Thunderbird Global Wealth Management Summit

www.thunderbird.edu/WealthSummit

Program Agenda

Selected Session Details & Biographies

Thunderbird Global Wealth Management Summit

*Program Agenda**

October 19-22, 2010 at the JW Marriott Desert Ridge Resort, Phoenix, AZ

Program Purposes:

- provide global insights on worldwide issues,
- explore innovative investment concepts with actionable strategies,
- share philanthropic passions, and
- foster a community of lifetime learning

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Tuesday Evening, October 19

5:30pm – 7:00pm: Cocktail reception

7:00pm – 9:30pm: Hors d'oeuvres, presentation, and private tour

- The **Honorable Barbara Barrett**, US ambassador to Finland, a story of building a personal philanthropic passion, "*U.S. and Afghan Women Working Together: One Woman's Journey*"
- Private Tour of Musical Instrument Museum – the music and instruments of the World

Please note that the evening events will be held at Musical Instrument Museum (www.themim.org) and complementary shuttle services will be provided (JW Marriott – MIM – JW Marriott).

Wednesday, October 20

8:00am – 9:00am: Breakfast

- **Dr. Angel Cabrera**, President of Thunderbird, Welcome "*The Global Mission of Thunderbird*"

9:00am – 9:30am: Presentation

- **Paul Novak,** CEO, Institute of Supply Management, "*US, Europe and Japan Comparative Recovery Prospects: What the Indicators Show*"

9:30am – 10:30am: Presentation

- **Dr. Frank Sortino**, Professor of Finance, Chairman, San Francisco State University; CIO, Sortino Investment Advisors and **James Pupillo**, Senior Vice President, Institutional Consulting Director, Family Wealth Director, Spectrum at Graystone Consulting: "*Post Modern Portfolio Theory Advancements – Better Built Portfolios*"

10:30am – 10:45am: Break

10:45am – 11:30am: Presentation

- **Heidi Richardson,** Director, Blackrock iShares Global Client Group, "*Understanding Inflation: Investing with Confidence in Any Inflationary Environment.*"

11:30am – 12:15pm: Presentation

- **Eileen R Heisman**, President & CEO, National Philanthropic Trust, "*Building Wealth and Making a Significant Contribution to the World through Philanthropy*".

12:15pm – 1:15pm: Lunch

- **Dr. Craig Barrett**, Retired CEO/Chairman of the Board, Intel Corporation, *"Why Education Is #1 On The List*"

1:15pm – 2:15pm: Presentation

- **William M. Sharp**, International Tax Law Attorney at Sharp Kemm, "*Increasing Globalization of Tax Issues: How to Sleep at Night*"

2:15pm – 2:30pm: Break (Session sponsor, Tyler Harding, Brandes)

2:30pm – 3:00pm: Presentation

- **Katherine Garrett-Cox**, CEO and Director, Alliance Trust (Scotland), "European Perspective on Global Investment Strategy." *One of the most successful European Trust Companies investing in the US and Europe."*

3:00pm – 3:30pm: Presentation

- **Chris Fussner**, CEO of Transtechnology (Singapore), Asia Perspective Business Update , "Recent Asia *Business Perspectives* "

3:30pm – 4:30pm: Presentation

- **Graham Russell**, Executive Director of CORE, "*Sustainable Environment for Sustainable Economies*"

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Wednesday Evening: Free night

Thursday, October 21

8:00am – 9:00am: Breakfast

9:00am – 10am: Presentation

- **Scott C. Evans**, EVP Asset Management, TIAA-CREF, “*Global Investment Horizon*”

10:00am – 10:15am: Break

10:15am – 10:45am: Presentation

- **Charles Williams,** Managing Director, Morgan Stanley Smith Barney ,“ *What drives Foreign Exchange Currency Markets*”

10:45am – 11:15am: Presentation

- **Scott Becker**, Calamos Investments, "*Convertibles and Asset Allocation Policy*"

11:15am – 12:15pm: Presentation

- **Steve Donaldson**, Chairman, Fortress Family Office Group (Florida), "*Global Asset Protection and Risk Management*"

12:15pm – 1:15pm: Lunch

1:15pm – 2:15pm: Presentation

- **Alan Granwell**, International Tax Partner Resident, DLA Piper's Washington, DC , "*How to Make International Tax Treaties Work for You*"

2:15pm - 2:30pm: Break

2:30pm – 3:30pm: Presentation

- **Carol Pepper**, CEO & Founder, Pepper International LLC, "*Taking Legacy Building to the Next Level: Creating a Family Dynasty*"

3:30pm – 4:00pm: Presentation

- **Bruce Spector**, Chairman and Founder, PinnacleCare (New York), "How Does Healthcare Reform Impact Affluent Families?" *This session examines the longer term implications of US health care reform”*

4:00pm – 4:30pm: Presentation

- **J. Dan Echols,** MD, Assistant Professor of Medicine, Mayo Medallion Program**.** "Living Well into your 80's and beyond." *This session is about the "latest and greatest" tests being talked about coronary and carotid artery, growth hormone, etc."*

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7:00pm – 9:00pm: Performance and Entertainment

- **Peter Buffett**, Musical Concert & Wealth Responsibility Conversation

<u>Friday, October 22</u>

8:00am – 9:00am: Breakfast

- **Ernesto Poza**, Professor at Thunderbird, "*Family Business Issues and Trends*"

9:00am-10:00am: Presentation

- **Stan Padgett**, Sr. Vice President, Director Fortress Consulting Services, LLC (Florida) "*Insurance Structures for Tax Savings and Asset Protection*"

10:00am – 10:15am: Break

10:15am – 11:15am: Presentation

- **Rui De Figueiredo**, Professor, Stanford University, "*Traction on the Slippery Slope of Alternative Investments*"

11:15am – 11:45am Presentation

- **Steve Seleznow**, Ed.D, CEO, Arizona Community Foundation, "Trends in Philanthropy, Pros and Cons of Private vs. Community Foundation"

11:45am – 12:30pm: Presentation

- **Alfredo J. Molina**, Owner Molina Fine Jewelry, Phoenix, "*Unforgettable Investments in Fine Jewelry: Why Now is the Time*"

12:30pm – 12:45pm: Closure

- **John Mathis**, Professor of Global Economics at Thunderbird, "*Closing Remarks – Lecturing Birds on Flying*"

**Program agenda is subject to change*

Selected Session Descriptions

(Listed Alphabetically)

"Convertibles and Asset Allocation Policy"
Scott Becker, Calamos Investments

Description: Convertible strategies offer unique risk/reward profiles thereby confusing investors as to where they belong in the asset allocation policy and their contribution to overall performance in both risk and return. In the asset allocation mix: are they part of fixed income, equity or alternatives? Calamos will discuss how the use of convertible strategies can impact on asset allocation policy. As investors strive for lower correlations, global diversification and the potential for asymmetric upside and downside equity market participation in volatile markets, convertible strategies can provide a solution for managing risk.

"How to Make International Tax Treaties Work for You"
Alan Granwell, International Tax Partner Resident, DLA Piper's Washington, DC office

Description: High net worth cross border tax planning, to include: tax planning for expatriation (relinquishment of US citizenship or "green card" status), issues that arise where an individual is a dual resident
Community property issues when a US individual is married to a nonresident spouse, effective use of bilateral income tax treaties, and selected foreign trust issues.

"Increasing Globalization of Tax Issues: How to Sleep at Night"
William M. Sharp, International Tax Law Attorney at Sharp Kemm

Description: This presentation will provide an overview of the tax traps and hazards as well as tax planning opportunities for U.S. citizens investing in overseas markets and businesses, including a practical overview of the U.S. tax system governing global investments along with specific tax planning strategies and technical tactics to enable the investor to sleep well at night.

"Insurance Structures for Tax Savings and Asset Protection"
Stan Padgett, Sr. Vice President, Director Fortress Consulting Services, LLC

Description: The discussion will focus on the use of international insurance contracts that comply with the U.S. Internal Revenue Code and can be custom designed to accept in-kind assets as premiums, so that portfolio investments, real estate investments, Merrill Lynch and RBC managed accounts can be held inside a life insurance or annuity contract to obtain asset protection, income tax deferral on investment gains, and the potential for elimination of income taxation on investments in a life insurance contract. The discussion also will focus on planning opportunities for non-U.S. citizens who wish to hold U.S. investments on a tax advantaged basis without the need for withholding under FIRPTA and FDAP, or foreign citizens who may wish to become U.S. citizens or residents without subjecting their worldwide income and assets to the U.S. income and estate tax systems.

"Post Modern Portfolio Theory Advancements – Better Built Portfolios"
Dr. Frank Sortino, San Francisco State University, Sortino Investment Advisors & James Pupillo, Graystone Consulting

Description: Dr. Frank Sortino's Upside Potential Downside Risk Framework for portfolio construction integrates Post Modern Portfolio Theory (PMPT) advancements, and incorporates the works of multiple academics, including three Nobel Prize winners (Markowitz, Sharpe, Kahnemann/Tversky). This robust research and work of many globally renowned academic mathematicians and statisticians has been formulated into a PMPT optimizer known as an Upside Potential Downside Risk Framework, and has been observed and tested since 1981 by the Pension Research Institute by Dr. Frank Sortino and Colleagues. This framework is more robust than the conventional Mean Variance (MV) framework based on Modern Portfolio Theory (MPT). The Upside Potential / Downside Risk Framework better addresses fat tail events as we just experienced for example in the 2008 capital markets decline. **Discussion Topics:** Optimal Blending of Active & Passive Investments; Major Differences Between Modern & Post Modern portfolio Theory; A Review of Dr. Sortino's 30 years of Research on this Topic; Portfolio Construction Applications for Today's Fiduciaries and Investors.

"Understanding Inflation: Investing with Confidence in Any Inflationary Environment"
Heidi Richardson, Director, iShares Global Client Group

Description: You've made it through the turmoil of the last couple of years, and you probably feel you've got some pretty good strategies in place for watching and playing the market. But do you really have a deep understanding of the fundamental forces driving the economy? iShares' Heidi Richardson will discuss some of the main economic risks the US is facing over the coming decade, including the investment considerations for various inflation scenarios and the potential impact that these could have on every asset class in your portfolio. She'll also show you how you can position your portfolio either defensively or opportunistically based on your inflation outlook.

"What drives Foreign Exchange Currency Markets"
Charles Williams, Managing Director, Morgan Stanley Smith Barney

Description: Understanding your company's Foreign Exchange Risk factors is essential in global business today. Charles Williams has more than 25 years of experience working with corporations to identify and effectively manage currency risks in international businesses. Charles will discuss the factors that drive exchange rates, today's most pressing sovereign issues impacting currency valuations, rate projections by the major banks, and will touch on tools to manage corporate risk.

Selected Speaker Biographies

(Listed Alphabetically)

BARBARA M. BARRETT
US Ambassador, 2008-2009

Ambassador Barbara Barrett is President and CEO of Triple Creek Guest Ranch, a Montana Hideaway. Until January 2009, she was U.S. Ambassador to Finland. Barbara is a member of the boards of RAND, Aerospace Corporation and Hershey Trust. She co-chairs the Thunderbird School of Global Management capital campaign and is a member of the U.S.-Afghan Women's Council. Previously, Barbara was CEO of the American Management Association, an executive of two Fortune 500 corporations, Chairman of the Board of Valley Bank of Arizona and a member of the board of Raytheon, Exponent and The Mayo Clinic. She served in top executive roles in the Civil Aeronautics Board, the Federal Aviation Administration and the U.S. Mission to the United Nations. She taught leadership at Harvard's of and was Chairman of the Board of Thunderbird.

CRAIG R. BARRETT
Retired CEO/Chairman of the Board, Intel Corporation

Dr. Craig Barrett received his Ph.D. in Materials Science from Stanford University. After graduation, he served on the faculty of Stanford, was a Fulbright Fellow at Danish Technical University in Denmark, and a NATO Postdoctoral Fellow at the National Physical Laboratory in England. In 1974 Dr. Barrett joined Intel Corporation. He was elected to Intel Corporation's Board of Directors in 1992, became Intel's fourth president in 1997, chief executive officer in 1998, and chairman of the board in 2005, a post held until he retired in May 2009. Dr. Barrett is a leading advocate for improving education in theU.S.and the world, and is a vocal spokesman for the value technology can provide in raising social and economic standards globally. He served as Chairman of the United Nations Global Alliance for Information and Communication Technologies and Development, which works to bring computers and other technology to developing parts of the world. Dr. Barrett was appointed by the President as one of the private sector leaders of Change The Equation, a national education science, technology, engineering and math (STEM) initiative, and has been appointed by the President of the Russian Federation as the international co-chairman to lead the Board of the Fund for Development of the Center for Elaboration and Commercialization of New Technologies, a Russian "silicon valley" project under development outside of Moscow. Dr. Barrett is a member of the Board of Directors of Science Foundation Arizona and the Society for Science and the Public. He co-chairs Achieve, Inc., is president and chairman of the BASIS School, Inc. Board of Directors, and on the faculty of Thunderbird School of Global Management. Dr. Barrett is past chair of the National Academy of Engineering, co-chaired the Business Coalition for Student Achievement and the National Innovation Initiative Leadership Council, and has served as a member of the Board of Trustees for the U.S. Council for International Business, the Clinton Global Initiative Education Advisory Board, and the National Action Council for Minorities in Engineering. He serves on numerous other boards, policy and government panels.

SCOTT BECKER, CFA: Convertable Securities Investments
Senior Vice President, Senior Portfolio Specialist, Calamos Investments

As part of the investment team, Mr. Becker's responsibilities include the monitoring of investment portfolio activity, current positioning and risk attribution. He globally represents the Portfolio Management Team in market and strategy reviews with institutional investors and financial advisors. Mr. Becker brings 17 years of investment and financial services experience to his role. Prior to joining Calamos, he worked at Merrill Lynch Investment Managers (MLIM) as an Equity Portfolio Strategist and was the Senior Strategist for MLIM's U.S. value equity portfolios. Previously, he was a senior product manager with Van

Kampen Funds working with Morgan Stanley Asset Management portfolios, and he had previously spent three years as a financial analyst. Mr. Becker graduated with honors from the University of Illinois, where he earned a bachelor's degree in Finance. He is a CFA charter holder, a member of the CFA Society of Chicago and holds a Series 7 license.

STEVEN DONALDSON: GLOBAL ASSET PROTECTION AND RISK MANAGEMENT
Chairman of the Board of Fortress Financial Group, LLC

Since his graduation from Wayne State University in Detroit in 1967, Mr. Donaldson has been immersed in financial services in the U.S. and abroad. Mr. Donaldson has co-founded two trust companies and three insurance companies, all of which are successfully engaged in business today. He is widely known as a leading proponent of coordinating U.S. planning techniques with the utilization of international planning strategies to solve tax and asset protection problems. As a founder of Fortress, Mr. Donaldson's seeks to provide to families with $5-$150million, the same level comprehensive planning normally reserved for much wealthier families. He has lectured globally on Internal Revenue Service and U.S. Treasury requirements in international wealth planning.

SCOTT C. EVANS
Executive Vice President, Asset Management, TIAA-CREF

Scott Evans is Executive Vice President of Asset Management at TIAA-CREF and Chief Executive Officer of the company's investment advisory subsidiaries, Teachers Advisors, Inc. and TIAA-CREF Investment Management, LLC. He has oversight of the company's $426 billion in combined assets under management (as of March 31, 2010). In addition to his investment management duties, Mr. Evans oversees the TIAA-CREF Institute and the company's customer research and corporate strategy functions. He previously served as Chief Investment Officer, with responsibility for investment policy, strategy and oversight of the organization's equity and fixed-income portfolios. Earlier, he was head of CREF Investments, where he was responsible for managing the firm's equity portfolios and directing teams of global analysts and portfolio managers. He joined TIAA-CREF in 1985 as an investment analyst. Mr. Evans is a trustee of the International Accounting Standards Board Committee Foundation and a member of the investment committee of Stichting Pension funds ABP of The Netherlands, one of Europe's largest pension funds. He also serves on the Dean's Advisory Council at Northwestern University's Kellogg School of Management. Mr. Evans earned a B.A. from Tufts University and an M.M. from Northwestern University's Kellogg School of Management. He holds the Chartered Financial Analyst (CFA) designation and is a member of the New York Society of Security Analysts.

RUI DE FIGUEIREDO: TRACTION ON THE SLIPPERY SLOPE OF ALTERNATIVE INVESTMENTS
Professor, Stanford University

Professor de Figueiredo is a Stanford University Ph.D. specializing in American bureaucratic structure and performance: administrative procedures, policy durability, and agency jurisdictions, comparative institutional analysis, formal theory, ethnic conflict, political behavior, and interest group competition and strategies. He teaches courses on business and public policy, institutions, and formal theory of political institutions.

KATHERINE GARRETT-COX: A EUROPEAN PERSPECTIVE ON INVESTING
Chief Executive Officer and Director, Alliance Trust

Katherine Garrett-Cox joined Alliance Trust as Chief Investment Officer in 2007 and was appointed Chief Executive Officer 2008. Katherine Garrett-Cox graduated with a BA (Hons) in History at Durham University. Her early career was spent in US Fund Management with Fidelity Investments and UNI Storebrand before moving to Hill Samuel Asset Management as their Investment Director, Head of American Equities. In 2000 she joined Aberdeen Asset Management becoming an Executive Director in 2001 and Chief Executive of their operating subsidiary Aberdeen Asset Management Limited. In 2004 she became Chief Investment Officer for Morley Fund Management and a Board Director of a number of their subsidiary companies with specific responsibility for fund management teams in London, Dublin and Boston. Katherine Garrett-Cox is a trustee of The Baring Foundation.

ALAN W. GRANWELL: HOW TO MAKE INTERNATIONAL TAX TREATIES WORK FOR YOU
International Tax Partner Resident, DLA Piper's Washington, DC office

Mr. Granwell's practice encompasses representing multinational corporations on cross-border planning and includes: acquisitions, dispositions and business restructurings, IP migrations, services arrangements, repatriation planning, international transportation, cross-border leasing, transfer pricing and the use of bilateral tax treaties. He also advises high-net-worth individuals on cross-border tax planning and structuring. Recently, Mr. Granwell has become active in advising investors from emerging countries engaged in cross-border transactions involving the United States and Europe and in advising financial institutions and their clients on international tax enforcement initiatives. He conducts an active administrative practice, regularly representing clients before the Internal Revenue Service and the US Treasury Department (including negotiating advance pricing agreements, conducting competent authority proceedings, advising taxpayers on voluntary disclosures, assisting clients in obtaining regulatory changes and tax rulings and advising clients on tax legislation matters).Mr. Granwell was the International Tax Counsel and Director, Office of International Tax Affairs at the US Department of the Treasury; he authored numerous articles and is a frequent lecturer on international tax matters; and is one of the world's leading tax lawyers.

STANLEY T. PADGETT: INSURANCE STRUCTURES FOR TAX SAVINGS & ASSET PROTECTION
Sr. Vice President and Director of Fortress Consulting Services, LLC

Stan Padgett graduated with honors from Duke University School of Law in Durham, North Carolina, and became a member of the Florida Bar in 1982. He has handled civil litigation matters on behalf of businesses and creditors in state and Federal courts throughout the State of Florida. Mr. Padgett is admitted to practice before the Supreme Court of the United States, the United States Courts of Appeal for the Second, Fourth and Eleventh Circuits, the United States District Courts for the Middle and Northern District of Florida, and all Florida state courts. He achieved an AV rating in 1992, the highest rating awarded by Martindale Hubbell, a national peer review rating service, and has maintained his AV rating since. He specializes in the areas of securities, construction and business litigation. . For the past five years, he has worked almost exclusively in the areas of international asset protection and tax planning and he currently works for Fortress Family Office Group, LLC to provide more comprehensive planning services.

CAROL PEPPER: FAMILY LEGACY
Founder and Chief Executive Officer of Pepper International LLC

Carol comments regularly on the markets on www.forbes.com. She also writes a column for Forbes.com entitled “High Net Words.” In November 2009, Barron’s named Pepper International as one of the top family offices in the United States. In 2008, Pepper International LLC was awarded the Growth Leadership Award by the Family Wealth Alliance (www.fwalliance.com). Carol was named a 2007 Rising Star in Wealth Management by Institutional Investor News. Carol acts as an advisor to families of wealth and oversees the investment management, estate and tax planning, philanthropy and concierge needs of her clients. The firm has an expertise in Socially Responsible Investing and works with families who would like to have a strong focus on integrating their values into their investments and their philanthropy. The firm also focuses on families that have complex international issues such as family members with different nationalities and complex jurisdictional issues. Carol also acts as a consultant to families who would like to create their own operations, and has built family offices around the globe. Carol lectures extensively around the world on issues of interest to the family office industry. Past and current speaking engagement agendas are posted on the company website, www.pepperinternational.com. Carol has over 25 years of experience in the wealth management industry. Prior to forming Pepper International in 2001, Carol had extensive experience as a private banker at JP Morgan Private Bank, Citibank Private Bank and Credit Suisse Private Bank. She managed over $1 billion of private client assets as a Senior Relationship Manager and Portfolio Manager at Rockefeller & Co., the multi-family office formed by the Rockefeller family. As a principal at Morgan Stanley, she was instrumental in creating a web-based virtual family office prototype. Carol graduated cum laude from Bryn Mawr College in 1984 with a BA in philosophy and a minor in Russian language. She obtained an MBA in entrepreneurial studies from Columbia University Business School in 1989. She published her first novel called Beyond Blood, which is a wealth management thriller, in 2009.

JAMES A. PUPILLO, CIMA®, CIMC®
Senior Vice President, Investments; Institutional Consulting Director and Family Wealth Director

Jim a graduate of Indiana University has been involved in the Investment Management Consulting business since 1987. He began with E.F. Hutton's Consulting Group, which is today known as Morgan Stanley Smith Barney. Jim is a Certified Investment Management Analyst (CIMA) and holds a Investment Strategist Certification, both awarded by the Investment Management Consultants Association (IMCA) through the Wharton Business School, University of Pennsylvania. He completed as valedictorian the Accredited Investment Fiduciary (AIF) Program conducted by the Center for Fiduciary Studies,. Jim has published several articles and has been a contributor to several books on the subject of optimally blending active and passive investment strategies regarding portfolio construction and fiduciaries responsibility.

J. GRAHAM RUSSELL
Executive Director of CORE

Born, raised and educated in the UK, Russell has spent the last 32 years in the US, largely in CEO roles in the transportation and environmental services industries. He conducted one of the first major consolidations in the environmental testing industry in the late 1980s, building a highly profitable company with revenues of $50 million. In recent years, he has devoted himself to consulting work, mainly in the recycling, environmental services and clean tech sectors. For several years he was a Board Member of CORE (Connected Organizations for a Responsible Economy, the largest business association in the Rocky Mt. region dedicated to the promotion of more environmentally and socially responsible business practices). In 2006 Russell was responsible for creating the first Annual Sustainable Opportunities Summit, which has become the largest sustainability conference in this region, attracting nearly 650 people to the Denver, Colorado Convention Center.

WILLIAM M. SHARP, SR.
International Tax Law Attorney at Sharp Kemm

Mr. Sharp has handled a multitude of international tax planning and international tax controversy cases during his thirty year career. Before starting a boutique international tax practice, Mr. Sharp served as a partner with Trenam, Kemker, Scharf, Barkin, Frye, O’Neill and Mullis, P.A., where he led the firm’s international practice group. Mr. Sharp has served as lead counsel with respect to United States Tax Court, Internal Revenue Service appeals and examination cases, and he also has served as lead counsel and co-counsel on a multitude of Internal Revenue Service voluntary disclosure cases. Mr. Sharp maintains significant contacts with other major international tax law firms located within the U.S. as well as abroad, and Mr. Sharp maintains ongoing contacts with senior members of the National Office of the Internal Revenue Service, as well as with regional and field Internal Revenue Service offices. Mr. Sharp has served as an adjunct professor at the Stetson University School of Law and a lecturer at the University of South Florida Executive MBA program. Mr. Sharp is a frequent speaker on international tax and business law matters, and also has been quoted in the Wall Street Journal, the New York Times, and the Washington Post, Reuters, USA Today and other media on international tax topics. Mr. Sharp has been a member of the Society of International Business Fellows since 1985, and previously served as Chairman (2001). Mr. Sharp is a member of the Board of Advisors of The Carter Center, Atlanta, Georgia. Mr. Sharp is a frequent speaker on international tax and business law matters.

DR. FRANK SORTINO
Professor of Finance, Chairman, San Francisco State University; CIO, Sortino Investment Advisors

Since the early 1980s, when he founded the Pension Research Institute, Frank Sortino has been getting together with fellow PhDs to brainstorm better ways to manage and measure risk in the investment management industry. During that time, Sortino, a finance professor at San Francisco State University, and his friends in academia have churned out some pretty useful tools, including the Sortino Ratio, the Upside Potential Ratio and Omega Excess. These measures formed the basis of Post Modern Portfolio Theory (PMPT), which at its simplest distillation is downside risk management. At odds with the orthodoxy of Modern Portfolio Theory, PMPT has been relegated to a corner of the investment management world for years. However, Sortino's ideas and PMPT may be catching on: Downside risk management has a little bit more appeal after the 56 percent drawdown in U.S. equities between October 2007 and March 2009. Sortino recently began working with Morgan Stanley Smith Barney, whose advisors now include his methodologies in their asset allocation evaluations. And this fall, one of the largest national brokerage firms expects to make available a suite of funds based on Sortino ideas to 401(k) plan sponsor clients. (The firm requested anonymity as a contract has not been signed nor have the funds been approved for retirement plans yet.) A long-time critic of traditional target date funds — which calculate asset allocations solely based on an individual's age and risk tolerance, without regard to assets, income, contributions or goals — Sortino says his funds will give investors a clearer path to retirement with less risk of massive drawdowns. In light of what has occurred in the financial markets — as well as the disastrous failures to protect assets in many “conservative” target date funds — Sortino's funds will be worth watching. If they do what they're supposed to do, the retirement products market may soon get a PMPT makeover.