

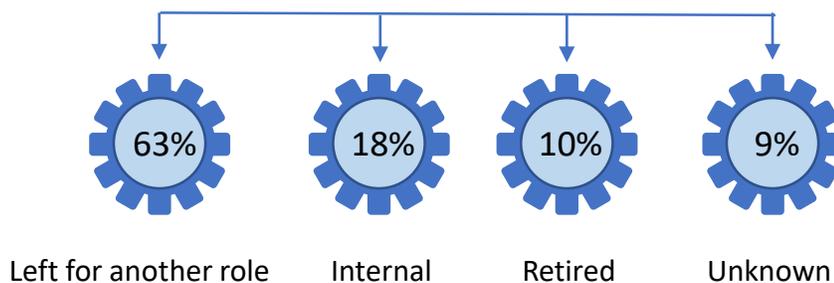
Perspective: Market & Talent Trends 2017

Investment Management: Sales, Marketing & Client Service

- Institutional sales, consultant relations, marketing and client service saw another growth year. Most of the investment in distribution hires has been focused on newer client channels promising higher growth rates.
- More was required from in-place teams and replacement hires as client demands for better quality and greater amounts of data continued.
- Hiring for distribution among managers with specialty and/or structured credit expertise remains strong along with distribution hiring broadly among alternative strategies including, Real Assets, Private Equity and Private Debt.
- Intermediary teams saw a general upgrading of talent with expansion focused across the independent B/D and RIA channels. As headwinds continue to exist at the larger distribution platforms with the rationalization of products, coverage changes and re-tooling at the national accounts level was common.
- The transition to multi-asset class and solutions-based investment offerings, coupled with the tug-of-war between indexing/ETFs and actively managed strategies, continued to drive the need for more sophisticated, technical investment expertise on institutional sales and service teams.



Movement Trends



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Sales, Marketing & Client Service

MARKET TRENDS

- Traditional asset managers are picking their spots for investment which included attracting assets from endowments and foundations by strengthening coverage with specialized teams and customized investment solutions, including more focus on SRI strategies.
- The OCIO channel is another area of interest for these managers with direct sales coverage often recruiting talent from the ranks of consultant relations teams.
- Insurance channel sales continued to see growth particularly at alternative asset managers that have seen greater allocations from insurance companies eager to add incremental yield to balance sheets.
- There is little investment in DB plan coverage or public fund sales teams outside of replacement hires or upgrading talent. However, firms have been willing to invest in consultant relations talent as a more efficient access point.
- Institutional DCIO sales and service growth has cooled with some of the larger platforms undergoing downsizing efforts. The multiple forces of fee compression, regulatory pressure and increased legal and compliance issues have increased the cost of growth even among market leaders.
- The revolution in financial technology continues to drive the rapid growth of the independent B/D and RIA channels and the associated growth of sales coverage teams to service them.
- Alternative investments continue to drive growth in the retail channels as firms develop scalable and liquid products while the reduction in access to major wirehouses and wealth platforms continues to be a challenge for many firms.

“Outsourced CIO (OCIO) market will add nearly \$1 trillion over five years to hit \$2.3 trillion in AuM by Q1 2022.”

- Cerruli Associates

“Our research indicates that the private credit industry could pass the symbolic \$1 trillion milestone by 2020.”

- Alternative Credit Council

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TALENT IMPLICATIONS

- The role of the Investment or Product Specialist, overseeing a sub-set of strategies, has become an essential function to deepen the quality of discussions with clients.
- Compensation remains very competitive for sales/marketing professionals with broad client networks, technical expertise and strong production, with complete transparency on these metrics expected during the recruiting process.
- Commissioned-based plans continue to be replaced by discretionary structures that value contribution to the team and incentivize behavior to grow the firm.
- Knowledge and experience with alternative strategies in Credit, Private Debt and across Real Assets are at a premium, particularly among traditional managers building capability in less liquid strategies.
- Professionals with relationships among endowments, foundations and family offices continues to be an area of investment among larger traditional asset managers with flat or no growth for public fund and corporate sales professionals.
- Wholesalers and national accounts professionals with strong technical investment knowledge and a consultative approach who can be effective with the due diligence teams at wirehouses, wealth platforms and private banks continue to be key hires.
- FA/RIAs place a high value on advisory around practice and business management. Wholesalers who have the experience to add value in these areas are at a premium.
- Strong investment acumen with the ability to articulate strategy and process is the compelling skill-set with alternative investment expertise at a premium.

“Multi-asset products will play a prominent role in institutional asset growth as global assets under management jumps to \$145.4 trillion (by 2020).”
- PwC Asset Mgmt. Practice

“Biggest challenges are getting time with Research and getting product approval at the big platforms.”
- Senior Retail Sales Executive

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NOTABLE MOVES & HIRES

Charlie Shaffer joined **Voya Investment Management** as Global Head of Institutional Distribution, responsible for sales, consultant relations, client service and relationship management. Prior, he was Global Head of Distribution for Credit Suisse Asset Management.

Carolyn Patton joined **First State Investments** as Head of Distribution, Americas. Patton is tasked with growing this Australia-based global asset managers' footprint in the Americas. She was formerly Head of Consultant Relations for Deutsche Asset Management.

Tom Fisher was appointed Head of U.S. Institutional at **Franklin Templeton Investments**, to oversee institutional sales, consultant relations and client relations. Prior, Fisher was Head of Consultant Strategy at JP Morgan Asset Management.

Erica Evans joined **Hirtle, Callaghan** as Head of Client Engagement for this Outsourced Chief Investment Officer (OCIO) firm. Evans was Head of Sales Strategy & Institutional Partnerships at Hartford Funds and prior EVP, Head of Sales & Marketing at Hartford Investment Management.

Frederik Axsater joined **Wells Fargo Asset Management** as EVP, Head of Strategic Business Segments - a new role to drive innovation for DC, ESG, and partnerships between the Wealth and Investment divisions. Prior, he was Global Head of DC and ESG at State Street Global Advisors.

Carter Sims joined **Thornburg Investment Management** as Head of Global Distribution. A long-tenured intermediary executive, Sims was formerly Head of U.S. Intermediary Distribution at Schroders.

Robert McGowan joined **State Street Global Advisors** as Head, Americas Institutional Partnership Sales. This newly created role oversees OCIO, sub-advisory and DC platform sales. McGowan was formerly with UBS Global Asset Management as Head of Third Party Retail and FIG.

Brain Lee was named SVP and Head of Retail Sales at **Carillon Tower Advisors**. Prior, Lee was National Sales Manager with CNL Securities.

Benjamin Boyer joined **Carillon Tower Advisors** as SVP, Head of Sub-Advisory Sales. Boyer was formerly at UBS Asset Management in a similar role.

Neil Johnson joined **BNP Paribas Asset Management** as the new Head of U.S. Institutional Business Development. He was formerly Head of U.S. sales for RobecoSAM.

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