CALL FOR RESEARCH PROPOSALS

OVERVIEW:

The Kroner Center for Financial Research (KCFR, formerly known as Pacific Center for Asset Management (PCAM)) at the University of California San Diego was founded in 2019 with the mission to improve the dialogue between major asset owners around the world -- including sovereign wealth funds, pension funds, foundations and their beneficiaries – and the academic community in economics and finance. With the input of members of a CIO Advisory Council and an Academic Advisory Council, we seek to identify topics that are under-researched, but of high importance in asset management, and invite proposals for independent academic research on them. Benefits to academic researchers is financial support for relevant new research, access to new data sets and tools shared by member asset owners/CIOs, and a venue to present new research, to network with, and to gain feedback from industry experts.

TOPICS:

This year we identified the following topics:

- **Exploring alternative asset classes of private equity, infrastructure, and real estate for asset owners:** This topic seeks support for the pension industry’s ongoing effort to evolve its performance evaluation and asset class benchmarking toward a more holistic view of the overall success of the private asset mandates and away from the single point-in-time and imperfect benchmarks currently used in the industry. Potential components may include: (a) Review of academic and practitioner literature and practice; (b) Identify the drivers and levers of value creation in the various private asset classes; (c) Propose practical measures of success for individual drivers of value creation; and, (d) Propose a framework to evaluate relative success within the industry and versus public market counterparts. Research need not cover all three asset classes mentioned but can focus on one or more.

- **Scenario planning systems for risk management:** Prepare the pension industry for alternate economic futures that fall outside of current consensus expectations, some of which could test the sustainability of plans based on the typical investment strategies being employed today. Potential components may include: (a) Review consensus and potential alternative views on the long-term outlook for fundamental economic and capital market variables (e.g. demographics, labor productivity, economic growth, interest rates, implied equity market returns, etc.); (b) Use scenario analysis to illustrate potential paths pension funds could face and the implications for pension plan health associated with each based on average pension fund asset mixes; or (c) Explore strategies that pension funds could adopt to mitigate the risks associated with less favorable economic, energy and political security futures. This could include surplus management
approaches, the introduction of new asset classes or asset allocation techniques, or other means.

- **Challenging conventional wisdom on how pension fund organization impacts fund performance:** The goal of this topic area is to better understand bigger picture questions of how pension funds should be organized. This is not limited to but could include either of the following components: (a) What is the optimal size of a pension fund – are there gains to consolidation or gains to returns from having smaller funds acting independently; and, (b) Does the composition of the board impact the operation of the pension fund? Composition could be related to investment expert boards versus less informed boards, for example.

**SUBMISSION PROCESS:**

The Kroner Center calls for scholars to submit a proposal for a research project that addresses one of the three topics. Proposals will be reviewed by a committee drawn from the Center Academic Advisory Committee. The review committee will be chaired by Professor Andrew Karolyi of Cornell University. The goal is to fund one project for each of the three topics.

Proposals should be no longer than 5 pages and should describe the research idea, expected methodology to be employed, and data requirements. If a proposal is related to an existing working paper or publication by the submitter, then these are also welcome as part of the submission. Principal and co-investigators should submit updated CVs.

**BENEFITS AND EXPECTATIONS FOR PROPOSAL WINNERS:**

The KCFR can provide summer support for faculty, support for research assistants, assistance in procuring data sets, and expenses for attending Center meetings together with members of the CIO Advisory Council, Academic Advisory Council, and Industry Advisory Council.

KCFR-supported researchers are expected to provide a brief written quarterly research update on the progress of the funded research project and to be available to present a brief research update to the KCFR Advisory Councils at their semi-annual meetings (either virtually or in-person). The next semi-annual meeting is scheduled for January, 2023, in person in San Diego.

Ultimately, the completed research papers that come from the proposals will be presented at the KCFR Annual Conference at the University of California San Diego, Rady School of Management scheduled for January 2024. The aim of this forum is to bring together academics and industry leaders in a unique format to discuss frontier issues in investment management from multiple perspectives. The program will consist of an all-day academic conference with presentations by scholars and discussions by scholars and leading chief investment officers of major asset owners in the U.S. and Canada, as well as other market participants from asset management. A good mix of academics and industry practitioners should lend itself to insightful discussion. There will also be ample opportunities to interact with the conference participants outside of the formal panel sessions. In addition to the three KCFR-sponsored papers, we expect...
to invite additional papers through an open and competitive call for each research topic for presentation at the conference.

KCFR members include:

CIO Advisory Council
Chris Ailman, California State Teachers Retirement System (Chair)
Ramy Rayes & Rob Blazey, British Columbia Investment Management Corporation
Rod June, Los Angeles City Employees Retirement System
Jacky Lee, Healthcare of Ontario Pension Plan
Molly Murphy, Orange County Employees Retirement System
Amit Prakash, Alberta Investment Management Corporation
Steve Sexauer, San Diego County Employees Retirement Association
Betty Tse, Alameda County Employees Retirement Association

Academic Advisory Council
Robert F. Engle, New York University
Itay Goldstein, University of Pennsylvania
Wei Jiang, Emory University
Andrew Karolyi, Cornell University (Chair)
Kathleen McGarry, UCLA
John Shoven, Stanford University
Laura Starks, University of Texas Austin

Industry Advisory Council
Rui de Figueiredo & Ted Eliopoulos, Morgan Stanley
Robert Koenigsberger, Gramercy (Chair)
Stephen McCourt, Meketa Investment Group

Executive Directors: Graham Elliott and Michael Melvin, U.C. San Diego
Managing Director: Joe Sturtevant, U.C. San Diego

SUBMITTING A PROPOSAL:

To submit a proposal please send your submission by November 1, 2022 to Joe Sturtevant at jsturtevant@ucsd.edu. The expectation is that the proposal selection process will conclude with authors informed of a decision by December 15, 2022.