisory
Scott Kubie, CLS Investments

3:10 p.m.–4:00 p.m.

Breakout Session 4—Strategic

Multifactor ETFs Are Multiplying

Multifactor ETFs have proliferated. Investors now face the challenge of deciphering the underlying strategies and their appropriateness for particular portfolios. This session will cover the rationale behind combining factors and share best practices for decoding the methodologies driving the underlying indexes.

Moderator: Ben Johnson, Morningstar
Joe Staines, JPMorgan
James Norman, QS Investors
Matt Schwab, Goldman Sachs

Breakout Session 4—Tactical

Tricks of the Trade

Trading ETFs can be tricky business. This trading tutorial will cover best practices

in ETF trading, equipping investors with the knowledge they need to navigate the ebb and flow of ETF liquidity.

Anita Rausch, WisdomTree

Breakout Session 4—ETF Managed Portfolios

Navigating the Evolving Regulatory Landscape

There are seismic shifts taking place that will forever alter the regulatory landscape. How are asset managers responding to these changes? How are advisors adapting? Is there more change still to come?

Moderator: Michael Wong, Morningstar

Joe Craven, Blackrock

Gib Watson, Envestnet

4:00 p.m.— 4:30 p.m.

Break

4:30 p.m.—5:30 p.m.

General Session 3

Best Ideas

Some of the brightest thinkers in the market offer their thoughts on the current climate and their best investment ideas.

Moderator: Jeff Ptak, Morningstar

Rich Bernstein, RBA

John West, Research Affiliates

Mark Yusko, Morgan Creek Capital Management

5:30 p.m.— 7:00 p.m.

Reception in Exhibit Hall

Friday, September 9

7:45 a.m.— 8:30 a.m.

Breakfast in Exhibit Hall

8:30 a.m.— 9:30 a.m.

General Session 4

Alpha or Assets

More and more investors are buying “factor” based strategies which invest using measures like valuation and low volatility. Many of these strategies are designed to accommodate high levels of assets under management, but the greater the potential assets, the lower the potential alpha. Strategies should be built for alpha, not just scale—but the asset management industry has gone in the opposite direction. Most factor-based strategies—commonly called Smart Beta—have hundreds of holdings and high overlap with their market benchmark. A more powerful way to apply factors is to use them first to avoid large chunks of the market and then build more differentiated portfolios of

stocks with only the best overall factor profiles. While not as scalable as smart beta, this alpha-oriented approach has led to much better results for investors.

Patrick O'Shaughnessy, O'Shaughnessy Asset Management

9:40 a.m.–10:30a.m. Breakout Session 5—Strategic Investing for Impact

Sustainable investing is moving into the mainstream. Investors are looking to build portfolios that better reflect their values while not compromising their long-term financial goals. Learn how investors can best invest for impact.

Moderator: Paul Justice, Morningstar
Matt Moscardi, MSCI
Jon Hale, Morningstar
Mamadou-Abou Sarr, Northern Trust

**Breakout Session 5—Tactical
A Guide to Behavioral Science for Advisors**

In this workshop, you'll receive the first edition of Morningstar's new guide to behavioral science for advisors and gain practical experience with the client exercises. The guide helps you understand investor psychology, get a holistic picture of a client's financial situation, and respond to challenging situations such as market downturns.

Sarah Newcomb, Morningstar

**Breakout Session 5—ETF Managed Portfolios
Getting Active With Factors**

Factor investing has come forward as ETF providers have flooded the market with a variety of factor-focused funds. How can these new tools best be deployed in a portfolio?

Moderator: Alex Bryan, Morningstar
Anthony Davidow, Charles Schwab
John Lunt, Lunt Capital
Thomas Martin, GLOBALT Investments
Rob Nestor, iShares

10:30 a.m.– 11:00 a.m. Break

**11:00 a.m.–12:00p.m. Closing General Session
Meet the Pundits**

Our panel of industry watchers will have a no-holds-barred discussion of the latest trends in the land of ETFs.

Moderator: Robin Wigglesworth, Financial Times

Matt Houghan, Inside ETFs

Ben Johnson, Morningstar

Tom Lydon, ETF Trends