

# U.S. INSTITUTE

A Membership Organization of Institutional Investor, Inc.

## CEO ROUNDTABLE

FOUR SEASONS HOTEL  
2800 Pennsylvania Avenue, NW  
Washington, DC  
JUNE 20-22, 2018

### CONTINUITY AND CHANGE

The past year's surging markets obscured the tectonic shifts in the asset management industry and alleviated the pressure to make fundamental changes to the business model and value proposition for investors. As flows continue into passive strategies and fee pressure builds, many managers are tinkering around the margins, lowering fees on certain products, eyeing mergers to achieve scale, and adding the likes of multi-asset solutions, factor-based products and less liquid strategies, such as flavors of private debt. Meanwhile, demographic, regulatory and technological transformations loom, requiring new ways of thinking about clients, products, and talent to achieve growth in an increasingly competitive landscape. This meeting will provide a valuable opportunity to look ahead and share approaches, experiences, questions and views with peers.

#### WEDNESDAY, JUNE 20

6:30 PM      **WELCOME RECEPTION AND BUFFET DINNER**  
*Seasons Restaurant*

#### THURSDAY, JUNE 21

8:00 AM      **REGISTRATION AND LIGHT BREAKFAST**  
*Ballroom Foyer*

8:30 AM      **WELCOME AND AUDIENCE POLLING**  
*Corcoran Ballroom-Salon A*

**Lyn Perlmuth**, *Executive Director*, US Institute, New York

8:40 AM      **STATE OF THE INDUSTRY**  
*Corcoran Ballroom-Salon A*

Results of the annual Casey Quirk/ McLagan "Performance Intelligence" benchmarking study of US Institute member firms' profitability and cost analysis.

**Adam Barnett**, *Partner*, McLagan, Stamford, CT

**Jeffrey A. Levi**, *Partner*, Casey Quirk by Deloitte, Darien, CT

**Amanda Walters**, *Senior Manager*, Casey Quirk by Deloitte, Darien, CT

9:30 AM

**BREAKOUTS BY AUM ON CQM BENCHMARKING RESULTS**

*Algonquin, Douglass, Corcoran Ballroom-Salon B*

**A) AUM < \$50 Billion**

**Adam Barnett (Co-Moderator)**, Partner, McLagan, Stamford, CT

**Kim Shannon (Co-Moderator)**, President & Co-Chief Investment Officer, Sionna Investment Managers, Toronto

**B) AUM \$50-200 Billion**

**Jeffrey Phlegar (Co-Moderator)**, Chairman & Chief Executive Officer, MacKay Shields, New York

**Amanda Walters (Co-Moderator)**, Senior Manager, Casey Quirk by Deloitte, Darien, CT

**C) AUM >\$200 Billion**

**Jeffrey A. Levi (Co-Moderator)**, Partner, Casey Quirk by Deloitte, Darien, CT

**Shawn Lytle (Co-Moderator)**, US Country Head of Macquarie Group, Deputy Global Head of MIM, Philadelphia

10:15 AM

**COFFEE BREAK**

*Ballroom Foyer*

10:30 AM

**THE NEW CEOs: CULTIVATING THE NEXT GENERATION OF LEADERS**

*Corcoran Ballroom-Salon A*

The Baby Boom generation of asset management CEOs has started to retire, paving the way for a new cohort of Gen-X leaders. Northern Trust, Wells Fargo and William Blair are among the firms that have brought in young successors with a different set of skills and experience than has been common practice in the industry. This session will explore how firms are looking at their top talent and reevaluating the vision, abilities and expertise needed to position themselves in a new world for asset management. Equally, how does this next generation view the opportunities and challenges they're facing?

**George Wilbanks (Moderator)**, Partner, Wilbanks Partners, Stamford, CT

**Stephanie Braming**, Global Head of Investment Management, William Blair, Chicago

**Kristi Mitchem**, Chief Executive Officer, Wells Fargo Asset Management, San Francisco

**Shundrawn Thomas**, President, Northern Trust Asset Management, Chicago

11:30 AM

**REPUTATIONAL RISK STRATEGIES IN A #METOO WORLD**

*Corcoran Ballroom-Salon A*

A number of asset managers have recently faced unwelcome press scrutiny or public relations disasters. Ubiquitous connectivity, including the proliferation of social media, seems to have upped the ante on these risks and the ability to manage them. The #MeToo and TimesUp movements have emboldened employees and investors alike to raise concerns. Meanwhile, new data privacy regulations in Europe and the recent scandal over unauthorized use of Facebook data by a third-party vendor have shone a light on other reputational perils even as managers increasingly turn to alternative data for an investment edge. How should CEOs respond in the face of negative publicity? Are there ways to shape the flow of undesirable information as it emerges, and what responses are most effective in controlling damage? What

messages should those affected give externally, to clients, the press, the public? What are the legal risks, and what are the best ways to manage morale internally and retain staff?

**Julie Segal (Moderator)**, *Senior Writer*, Institutional Investor Magazine, New York  
**Steven Rubenstein**, *President*, Rubenstein, New York

12:15 PM

**LUNCH**

*Corcoran Ballroom-Salon B*

2:00 PM

**TREASURY PRIORITIES: THE ECONOMIC AND REGULATORY AGENDA**

*Corcoran Ballroom-Salon A*

**Steven Terner Mnuchin**, *Secretary of the Treasury*, U.S. Department of the Treasury, Washington, DC

3:00 PM

**M&A AND OTHER OPTIONS**

*Corcoran Ballroom-Salon A*

The \$50 billion of asset management mergers and acquisitions announced last year represented a high point since the financial crisis. Yet the number of deals dropped from prior years, raising questions about the use of M&A in future to solve the problems of undifferentiated mid-sized active managers. How successful have recent high-profile mergers been? Will future deals focus on niche strategies or geographies to enter new markets, fuel growth and round out product lines? What financing options are available? Other than mergers, what strategies should asset managers be considering going forward?

**Yie-Hsin Hung (Moderator)**, *Chief Executive Officer*, New York Life Investment Management, New York

**David Heaton**, *Managing Director*, Morgan Stanley, New York

**Bev Hendry**, *Chairman-Americas*, Aberdeen Standard Investments, Philadelphia

**Jeffrey Peek**, *Executive Vice Chairman*, Global Corporate and Investment Banking, Bank of America Merrill Lynch, New York

3:55 PM

**COFFEE BREAK**

*Ballroom Foyer*

4:10 PM

**THE ASSET OWNER PERSPECTIVE**

*Corcoran Ballroom-Salon A*

How are asset owners looking at their investment portfolios, and what are they expecting from their managers? What changes are they considering to address their biggest concerns? How are managers responding?

**Andrew Junkin (Moderator)**, *President*, Wilshire Consulting, Broomfield, CO  
**Jeffrey A. McCroy**, *President and CEO*, Christian Brothers Investment Services, Chicago  
**Gabriel Petre**, *Lead Investment Strategist, Pension and Endowments Department*, The World Bank, Washington, DC  
**Debra Brennan Tagg**, *Managing Partner*, Brennan Financial Services, Dallas  
**Kevin Uebelein**, *Chief Executive Officer*, Alberta Investment Management Corp. Edmonton, AB

**4:55 PM**      **LEADING THROUGH DISRUPTION: LESSONS FROM NEUROSCIENCE**  
*Corcoran Ballroom-Salon A*

Successful organizational transformations are difficult to achieve for a host of reasons, from adherence to established ideas and ways of doing things to loss of employee commitment and motivation in the midst of uncertainty. Some studies have put the average success rate at a mere 30%. As asset management organizations seek to position themselves to thrive in a changing industry, leaders must become more flexible, positive, and engaged. Our speaker will draw on neuroscience research, industry trends and best practices and share examples of how leaders are creating growth mindset cultures to enhance organizational ability and resilience in the face of change.

**David Rock**, *Director*, NeuroLeadership Institute, New York

**6:05 PM**      **TIME AT LEISURE**

**6:50 PM**      **BUS DEPARTURE TO ANDERSON HOUSE**

**7:00 PM**      **COCKTAILS AND DINNER WITH FEATURED SPEAKER AT ANDERSON HOUSE**  
*2118 Massachusetts Ave NW, Washington, DC 20008*

Designed as a "Florentine villa in the midst of American independence," Anderson House was originally the winter residence of Larz Anderson III, an American diplomat, and his wife, Isabel Weld Perkins. The 50-room mansion, which cost \$750,000 to construct in 1905, included a walled garden, tennis court and three-story carriage house and stable, helping to distinguish the couple among the capital's most sought-after hosts. Anderson was a descendant of an original member of the Society of the Cincinnati, a community founded in 1783 by the officers of the Continental army to preserve the memory of the American Revolution. Upon his death in 1937, the house was donated to the Society for use as a permanent headquarters and museum. The museum maintains exhibits relating to the war, the Society and Larz and Isabel's collection, which will be available to view during the cocktail reception.

**FEATURED SPEAKER:**

**Jeh Johnson**, *Partner*, Paul, Weiss, Rifkind, Wharton & Garrison LLP, *Former Secretary*, U.S. Department of Homeland Security, New York

**FRIDAY, JUNE 22**

**7:30 AM**      **BUFFET BREAKFAST**  
*Ballroom Foyer*

**8:15 AM ASSET MANAGEMENT IN EUROPE: CEO PANEL**

*Corcoran Ballroom-Salon A*

Uncertainty continues to plague the European political and economic outlook. The UK's relationship to the rest of Europe after Brexit remains unsettled, requiring British and third-country managers to defer big decisions or consciously make them with only partial information. The panel will also examine ESG developments in Europe, where ESG issues are now center stage for many investors. It will examine why moves to passive have been less severe than in the US but conversely why pricing pressure is higher in Europe. There also appear to be competitive differences across the pond, where M&A activity among asset managers is in full swing. From a product perspective, we will also examine the growth of total return funds in Europe. And finally, any panel on Europe wouldn't be complete without a discussion on the many regulatory challenges of operating in Europe's fragmented marketplace.

**Scott Anderson (Moderator)**, *Managing Director–Europe and Middle East, II Memberships & Conferences, London*

**John Ions**, *Chief Executive Officer, Liontrust Asset Management, London*

**Jean-Louis Laurens**, *Ambassador, Association Française de la Gestion financière, Paris*

**Julian Lyne**, *Chief Commercial Officer, Newton Investment Management, New York*

**Helmut Paulus**, *Chief Executive Officer, Quoniam Asset Management GmbH, Frankfurt*

**9:05 AM ESG: IS IT A BUSINESS?**

*Corcoran Ballroom-Salon A*

Many asset managers are espousing and implementing environmental, social and governance principles in their investment processes. But investors have very different goals and views on ESG factors, so devising a customizable process that is also a scalable business can be a major challenge. Relevant company metrics are difficult to identify, as are data on the impact of ESG-related initiatives and the effect on investment performance. This session will examine how asset managers are thinking about ESG as a business.

**Michael Even (Moderator)**, *Former Chairman, Man Numeric, Boston*

**Ben Dear**, *CEO, Osmosis, London*

**Lori Heinel**, *Deputy Global Chief Investment Officer, State Street Global Advisors, Boston*

**David Zellner**, *Chief Investment Officer, Wespath, Glenview, IL*

**9:50 AM COFFEE BREAK**

*Ballroom Foyer*

**10:20 AM RISKS AND OPPORTUNITIES IN CHINA**

*Corcoran Ballroom-Salon A*

Despite a forecast slowdown in growth, China's economy is poised to surpass the Eurozone's this year. And the nation's middle class is expected to balloon to more than 550 million by 2022, exceeding the total population of the U.S. Meanwhile, Xi Jinping has tightened his hold on power, and is focused on expanding China's global influence, even as the U.S. retreats from its historic leadership role. Now China is phasing out foreign ownership restrictions on a host of financial institutions, including asset managers, paving the way for foreign firms to take a

majority stake, moving to 100% ownership after three years. At the same time, the government is reshaping the asset management business with sweeping new guidelines to protect investors. This session will examine the opportunities for foreign managers in China—and the risks and costs of developing a business there.

**James McCaughan** (*Moderator*), *Chief Executive Officer*, Principal Global Investors, Des Moines, IA

**Lei Jing**, *Chief Executive Officer*, Harvest Fund Management, Beijing

**Arthur Lau**, *Co-Head of Emerging Markets Fixed Income and Head of Asia ex-Japan Fixed Income*, PineBridge Investments, Hong Kong

**11:15 AM**      **AI & MACHINE LEARNING: ADAPT OR DIE (with in-session table discussion)**  
*Corcoran Ballroom-Salon A*

As a knowledge-based business that puts a premium on investment talent, asset management has been slower than other industries to adopt new technologies and new forms of information. Yet firms are now beginning to commit resources toward developing artificial intelligence and machine learning capabilities in the hopes of improving investment performance. Skeptics counter that algorithmic investing based on the same data sets will result in convergence rather than differentiation. Our speaker will examine these assumptions and share his view on the impact these technologies will have on investing and the business of asset management.

**Angelo Calvello**, *Co-Founder*, Rosetta Analytics, *Columnist*, Institutional Investor, Woodbridge, IL

**12:30 PM**      **CONCLUSION OF ROUNDTABLE AND BUFFET LUNCHEON**  
*Corcoran Ballroom-Salon B*