



We are pleased to invite you or someone you might designate from your organization to attend a one-day seminar on ***Emerging Roles for Inflation-Linked Bonds in Pension Funds and Endowments***. It is intended for endowment and pension sponsors and managers who are interested in learning more about how their colleagues are now using inflation-linked bonds for portfolio diversification, asset-liability matching, and inflation hedging.

The seminar is being sponsored jointly by the Pension Research Council of the University of Pennsylvania's Wharton School, the Stanford Institute for Economic Policy Research (SIEPR), the Employee Benefit Research Institute (EBRI), and TIAA-CREF. It will take place on Friday, May 30th 8:30 am to 4:30 pm in the National Press Club at 529 14th Street, NW, Washington, DC 20045.

The U.S. market for inflation-linked bonds has grown to over \$160 billion. With returns that have outpaced many other assets in recent years, inflation-linked bonds are now attracting interest from individuals, endowments, foundations, and pension funds. TIPS are also considered by many experts to be a truly new asset class with return, risk, and other characteristics that differ from other fixed income and equity classes. This one one-day seminar on inflation-linked bonds is aimed to assist sponsors of defined contribution and defined benefit pensions and endowments.

A tentative agenda listing topics and speakers is attached. Feel free to email Brett Hammond (bhammond@tiaa-cref.org) or call him at 800-842-2733 ext. 2279, with any questions you might have about the agenda.

Hotel accommodations are available at the JW Marriott Hotel at \$159 per night. The JW Marriott Hotel is located at 1331 Pennsylvania Avenue, Washington, D.C. For reservations please call Gladys Bolella at TIAA-CREF, 800-842-2733 ext. 3045, on or before May 5, 2003.

Please fill out the attached registration form and fax it to Gladys Bolella at 212-916-5385. Or email your response to gbolella@tiaa-cref.org. We hope to see you on May 30th.

Sincerely,

Olivia Mitchell
PRC
The Wharton School

Dallas Salisbury
EBRI

John Shoven
SIEPR
Stanford University

P. Brett Hammond
TIAA-CREF

Emerging Roles for Inflation-Linked Bonds in Pension Funds and Endowments

May 30, 2003

National Press Club, Washington DC

- The U.S. Treasury introduced Treasury Inflation Protected Securities (TIPS) in 1997.
- Today, the U.S. market for TIPS is over \$160 billion.
- Return has averaged 8% and was nearly 17% in 2002.
- TIPS correlation with other assets is low or negative.

Inflation-linked bonds are now attracting interest from endowments, foundations, pension funds, individuals, and banks. Some consider them to be a truly new asset class. To assist sponsors of defined contribution and defined benefit pensions and endowments in evaluating inflation-linked bonds, the Wharton School's Pension Research Council, Stanford's Center for Economic Policy Research, the Employee Benefit Research Institute, and TIAA-CREF's Institute, will jointly sponsor a one-day seminar on inflation-linked bonds. Specific topics of interest include the future of the U.S. TIPS program; the structure and behavior of inflation-linked bonds; their characteristics as an asset class; their uses (including pros and cons) in defined contribution and defined benefit pensions and endowments; institutional experience with TIPS; and foreign inflation-linked bonds. Support for this seminar will be provided by a grant from Barclays Capital.

DRAFT Agenda

Thursday, May 29 (optional for those who have arrived)

Dinner at a local Washington restaurant (e.g., Red Sage, Capitol Grill, etc.)

Friday, May 30

8:00-8:45 am Continental Breakfast and Registration

8:45 am Welcome, Seminar sponsors

9:00-9:30 Inflation Linked Bonds in the US: Looking Back and Looking Forward

Presentation: Peter Fisher or Timothy Bitsberger, US Dept of the Treasury

9:30-11:00 Key Aspects of Inflation-Linked Bonds for Long-Term Investing

Presentation: Luis Viceira, Harvard

Discussant: John Shoven, Stanford

11:00-11:15 Break

11:15-12:15 TIPS and Pension Plan Design

Presentation:

Defined Benefit: Larry Siegel, Ford Fdn

Defined Contribution: Steve Utkus or Joel Dickson, Vanguard

Discussant: Kent Smetters, Wharton

12:15 pm Luncheon Speaker

Presentation: Outlook for Pension Reform

Rep. Baker, U.S. Congress

1:45-2:30 Financial Education and TIPS

Financial Planner or Consultant

Discussant: Dallas Salisbury, EBRI

2:30-3:15 Inflation Linked Bonds in the International Context

Presentation: Mark Capleton, Barclays

Discussant: John Ralfe, Boots

3:15-3:30 Break

3:30-4:30 Roundtable: Endowment and Pension Fund Experiences

Gary Anderson, Texas Municipal Retirement System

John Hull, Mellon Foundation

Peter Gilbert, Pennsylvania State Pension Fund



Emerging Roles for Inflation-Linked Bonds in Pension Funds & Endowments
May 30, 2003
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RESPONSE FORM

- Sorry, I cannot attend the Conference
- Yes, I will attend the Conference

Registration Information *Please print*

Name _____ Company _____

Address _____ City _____

State _____ Country _____

Zip Code _____ Telephone _____

E-mail _____

AFFILIATION: _____

- Yes, I will need a hotel reservation at the JW Marriott Hotel, 1331 Pennsylvania Avenue, Washington, DC at the rate of \$159.00 per night;
 for the _____ night of May 29th, and/or _____ the night of May 30th.

My Credit Card Number is _____ expiration date: _____
 Visa Mastercard American Express Discover Other _____

- Yes, I will attend the Dinner, Thursday, May 29, 2003
- No, I will not attend the Dinner

PLEASE FAX COMPLETED FORM TO GLADYS BOLELLA
(212) 916-5385 OR E-MAIL gbolella@tiaa-cref.org
IF YOU HAVE ANY QUESTIONS PLEASE
CALL (212) 490-9000 EXT. 3045