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**BEST PLACES TO WORK IN MONEY MANAGEMENT**



**Investing**

## Distressed investment avalanche on horizon

Pandemic-induced recession to create 'once-in-a-decade' investing bargains

By ARLEEN JACOBIOUS

A massive distressed investment opportunity is coming — mainly in real estate and other sectors pummeled by the COVID-19 recession, some industry insiders say.

These consultants and credit managers such as Strategic Value Partners LLC call it a "once-in-a-decade" investment opportunity. In a recently released white paper, the distressed investment firm, also known as SVPGlobal's founder, and CIO Victor Khosla estimates that the core opportunity set, including the high-yield, leveraged loan and U.S. direct lenders markets, currently totals \$4.5 trillion worldwide.

He estimates another \$2.5 trillion potential investment opportunity is coming in asset-heavy, troubled sectors such as hotels and lodging, airplane financing, power generation and infrastructure.

The debt is mainly private and involves many businesses that are sound but overleveraged, Mr. Khosla said in the white paper. SVPGlobal has \$10 billion in assets under management in distressed debt investments. Other investors see opportunity as well.

At the Nov. 24 meeting of the \$28.3 billion New Mexico State Investment Council, Santa Fe, Jack Koch, a partner and head of global advisory services group at real estate consultant The Townsend Group, told the council that distressed real estate investment opportunities will result in a once-in-a-decade vintage year, "given the distress we



Matt Greenslade

**TRILLIONS:** Victor Khosla believes the opportunities will be found with good but overleveraged companies.

SEE **DISTRESSED** ON PAGE 53

## 94 firms cited as best of bunch

P&I recognizes group of money managers putting employees, culture at head of table

By JULIE TATGE

During a year in which so much of day-to-day office life was anything but business as usual, a record number of firms — 94 — earned a spot on the 2020 Best Places to Work in Money Management list produced by *Pensions & Investments* and its research partner.

In its ninth annual program, P&I worked with Best Companies Group, Harrisburg, Pa., to collect and analyze survey data to identify companies that stood out for their efforts to create a culture that sup-

ports employees and fosters their best work.

"In this very unusual year, we learned again that employers that consider the overall well-being of their employees are regarded well," said P&I Editor Amy B. Resnick, New York. "The best employers in 2020 are those that have stepped up with policies and practices to support and protect employees' physical and emotional health, while continuing to keep the focus on clients' needs. Our surveys found that the employers on the list

were likely to work hard to sustain their corporate cultures, even during times of pandemic

SEE **BEST PLACES** ON PAGE 54

### Every year is a winner for these 5 firms

Since the first Best Places to Work in Money Management program was launched in 2012, five firms have made the list every year:

- ▶ Baird Asset Mgmt.
- ▶ ClearBridge Investments
- ▶ Dana Investment Advisors
- ▶ Hamilton Lane
- ▶ Principal Global Investors

### MORE ON THE BEST PLACES

- Profiles of the winners begin on **Page 14**.
- How the survey was conducted. **Page 30**
- Focus on employee health, preserving culture. **Page 3**
- Changing the rules to meet new challenges. **Page 3**
- For the full report, go to [plonline.com/BPTW2020](http://plonline.com/BPTW2020)

### SOUND BITE



**ERNST & YOUNG'S JOSEF PILGER:** Raising the retirement age to deal with increasing longevity is like 'trying to run from a tsunami with baby steps.' **Page 2**

The robots are here, so put your money down

Thomas H. Lee Partners sees now as the time to invest in a productivity boom that robots and AI will bring. **Page 8**



### ESG

## Investors drop nice-guy role on climate change laggards

By HAZEL BRADFORD

Institutional investors and others are using new tactics to push oil and gas companies to get serious about climate change.

Traditional shareholder methods of getting energy companies' attention, like shareholder resolutions or corporate engagement, will not be enough to meet the Paris Agreement goal of bringing greenhouse gas emissions to zero within

the second half of the 21st century, investors say.

One of the most dramatic steps came Dec. 9, with New York State Comptroller Thomas P. DiNapoli's announcement that the \$226 billion New York State Common Retirement Fund, Albany, will divest from the riskiest oil and gas companies by 2025 and decarbonize the entire portfolio by 2040.

The move follows the 2018 announcement. SEE **CLIMATE** ON PAGE 54



Mark L. Emerson

**AND SO IT BEGINS:** New York state Sen. Liz Krueger thinks calls to divest oil company stock will 'sweep the country!'

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Cover illustration by Peter Hoey

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Callan is eyeing the impact a rumored sale of Wells Fargo's \$607 billion asset management business would have on its Galliard subsidiary. **Page 6**

**Pension funds**

Taking over as CEO of a pension fund is never going to be easy, but Blake Hutcheson did so in the midst of the global pandemic. **Page 4**

The Pension Benefit Guaranty Corp.'s single-employer and multiemployer programs improve, but the latter is still at risk of insolvency. **Page 11**

**Washington**

A bipartisan group of lawmakers is working toward a deal to solve the multiemployer pension plan crisis. **Page 6**

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**Sponsor survey in progress**

*P&I* is accepting late responses to the annual survey of the largest U.S. retirement funds. Sponsors with combined U.S. pension and defined contribution plan assets of \$1.3 billion or more are eligible. Results will run Feb. 8.

To request a survey or obtain further information, please contact Anthony Scuderi at [ascuderi@pionline.com](mailto:ascuderi@pionline.com) or 212-210-0140, or visit [www.pionline.com/section/surveys](http://www.pionline.com/section/surveys).

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[www.pionline.com](http://www.pionline.com)**Investors**

# More institutions segregating China A shares

Investors hoping to enhance returns by creating dedicated exposures to hot asset class

By PAULINA PIELICHATA

Institutional investors increasingly are splitting out China equities from their emerging market equity allocations to gain more exposure to alpha opportunities and better manage environmental, social and governance risks.

Global allocators from Europe and Australia recently have created dedicated exposures to China A shares, despite the increasing weight of China shares in major emerging market equity indexes.

In June, FTSE Russell completed the first stage of its China A-share integration into its FTSE Emerging All Cap index, increasing China's weight to 6% and adding 1,051 new large, medium and small-cap companies. Starting in 2018, MSCI Inc. began to include China A shares in its MSCI Emerging Markets index. The index had more than 1,500 China A shares, which constituted 5% of the index, as of Aug. 30, along-



Simon Vine

**A PLACE OF ITS OWN:** Graham Long said his U.K. fund created a separate portfolio for China in October.

side a 37.4% exposure to China through the offshore market.

However, FTSE Russell announced Dec.

4 that it will remove eight Chinese companies from its global and China A indexes in

SEE CHINA ON PAGE 52

**Regulation**

# Changes wanted on lifetime income proposal

Before final adoption, many say assumptions need to be modified

By BRIAN CROCE

As the retirement industry prepares to provide mandatory annual lifetime income disclosures to participants in ERISA-governed defined contribution plans, a variety of stakeholders are calling on the Department of Labor to make changes before the rule goes into effect next year.

In August, the Labor Department unveiled an interim final rule outlining how plan sponsors would convert participants' account balances into an estimated monthly income stream at retirement. The Setting Every Community up for Retirement Enhancement Act, a comprehensive retirement security package known as the SECURE Act that Congress passed late last year, required the Labor Department to promulgate the regulation and issue a final rule.

Following a 60-day comment period that concluded last month, the Labor Department is now reading through the retirement industry's observations and suggestions before it issues a final rule, which likely won't happen until the Biden administration is in office next year. Since the rule was established under the bipartisan SECURE Act, the incoming administration is unlikely to attempt any fundamental changes, sources said.

There were a few common suggestions and clarification requests in many of the 36 comment letters the Labor Department received, chief among them repeated calls to amend the assumptions used to calculate lifetime income projections.

Using assumptions set forth in the rule, plan administrators would show participants equivalents of their retirement savings as monthly income under two potential scenarios — first, as a single life annuity; and second, as a qualified joint and survivor annuity that factors in a

SEE LIFETIME ON PAGE 49



**FLEXIBILITY SOUGHT:** Edmund F. Murphy III thinks the DOL interim rule as it's currently written could stifle innovation.

**Investing**

# Coronavirus woes supersede longevity risks in Asia for now

By DOUGLAS APPELL

The coronavirus pandemic has made it even tougher this year for Asia-Pacific governments to grapple with unprecedented longevity risks to retirement savings, analysts say.

Governments' focus on "cushioning the economic effects of the coronavirus" has pushed demographic challenges from the headlines even as the window of opportunity to address issues — such as how to finance retirements that will stretch over 20 to 30 years — is closing, said Michaela Grimm, a Munich-based senior economist with Allianz Group. Ms. Grimm helped author the Allianz Pension Report 2020 the company issued in May. The pandemic "has distracted

us," shifting the focus of governments in the region from the threat longevity poses for retirement savings even as a number of countries here get old "at a pace never seen on earth before," agreed Ashley Palmer, Hong Kong-based regional managing partner, Asia retirement and investment, with Aon Hong Kong Ltd.

The U.S., U.K. and Europe took 80 years to transition from "aging societies," with 7% of their populations at 65 years of age or over, to "super-aged societies" with 20% in that age bracket. But that's happening "in about 10 years in some Asian markets," Mr. Palmer noted.

Asset owners called that shift in government focus this year understandable even if steps to provide

SEE LONGEVITY ON PAGE 49



**NOT A PRIORITY:** Michaela Grimm believes any chance to address longevity risk is being pushed aside by efforts to fight the pandemic.



**BEST PLACES TO WORK IN MONEY MANAGEMENT**

# Managers focus on employee health, preserving culture

Firms nurture a network of support for workers forced to work from home

By **CHRISTINE WILLIAMSON**

Money managers are as razor-focused on the preservation of their corporate cultures and the well-being of their employees as they are on their investment strategies and clients with the COVID-19 pandemic continuing to wreak havoc worldwide.

recognized 94 firms in 2020. "Money management executives are finding that their cultures are at a pivotal point right now and the decisions they are making about their company's future are likely to be transformational," said Kevin P. Quirk, the Darien, Conn.-based principal of Casey Quirk, a practice of Deloitte Consulting LLP.

**Some start to plan for future**

Mr. Quirk said that while "many firms still are in survival mode, a significant minority are beginning serious planning for their firms' futures post-pandemic."

These firms are mapping out operational issues including workforce deployment (in the office or not); their real estate footprint; more use of virtual communication to strengthen and enhance employee and client engagement; technology and outsourcing; and most importantly, attracting and retaining the best talent during and after the COVID-19 pandemic, Mr. Quirk said.



**TALK IT UP:** Jeffrey T. Diehl of Adams Street believes more frequent meetings will become a permanent thing after the pandemic eases.

Employees of firms as large as PGIM Inc., with 2,637 U.S. employees, as well as a small firms like Aetos Alternatives Management LP, with 33 U.S. staffers, described collaborative, supportive company cultures that helped them to work remotely during the coronavirus pandemic.

Both PGIM and Aetos are among the newcomers this year to *Pensions & Investments'* annual Best Places to Work in Money Management program, which

managers to rate the difficulty of sustaining corporate culture during the COVID-19 outbreak. Nearly 60% of the 80 firms that responded to the question indicated that they were having some difficulty, while 5% said it was very difficult. The remaining firms that responded reported no difficulty.

These survey responses may mask to some extent the true difficulty of managing

SEE **CULTURE** ON PAGE 44



**THANK YOU:** Sally-Ann Tschanz said Capital Group employees caring for loved ones appreciated the extra time off.

# Firms change the rules to help workers meet new challenges

By **DANIELLE WALKER**

Money managers loosened corporate policies and enhanced existing benefits to look out for the physical and mental health of employees during an extremely challenging year, said executives of firms placing in *Pensions & Investments* Best Places to Work in Money Management program.

Firms that placed among the 94 winners in 2020 specifically took steps to bolster their support of employees during the pandemic and amid a global outcry over police brutality and racial inequality.

In response to the unprecedented events of 2020, Los Angeles-based Capital Group Cos., which had 7,013 U.S. employees and \$1.9 trillion in assets under management as of June 30, provided three paid days off this year for employees to use for either COVID-19 testing or time off for mental health. Capital Group ranked first among

companies with 1,000 or more employees in the Best Places program.

Employees also received 10 paid days off if they are diagnosed with COVID-19, and six paid days off for "family care," or family needs that came up as a result of the pandemic, said Sally-Ann Tschanz, senior vice president and co-head of human resources.

Ms. Tschanz, who is based in Geneva, said Capital Group initially gave employees three paid days off in March for family care, and then added an additional three days in September.

"We got a positive response (from employees) for that," she said, noting that many employees with child-care responsibilities as well as responsibilities for elderly family members in assisted living facilities needed the additional time off.

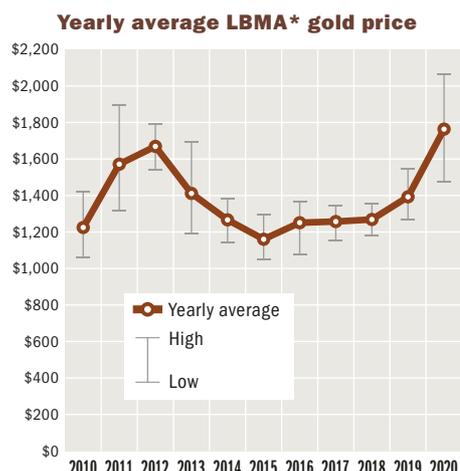
Regarding the three paid days off for mental health, Ms. Tschanz said the employees could

SEE **BENEFITS** ON PAGE 45

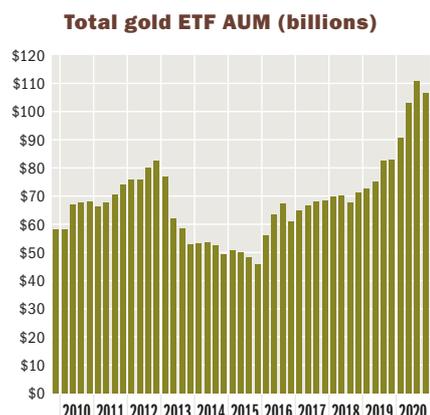
## Buy gold's pullback?

Significant economic changes in 2020 have had a profound impact on the price of gold, which reached a new high of \$2,063.54 this year. Gold drew significant attention of many market commentators and investors as it approached and then passed the psychologically important level of \$2,000 per troy ounce. With real interest rates low for the foreseeable future, one wonders whether now is a great time for institutional investors to diversify their portfolios directly with gold.

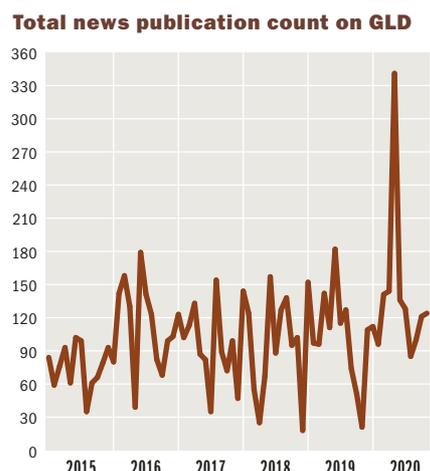
**Going up:** Driven by a very uncertain global economic and health-care environment, the price of gold rose more than 20% year-to-date. More importantly, the average price this year would — if the price holds — represent a new all-time average high.



**Wide appeal:** Total investments in gold ETFs are now more than \$100 billion. In terms of demand, net speculative positions in U.S.-based futures contracts are also positive, but off their 2020 highs. Central bank buying has slowed, while demand for physical bars and coins has surged.



**In the news:** Gold hit an all-time high in August. Prior to that, news articles on the SPDR Gold Trust — the largest gold ETF — spiked. With the buzz subsiding, demand seems to have lessened and the price fell.



**Glittery outlook?** Negative interest rates and almost limitless central bank easing give gold a strong tail wind. Projections in the U.S. point to at least several more years of negative real interest rates. Even if pandemic concerns subside in 2021, there are other geopolitical issues that could impact gold's price.



\*London Bullion Market Association. Sources: Bloomberg LP

Compiled and designed by Aaron M. Cunningham and Gregg A. Runburg

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### Pension Funds

## Early arrival gives OMERS' new CEO a running start

Unexpected pandemic puts a whole different dynamic on transition

By SOPHIE BAKER

Taking over as CEO of one of Canada's largest pension funds was never going to be easy. Doing so in the midst of a global pandemic — and also at an earlier date

than expected — is an entirely different thing.

When the coronavirus pandemic hit early this year, Blake Hutcheson, incoming CEO at the C\$109 billion (\$83.9 billion) Ontario Municipal Employees Retirement System, Toronto, was invited to “come for the ride” alongside outgoing CEO Michael Latimer.

Although he did not officially replace Mr. Latimer until June 1, Mr. Hutcheson — at the time president and chief pension officer, accepted.

Mr. Latimer, a good friend and supporter of Mr. Hutcheson over the years, “was a great running mate and was a wise counsel to me during (that) period of time,” Mr. Hutcheson said.

As with any person in a position of leadership, it's been a long year, he said. But his biggest takeaway from the trials of 2020, from a macro, high-level point of view, “is how impressive the central banks have been around the world. We do have a front-row seat.”

Leaders of Canadian plans and banks had a good relationship with the governor of the Bank of Canada at the time — Stephen S. Poloz — who “made himself available at a moment's notice,” Mr. Hutcheson said.

The coordination between the central banks and their counterparts across the globe was impressive, Mr. Hutcheson added, while the feeling that central banks would do “whatever it takes ... was just incredibly impressive to me and it actually took the temperature down,” he said.

At a micro level, Mr. Hutcheson's 3,200 staff of “very committed people” demonstrated an “all-hands-on-deck attitude.”

The most difficult part of dealing with the pandemic has been operating with the responsibility of what Mr. Hutcheson calls double vision. “On one hand, (you) have to focus on the here and now. On the other hand, you have to be very sober about the operational challenges and the human challenges, and the dual responsibility of keeping your people ... productive, getting their jobs done individually and collectively, and looking after their well-being.”

Mr. Hutcheson is working to keep his “eyes on that horizon — for a plan that's been here for 58 years, this is a moment in time,” and he

SEE HUTCHESON ON PAGE 56

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### CORRECTIONS & CLARIFICATIONS

■ A story in the Nov. 30 issue on page 8, “Foundations pair up to evaluate diversity of their money managers,” incorrectly stated that Kristen Mack, spokeswoman for the MacArthur Foundation, and Christopher Finley, Lenox Park Solutions chief financial officer and chief operating officer, did not respond to requests for further information. Ms. Mack said the pair collaborated on a joint statement with the Kresge Foundation.

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## Washington

# Senate continues searching for solutions to retirement security

Multiemployer fix, broader protections studied by lawmakers

By **BRIAN CROCE**

A bipartisan group of lawmakers is negotiating a deal to solve the multiemployer pension crisis while work continues on broader retirement se-

curity packages in Congress.

The Senate Finance Committee's subcommittee on Social Security, pensions, and family policy held a hearing Dec. 9 on the challenges facing Americans' retirement security. While talk mostly focused on legislation aimed at improving defined contribution plans, there were hopeful signs of a potential compromise to deal with the multi-employer pension crisis.

"We've been negotiating with our Democratic colleagues for more than a week to find a solution on the multiemployer pension (issue), and I'd still like to find a way to reach a deal," said Sen. Chuck Grassley, R-Iowa, finance committee chairman. "Both sides have very much been working diligently and very much in good faith, and I appreciate that and we plan to

SEE **SENATE** ON PAGE 55



Tom Williams/CQ-Roll Call

**ONE GOAL:** Sen. Chuck Grassley said the bipartisan group is 'working diligently' to find answers.

## Money Management

# Stability of Wells Fargo boutique questioned

By **DANIELLE WALKER**

Investment consultant Callan is eyeing the impact that a rumored sale of Wells Fargo's \$607 billion asset management business would have on subsidiary Galliard Capital Management, public investor documents reveal.

If Galliard, a Wells Fargo subsidiary specializing in stable value funds, "were to be carved out," in a potential sale of Wells Fargo Asset Management, "it maintains the investment capabilities and front office to stand on its own, however, back office and compliance would need to be rebuilt due to 2019's business realignment," a recent investment performance report by Callan said.

The North Carolina Supplemental Retirement Board of Trustees, Raleigh, recently published the Callan report on its website for its Dec. 3 board meeting.

North Carolina placed Galliard, which manages a \$2.3 billion stable value fund for its 401(k) and 457 plans, on its watchlist in June 2019, citing concerns about the stability of Galliard after the announced retirements of several senior executives at the firm, including President Karl Tourville and Richard Merriam, both founding partners.

North Carolina's 401(k) and 457 retirement plans had \$13.2 billion in combined assets as of Sept. 30, according to the investment performance report.

"Additional recent organizational changes (at Galliard) include the partners' retirements in late 2019 and the sale of (Wells Fargo's) record-keeping business, which represented a third of the Wells Fargo Stable Return Fund's AUM at the time of sale," Callan said in its report.

The consultant specifically noted that "organizational stability remains uncertain," at Galliard and that parent company Wells Fargo "is rumored to be exploring the sale of the asset management division."

Galliard had \$95.8 billion in total AUM as of Sept. 30, with stable value representing \$80.4 billion, its website said.

In October, sources said Wells Fargo had been approached by multiple special purpose acquisition companies regarding selling its asset management business. At the time, the firm had rejected the proposals, the sources said.

Analysts since have said that rival firms Goldman Sachs and J.P. Morgan Chase are among the logical suitors for Wells' asset management unit, should a sale take place.

Wells Fargo and Callan declined to comment. ■

P&I | CONFERENCES

## DC Investment Lineup Virtual Series

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Events of the last year have forced us out of our comfort zones and into a state of re-examining our wants and needs. Financial Wellness took on new importance as did reassessing how much we will really need to retire and how to get there safely. Participants have become more engaged and have done a better job asking for advice on how to keep a cool head and make educated choices in the midst of chaos.

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**Questions?** For more details please contact Elayne Glick at (212) 210-0247 or [eglick@pionline.com](mailto:eglick@pionline.com).

\*Only asset owners, endowments, foundations and a limited number of investment consultants are invited to attend.

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## FRONTLINES

Harry Campbell/The i Spot

## AUTOMATIC WIN?

## Thomas H. Lee Partners sees robots driving future returns

The robots are here! And Thomas H. Lee Partners LP in November collected \$900 million in capital commitments betting that the productivity-improving technology behind robots as well as artificial intelligence and business integration services will continue to spread.

Technology has improved to a point that company executives can see a return on their investment, said Jim Carlisle, a managing director at the private equity firm and head of the THL Automation Fund, a \$900 million private equity fund that closed in November and is aimed at investing in automation companies.

"Automation solves many of the challenges companies face in today's business environment, including managing labor, increasing throughput, improving accuracy and delivering on customer

expectations," Mr. Carlisle said in an email.

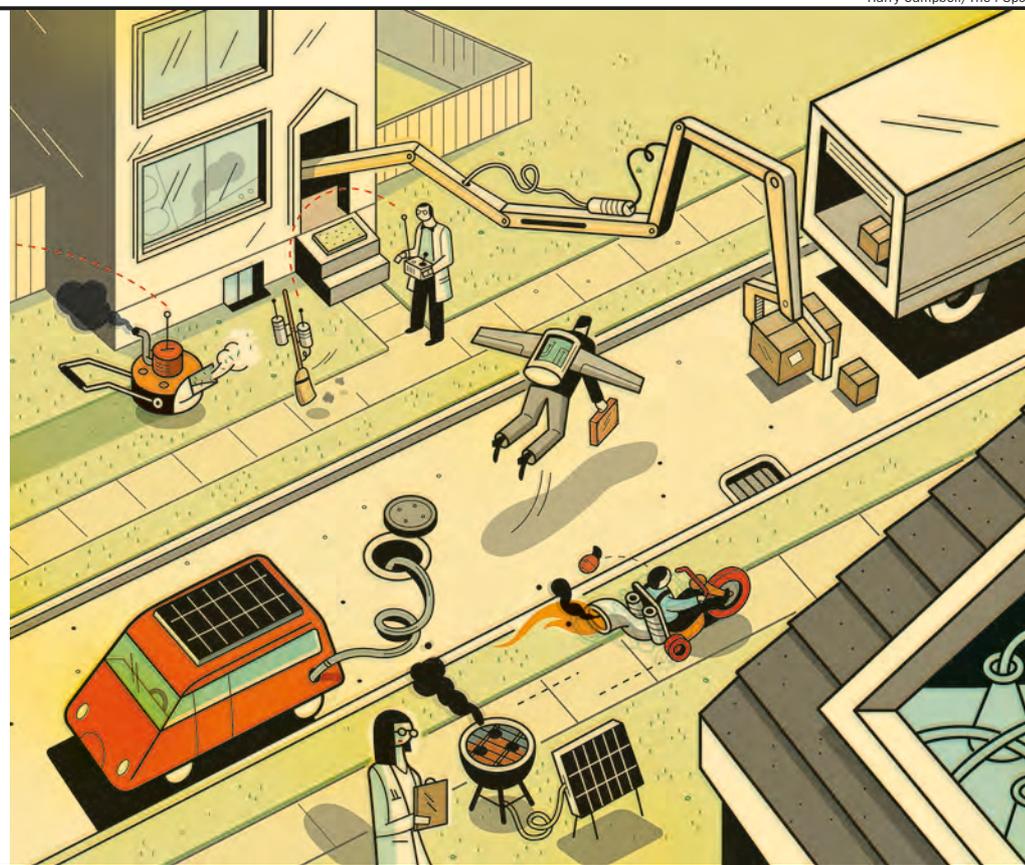
The technology is marching across industries from e-commerce, health care and agriculture to real estate and consumer products, he said.

T.H. Lee views automation as a \$140 billion total addressable market, which is automation's expected revenue potential.

The pandemic has increased the move toward automation, Mr. Carlisle said.

"Think about the demands from e-commerce today," he said. During the pandemic, there's been an increase in demand, "while, simultaneously, it is harder to find reliable labor to make goods, sort and pick them from warehouses and ultimately deliver them to consumers," Mr. Carlisle said. "Automation helps every phase."

— ARLEEN JACOBUS



## FILLING A NEED:

Pete Cherecwich said cryptocurrency custody is necessary as interest in the investment has grown among institutional investors.



## EVOLVING MARKET

## Custodian planned for institutions that have cryptocurrency

Northern Trust teamed up with SC Ventures, the innovation and ventures unit of Standard Chartered, to launch Zodia Custody, a cryptocurrency custodian for institutional investors.

The agreement, announced Dec. 9, is subject to registration with the Financial Conduct Authority, the U.K. financial services watchdog, and regulatory filings and customary closing conditions. Zodia is expected to begin operations in London in 2021, according to a news release.

"The introduction of digital custody backed by the know-how and experience of global banks is a breakthrough in the evolution and support of institutional cryptocurrency markets," said Pete Cherecwich, president of corporate and institutional services at Northern Trust, in the news release. "Zodia's robust capabilities will make it possible for institutional asset owners, family offices and asset managers to invest in a range of cryptocurrencies as interest continues to grow in these emerging and innovative financial instruments."

Pending approval, Zodia will provide custody services for the most-traded cryptocurrency assets: Bitcoin, Ethereum, XRP, Litecoin and Bitcoin Cash.

Institutional investors currently account for 9% of investments in cryptocurrencies, according to the news release. Historically, the biggest hurdle for institutional investors jumping into the cryptocurrency market has been a lack of custody capabilities. In late 2018, Fidelity Investments became the first major player in institutional custody to offer cryptocurrency custody and trade execution operations with the launch of Fidelity Digital Assets. — BRIAN CROCE

## SOME RELIEF

## Voya offers fee break for minority-owned firms

Voya Financial is giving minority-owned businesses a break on retirement plan fees given the heavier financial toll these businesses have endured from COVID-19.

Through the end of June 2021, the record keeper is offering its Just Right Advantage, a program with a one-time fee credit to certified minority-owned enterprises that establish new retirement plans or retain the ones they have. Eligible employers include minority-, women-, veteran-, disabled- and LGBTQ-owned businesses.

The fee credit ranges from \$500 to \$5,000 depending on the size of the plan, and it can be used to offset plan fees for record-keeping and third-party administration services. The fee credit is also offered to the non-profit organizations serving minority businesses.

"We believe it's an important time to

support the businesses and communities that have been most heavily impacted by the COVID-19 pandemic," said Bill Harmon, president of retirement corporate markets for Voya in Windsor, Conn.

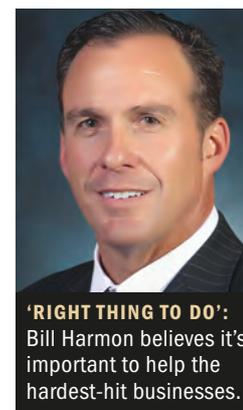
The pandemic hit minority businesses especially hard due to forced closures and lack of access to relief funds, Mr. Harmon said, citing a Federal Reserve Bank of New York study showing that 41% of Black-owned businesses and 32% of Latinx-owned businesses shut down between February and April. In contrast, only 17% of white-owned businesses closed during that time.

Even before the pandemic, many owners of minority businesses faced

challenges that limited their ability to grow, including "disparities in educational attainment, personal wealth and access to capital," Mr. Harmon said. "It's just the right thing to do."

To be eligible, entities must be certified for the program, while non-profit entities must be 501(c)(3) organizations. They must also adopt plan features to support increased participation and savings,

including automatic enrollment, automatic escalation and the implementation of advisory services to help employees "stay on track with their goals through ongoing guidance and education," Mr. Harmon said. — MARGARIDA CORREIA



'RIGHT THING TO DO': Bill Harmon believes it's important to help the hardest-hit businesses.

## PANDEMIC-INSPIRED GROWTH

## CAIA's expansion to online exams yields big results

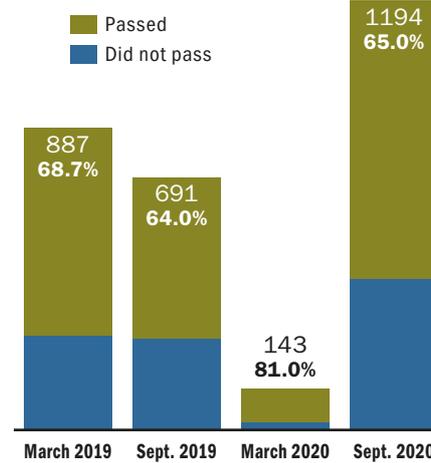
The Chartered Alternative Investment Analyst Association had the largest turnout of people taking — and passing — its exam to receive its CAIA designation in the organization's history after allowing people to take its exams online as well as in person.

The organization announced in July that those wishing to take its exams granting either its standard CAIA or Financial Data Professional designations in September could do so online because of the COVID-19 pandemic. CAIA partnered with technology firm Pearson VUE to both administer online proctored exams and identify physical sites that would allow in-person testing.

"There's no doubt that our North Star is the integrity of the exam. But when you look at the unprecedented dislocation (caused by COVID-19),

### Level II pass rates

Total candidates that sat for the exam and the overall number who passed.



you've got to pivot," said John L. Bowman, CAIA Association senior managing director. "We owed it to everyone to provide a solution."

CAIA reported that 4,230 people registered to take one of its exams in Septem-

ber, up 33.4% from the 3,170 who took the tests in September 2019. Of the 1,837 people who took CAIA's Level II exam in September, 65%, or 1,194, passed the exam. By comparison, 1,080 took the Level II exam in September 2019 and 691, or 64%, passed.

Providing the exams online also allowed people from more than 90 countries to participate, 38 of which had never had access to the tests before; participants from those countries previously had to leave their country to take the exam.

CAIA also expanded its base of in-person testing centers. Currently, there are 570 centers where those wishing to take the exams in person may do so, including in 30 countries where no brick-and-mortar sites previously existed. Mr. Bowman added that online proctoring "is here to stay."

"The future of education is digital, and CAIA is going to continue to be at the forefront of that," he said. "So online proctoring is going to have a permanent residence in our offering. In what form and what scale post-vaccine remains to be seen." — JAMES COMTOIS

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# Pensions & Investments

## OPINION



## EDITORIAL

## Seeking an investment consultant? Caveat emptor

Institutional asset owners must use great care and due diligence when it comes to more than just investments. That same duty of care extends to navigating the increasingly complex world of investment consultants.

It is important to vet well, and thoroughly, those companies hired to help select investment managers.

As the landscape of companies offering consulting services for traditional investments as well as alternatives gets more complex, buyers need to make sure they understand the potential for conflicts and prepare themselves and their teams with training and education.

Such conflicts come in myriad forms, as consolidation grows and fee pressures increase. As fiduciaries, asset owners need to ensure that the advice they are paying for and receiving from their consultants is putting investors' needs first.

Keith Ambachtsheer, in an article in the Nov. 30 issue of *Pensions & Investments*, said there continues to be "asymmetric information between buyers and sellers of investment consulting services, with the sellers knowing more about what they are selling than the buyers know what they are buying."

That creates challenges. While increased due diligence education and training can help institutional investors be more informed buyers, the need for those steps is another example of how the bar for fiduciaries is rising as truly independent investment consultants are becoming harder and harder to find.

Some asset owners are beefing up disclosure requirements on their RFPs, bringing due diligence efforts in-house or issuing consultant contracts on a fixed-fee, non-discretionary basis.

Efforts like these underscore a tenet of hiring an investment consultant: caveat emptor. ■

## OTHER VIEWS PAUL GREENWOOD

## Improving manager diversity means ending the shortcuts

Let's assume we're all past the point of disputing the benefits of greater diversity within asset management. The tougher question we now face is, how do we make it happen? Indeed, given our industry's knack for expediency, increasing the share of assets under management by women- and-minority-owned firms will require a disruption — one that will force allocators to rethink their investment manager selection processes.

The reality is that typical investment manager selection practices have the effect of being biased, albeit unintentionally, against women- and minority-owned firms. Modifying these practices would not only improve diversity, but it would likely also improve investment performance.

To understand how these biases arise, we must first consider how allocators select



**Paul Greenwood** is the CEO and chief investment officer of Pacific Current Group in Tacoma, Wash.

investment managers. The process typically begins when an allocator is frustrated by the weak intermediate-term performance of an investment manager and asks its consultant to give it a list of replacement managers that will ostensibly perform better. After filtering out those firms with track records that are too short or below average, whose assets under management remain below a threshold and whose investment teams haven't worked together long enough, a handful of managers are suggested to the allocator. Sometimes the allocator supplements the consultant's work with

suggestions, but more often than not the allocator simply requests that three or four managers appear at a finals presentation, where the managers pitch their capabilities. After the presentations, the allocator normally selects the manager with the best intermediate-term performance.

Obviously, there is a lot wrong with this type of selection process, and the problems go far beyond mere performance-chasing. Such processes are fraught with behavioral biases and have the effect of diverting allocators away from diverse firms, which tend to be newer and smaller than their peers. Indeed, according to self-reported data from eVestment, there is a meaningful difference in size and tenure between firms with and without significant women or minority ownership. Most firms do not even report on their minority ownership levels, but among firms that did as of June 30, those that reported greater than 50% women or minority ownership had a median AUM that was only 16% of the median AUM of firms with less than 50% women or minority ownership. Likewise, firms with greater minority ownership were founded on average nine years after those with less.

The use of criteria that happen to be skewed against diverse firms would be more understandable if it was shown to add value

SEE **GREENWOOD** ON NEXT PAGE

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## OPINION

## Greenwood

CONTINUED FROM PREVIOUS PAGE

to allocators. After all, no fiduciary should allocate to a diverse firm simply to check a box. Considerable research suggests, however, that smaller (and presumably newer) firms tend to perform better than bigger ones in most asset classes. Accordingly, these widespread selection practices are not only biased, they are actually injurious to the allocator's own economic interests.

To see the shortcomings, allocators should look no further than the criteria used the next time a large public plan wants to hire a new small-cap investment manager. They'll likely see minimum requirements such as \$2 billion of firmwide AUM, \$500 million of product-level AUM and a GIPS-certified track record of at least five years. Once allocators overlay the inevitable strong recent performance required for inclusion, they have the perfect recipe to identify a manager that has benefited from recent stylistic tailwinds; has grown rapidly; and now manages enough capital in the selected strategy that their future return prospects are notably less than they have achieved historically.

Presumably, these criteria are used as convenient proxies to ensure the manager's financial health, its commitment to a product, the scalability of a particular strategy or the relevance of its historical performance. These are all legitimate concerns, but each of these issues would be more appropriately addressed through

**The use of criteria that happen to be skewed against diverse firms would be more understandable if it was shown to add value to allocators. . . . Considerable research suggests, however, that smaller (and presumably newer) firms tend to perform better than bigger ones in most asset classes.**

direct discussion and analysis.

For example, allocators could ditch arbitrary track record minimums and instead focus on questions that actually address the risks they're aiming to mitigate:

- Is the track record consistent with the investment philosophy and process?
- Does the track record cover enough market environments?
- How relevant is the track record based on people and process changes that have occurred at the firm?

Similarly, an allocator's insistence on certain size requirements is likely intended as a rough proxy of an investment manager's financial sustainability or ability to accommodate larger allocations. If an allocator were to ditch AUM

thresholds altogether, it could evaluate the same risks by investigating whether a firm has necessary resources to effectively implement its investment strategy or by asking about a firm's financial runway or back-up resources should its revenues stagnate.

Finally, instead of lapsing into a simple construct of "more years of experience is good and fewer years of experience is bad," allocators should seek to understand the impact of experience on a particular manager's investment proposition. After all, many managers lose their edge over time due to factors such as the increased hubris and complacency that often accompany investment success and wealth, or simply the evolution in the roles of different team members. To bypass firm age or years of experience, allocators could more carefully consider the relevance of investment team members' prior experience, the changes in roles and responsibilities at the firm over time, and the motivation of the personnel.

Given that women-and-minority owned businesses tend to be newer and smaller, they will continue to be disadvantaged so long as allocators stick to crude rules of thumb to filter their opportunity set instead of thinking critically about which managers are most likely to produce the best results in the future. Real manager diversity will only occur when allocators employ more defensible criteria and demand the same from their consultants. In doing so, not only will the diversity of manager selection improve, but so will performance. ■

## Financial health of PBGC programs continues to diverge

By HAZEL BRADFORD

The Pension Benefit Guaranty Corp.'s single-employer program continues to improve, while the slight gain in the agency's struggling multi-employer program is unlikely to keep it from becoming insolvent, according to the agency's fiscal year 2020 annual report released last week.

The programs "are in dramatically different financial positions," PBGC Director Gordon Hartogensis said in a message attached to the report.

Mr. Hartogensis attributed part of the single-employer program's continued improvement to PBGC's investment policy that returned 10.55%, and its liability driven investment strategy. The program ended the fiscal year with \$15.5 billion as of Sept 30, \$6.8 billion more than a year earlier.

The single-employer program remains exposed to more than \$176 billion in underfunding from pension plans that could potentially become claims to PBGC. In fiscal 2020, the agency paid \$6.1 billion in benefits and assumed responsibility for 69 single-employer plans.

By contrast, the PBGC multiemployer insurance program "continues to face a crisis" and is highly likely to become insolvent in 2026. Mr. Hartogensis said.

The deficit improved slightly over the fiscal year, from a negative net position of \$63.7 billion this year, compared to a net deficit \$65.2 billion in fiscal 2019.

The slight improvement in fiscal 2020 was a result of a 2019 law that addressed the imminent insolvency of the United Mine Workers of America 1974 Pension Plan.

In fiscal 2020, the agency provided \$173 million to 95 multiemployer plans, compared to \$160 million to 89 plans in fiscal 2019. ■



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## DC ROUNDUP

# Aon registers pooled employer plan with Labor Department

Aon PLC registered its pooled employer plan with the Department of Labor and plans to launch it Jan. 1, the company said Dec. 3.

Two employers will join the plan at its launch, and three others will join by April, said Rick Jones, partner at Aon's Retirement Solutions.

Mr. Jones declined to identify the employers.

The initial employers, which span the aerospace, chemical, music production, pediatric medicine and petroleum industries, each have \$10 million to \$100 million in assets under management, but many organizations that Aon has in the pipeline to join the plan are "materially larger than that," Mr. Jones said.

The early adopting employers are in the midsize category "largely given the governance structures that they've got in place to make decisions quickly and move quickly," he said.

## PSCA says most employers made no contribution cuts

An overwhelming majority of 401(k) plan sponsors didn't change their employer contributions to their plans during the COVID-19 pandemic, a report by the Plan Sponsor Council of America said Dec. 8.

The report, based on responses from 139 plan executives, noted that 91.2% took no action, 3.7% suspended company matches and 1.5% reduced company matches. The report added that 1.5% reduced non-matching employer contributions, 0.7% suspended non-matching contributions and 0.7% were "considering changes."

PSCA also reported that plan executives' responses to the pandemic were less dramatic than plan executives' reactions during the 2008-2009 economic crisis.

Hattie Greenan, research director for PSCA, part of the American Retirement Association, said in a news release that "four times as many employers suspended or reduced the match (during 2008-2009) than compared to now."

Remarking that employers' responses "seem more measured" now than during the economic crisis, Ms. Greenan added, "We may be seeing the impact of lessons learned."

## Survey: 71% that stopped contributions will reinstate

Seventy-three percent of defined contribution plan sponsors that suspended or reduced their employer contributions this year are planning to reinstate them or consider reinstating them over the next 12 months, according to a survey by Willis Towers Watson.

Additionally, 21% have already reinstated their matches and 60% have either reinstated them or plan to reinstate them at the same level as before, the survey found.

The survey also showed that 66% of employers have added or are very interested in adding at least one innovative design feature to their DC plans, the most popular being the implementation of employee rainy day funds backed by



Raynelle Grace



Lesley Nurse



Hanneke Smits



Carol Waddell



Wendy Wattenberg



Chris Weirath

## 6 executives honored by DCIIA for their work on diversity, inclusion

The Defined Contribution Institutional Investment Association on Dec. 10 honored six financial and retirement industry executives for its inaugural Diversity and Inclusion Awards.

The executives are:

■ **Raynelle Grace**, head of active equity product management at Vanguard Group and a member of the Vanguard Black Professionals Network senior leadership team. She led Vanguard's 2020 Women's Initiative for Leadership Success Summit.

■ **Lesley Nurse**, head of North American consultant relations for Neuberger Berman Group. She is a member of the firm's operating committee and its diversity council "and has contributed to the development of the firm's strategy and execution of equity, inclusion and diversity initiatives," DCIIA said in a news release. Ms. Nurse also is a senior sponsor of the Neuberger Berman's Black Employee Resource Group.

■ **Hanneke Smits**, CEO of BNY Mellon

Investment Management. Ms. Smits is a member of BNY Mellon's executive committee. Smits was previously CEO of Newton Investment Management, a BNY Mellon investment firm. "In her prior role, Smits established Newton's diversity and inclusion committee, which led to the introduction of a new recruitment policy with targets relating not only to gender, but also ethnic and socioeconomic diversity," the news release said.

■ **Carol Waddell**, senior vice president and head of the retirement solutions group for Empower Retirement and a member of Empower's executive committee. Ms. Waddell also is co-chair of the Empower Diversity, Belonging and Equity Council and executive sponsor of the Women's Empowerment Network business resource group.

■ **Wendy Wattenberg**, a partner and global client manager at Mercer. For the past eight years, she has led the New York chapter of Women@Mercer, focusing on gender parity. In

2019, Wendy became global co-chair for Women@Mercer.

■ **Chris Weirath**, senior vice president of global account management for the workplace solutions group for Morningstar Investment Management. "She represents the workplace group on the Morningstar Diversity and Inclusion board and has been active in Morningstar's Executive Leadership for Women program," the news release said.

The executives were chosen by a committee of DCIIA members from a list of nominees "for their demonstrated commitment to driving change in improving diversity and inclusion within their organizations, industries, and/or communities," the news release said.

"Shining a spotlight on diversity and inclusion has been one of our top priorities over the last two years since we formed our member-led D&I steering committee to explore ways DCIIA should be engaging in this area," Lew Minsky, the association's president and CEO, said in the release. ■

employee after-tax contributions. Forty-five percent of those either have that design feature in place (26%) or are extremely or very interested in adding it (19%).

Other features employers have adopted or are considering are student loan repayment options linked to the DC plan as well as allowing employees to choose between a variety of benefits, including employer DC plan contributions, the survey said.

The survey was conducted in September and is based on responses from 464 U.S. employers that sponsor at least one defined contribution plan.

## Cognizant 401(k) lawsuit alleges ERISA violations

Former participants in a 401(k) plan run by Cognizant Technology Solutions U.S. Corp., Teaneck, N.J., have sued the company and fiduciaries alleging a series of ERISA violations.

The plaintiffs accused the defendants of failing to control record-keeping costs, keeping certain investments when similar and/or less expensive options were available, and failing to "objectively and adequately" review the investment plan lineup, according to court documents.

"Their actions were contrary to the actions of a reasonable fiduciary," said the complaint in the case of Milano et al. vs. Cognizant Technology Solutions U.S. Corp., filed Dec. 2 in U.S. District Court in Newark, N.J.

Jodi Sorenson, a Cognizant spokeswoman, wrote in an email

that the company doesn't comment on pending litigation.

The Cognizant Technology Solutions 401(k) Savings Plan had \$1.6 billion in assets as of Dec. 31, 2019, according to its latest Form 5500.

## Sponsors say participants held fast with investments

Most 403(b) plans recorded no changes in participant behavior and/or employer contributions due to COVID-19, according to a survey by the Planned Sponsor Council of America and Principal Financial Group.

Based on a survey of 270 sponsors conducted in October, PSCA said 74.7% experienced no change in loan activity and 72.8% saw no changes in hardship withdrawals since the onset of the coronavirus.

The report noted that 20.3% of sponsors recorded an increase in plan loans while 5% were unsure, and 22.4% noticed an increase in hardship withdrawals with 4.7%.

Among the respondents, 13% had 1,000 or more participants; 22.2% had between 200 and 999 participants; and the rest had fewer than 199 employees.

## Alerus acquires retirement plan administrator RPS

Alerus Financial Corp. agreed to acquire Retirement Planning Services, a Littleton, Colo.-based retirement plan administrator, confirmed Brian Overby, president of Alerus division Alerus Retirement and Benefits, in an email.

Terms of the deal, which is ex-

pected to close on Dec. 18, are not being disclosed.

Retirement Planning Services provides administration services for more than 1,000 plans with a total of 48,000 participants.

Alerus had about \$30.5 billion in assets under administration or management in retirement and benefit services as of Sept. 30. The acquisition is expected to increase Alerus' AUM/AUA by roughly \$1 billion.

## University of Pennsylvania settles ERISA case

University of Pennsylvania has agreed to settle a complaint filed by current and former participants in a university 403(b) plan who alleged ERISA violations regarding fees and plan management.

The agreement was announced Dec. 1 in a brief notice issued by U.S. District Judge Gene E.K. Pratter in Philadelphia.

Terms of the settlement were not disclosed, but details are expected by Jan. 14 in the case of Jennifer Sweda et al. vs. Jack Heuer et al. Ms. Sweda is one of the participants; Mr. Heuer is vice president of human resources for the University of Pennsylvania.

The participants sued in 2016 alleging seven ERISA violations. Ms. Pratter dismissed all allegations in September 2017. The participants appealed.

The 3rd U.S. Circuit Court of Appeals in Philadelphia ruled in May 2019 that Ms. Pratter had erred in applying a proper standard of review for two of the seven

complaints, sending the case back to her.

The appeals court panel ruled 2-1 that plaintiffs had "plausibly stated a claim" when they accused plan managers of paying excessive administrative fees and failing to "comprehensively review" plan management.

The University of Pennsylvania Matching Plan had \$4.42 billion in assets as of Dec. 31, 2018, according to the latest Form 5500 filing.

## Coca-Cola bottler faces 401(k) fiduciary suit

Participants in Coca-Cola Consolidated Inc.'s 401(k) plan are arguing in a class-action ERISA lawsuit that the bottling company and related parties have breached their fiduciary duties in managing its \$784 million plan.

The lawsuit, filed Nov. 24 in U.S. District Court in Charlotte, N.C., by plan participants Cheyenne Jones and Sara J. Gast, claims that participants were not notified of the plan's expenses and the risks of its investment options, according to court documents. The defendants also "allowed unreasonable expenses to be charged to participants," and selected and retained high-cost and poor performing investment options when there were more prudent alternative investments available, the documents said.

Kimberly Kuo, a spokeswoman for Coca-Cola Consolidated, and Jeremy R. Williams, an attorney with the law firm Whitfield Bryson LLP and counsel for the plaintiffs, could not be reached for comment.

# How to make the most of dry powder



**DANIEL MORRIS**  
Chief Investment Officer and  
Head of Systematic Investments  
Wells Fargo Asset Management



**KEVIN KNEAFSEY**  
Senior Investment Strategist  
Multi-Asset Solutions  
Wells Fargo Asset Management

**D**iversification and liquidity can safely kindle the performance of institutional investors' dry powder assets while they wait for private markets to call.

In fact, a diversified, highly liquid portfolio that provides the highest return for the risk taken can balance the shortfall risk, which is the potential for having insufficient capital when private market managers call capital, and opportunity cost, which is the risk of returns forgone by being away from the desired allocation.

*“Diversification is about how you spend risk, not how you spend capital.”*  
- KEVIN KNEAFSEY

This dynamic dominates traditional approaches such as leaving dry powder — capital that is committed to private markets but not yet called and invested by private market managers — disbursed throughout the strategic asset allocation, or holding dry powder in cash or public market assets that attempt to replicate the private market, according to a recent report titled “A New Approach to Dry Powder Investing,” by Wells Fargo Asset Management.

“We know all the reasons why institutional investors look for illiquid or private investments,” said Daniel Morris, chief investment officer and head of systematic investments at Wells Fargo Asset Management. “But they end up with a structural challenge about how to invest while they’re waiting for their dry powder assets to be put to work, and it’s testing a different part of their mindset. It’s no longer about looking at private investment, it’s about thinking about liquid investments again.”

While the challenge of investing dry powder has been an issue as long as there have been private markets, the response to that challenge requires a fresh look, according to Kevin Kneafsey, senior investment strategist multi-asset solutions, at Wells Fargo Asset Management.

“What has changed is that there [are] now over \$2.3 trillion in global dry powder assets, [an amount that has] grown 2.7 times over the last nine years. [It] now impacts a much broader swath of investors than it used to and impacts them at a greater scale,” Kneafsey said.

## UNIQUE CHARACTERISTICS, UNIQUE PORTFOLIO

The three characteristics specific to dry powder investing, according to Morris, include:

- 1) It’s funded with a future fixed-dollar commitment that’s legally binding;
- 2) The size and timing of the capital calls are uncertain; and

- 3) The time horizon for capital calls can be up to five years.

The first characteristic gives rise to shortfall risk, the second eliminates the possibility of cash flow matching and the third creates potentially meaningful opportunity cost of forgone returns. This trade-off between shortfall risk and opportunity cost creates the dry powder dilemma, Morris said.

According to the report, holding dry powder in cash and/or equities carries its own risks with a potential for varying negative impacts. For example, while cash can minimize shortfall risk, with its low risk of capital loss, it has high opportunity cost because expected cash returns are less than those of other asset classes. Meanwhile, replicating private market assets with public equities, for example, can significantly lessen the opportunity cost with higher expected returns, but it can present greater shortfall risk because potential market losses could lead to insufficient capital when calls are made.

“Few investors can play the extremes: ‘I want to solve the opportunity cost problem, so I’m going to invest in equity’; or ‘I’m going to solve for certainty and avoid shortfall, so I just want to invest in cash,’” Morris said. “And you can’t say, ‘I want take half of one and a half of the other’ and think that you get a better outcome. It’s just a scaled version of the risk — so you’re basically trying to make two wrongs into a right. You need to think, ‘How can we optimize the trade-off between these two and actually build a better portfolio that starts to minimize shortfall risk, minimize opportunity cost, with sufficient liquidity, and meet that need without having an actual hedge available?’ That’s exactly where the dry powder portfolio comes in.”

Wells Fargo’s recommended dry powder strategy adheres to a maximum Sharpe ratio, requiring greater diversification of a wider variety of assets, Morris and Kneafsey said.

*“This environment has created a situation in which careful investment of dry powder is even more important.”*  
- DANIEL MORRIS

“Diversification is about how you spend risk, not how you spend capital,” Kneafsey said. “And the big risks in a portfolio are things like their exposures to economic growth, to interest rates and to inflation. It’s balancing those macro risks.”

An appropriate asset mix, Kneafsey said, “is a well-balanced portfolio across assets that are really exposed to economic growth risk — assets such as equities and credit spreads — balanced with assets that are really sensitive to interest rate changes — assets like sovereign bonds. And then a bit less

of an investment in assets that will rally when inflation could hurt both those growth-sensitive assets and those rate-sensitive assets.”

Because institutional investors have different sensitivities to shortfall risk and differing needs for more return, “there is that ability to take that maximum Sharpe ratio portfolio and apply some leverage to it, if an investor needs lower opportunity cost and they’re willing to take more shortfall risk,” Kneafsey said. “But it’s the same pro-rata weightings in that portfolio, whether it’s levered or unlevered.”

## BREAKING HABITS

When it comes to assets parked temporarily before deployment, most institutional investors have stuck to the basics of leaving it invested throughout their strategic asset allocation or invested in cash or in a replicating asset like public equities, Kneafsey said. This approach is borne out of their deep experience in public markets, where transition management suggests exposures be replicated when moved from one manager or portfolio to another, as there is no risk of shortfall.

“I think most investors have come into [the private markets] space having spent a lot of time in public markets,” Kneafsey said. “They took that public market mindset: ‘What do we do? We replicate. We buy the best benchmark for this, or if the transition horizon is short enough, we hold cash.’ Those are the two obvious answers, and they’re actually not the right answers for dry powder.”

Along with risk reduction and liquidity, an incredibly volatile and uncertain 2020 has created another good reason to have a more diversified dry powder portfolio, Morris said.

“If you think back over nine years of growth through early this year, we’ve actually had pretty much rising markets throughout that period,” he said. “But now, [investors] are seeing that growth challenged in a number of different places. COVID-19 led to the fall in equity markets, and those were bigger in world markets than in U.S. markets. So those with a global portfolio would have been impacted more than those with a more domestic portfolio. And typically, we’ve seen people move to more global portfolios. And interest rates are low, so holding fixed-income portfolios with a big yield carry is not there either. And we’re seeing yields compress significantly over the last nine years as well. Those big drivers have put people in a trickier spot right now than they would have been for any of those prior years.

“This environment has created a situation in which careful investment of dry powder is even more important,” Morris said. ■

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# BEST PLACES TO WORK IN MONEY MANAGEMENT

PROFILES WRITTEN BY SUZANNE COSGROVE, JUDITH CROWN, MEAGHAN OFFERMAN, TRILBE WYNNE and JULIE TATGE

## The winners

### Super employers

(1,000 or more U.S. employees)

- FIRST PLACE:**  
Capital Group
- SECOND PLACE:**  
Neuberger Berman Group
- THIRD PLACE:**  
PGIM
- FOURTH PLACE:**  
T. Rowe Price
- FIFTH PLACE:**  
Principal Global Investors
- SIXTH PLACE:**  
Athene USA

### Major employers

(500 to 999 U.S. employees)

- FIRST PLACE:**  
TCW Group
- SECOND PLACE:**  
Schwab Asset Mgmt. Solutions
- THIRD PLACE:**  
Voya Investment Mgmt.
- FOURTH PLACE:**  
AQR Capital Mgmt.
- FIFTH PLACE:**  
Western Asset Mgmt. Co.
- SIXTH PLACE:**  
Lord Abbett

### Large employers

(100 to 499 U.S. employees)

- FIRST PLACE:**  
ClearBridge Investments
- SECOND PLACE:**  
Income Research & Mgmt.
- THIRD PLACE:**  
Intercontinental Real Estate
- FOURTH PLACE:**  
Mesirow Financial
- FIFTH PLACE:**  
Harbert Mgmt.

### Other winners (alphabetical):

- ▶ Adams Street Partners
- ▶ Advent International
- ▶ Ariel Investments
- ▶ Beach Point Capital Mgmt.
- ▶ Brandywine Global Invest. Mgmt.
- ▶ Busey Wealth Mgmt.
- ▶ California State Teachers' Retirement System
- ▶ Cohen & Steers
- ▶ Conning
- ▶ DiMeo Schneider & Associates
- ▶ Fort Washington Investment Advisors
- ▶ GCM Grosvenor
- ▶ Hamilton Lane Advisors
- ▶ Harrison Street Real Estate Capital
- ▶ LaSalle Investment Mgmt.
- ▶ Legal & General Investment Mgmt. America
- ▶ PanAgora Asset Mgmt.
- ▶ PineBridge Investments
- ▶ Resolute Investment Managers
- ▶ Schroder Investment Mgmt. North America
- ▶ SLC Mgmt.
- ▶ Stockbridge Capital Group
- ▶ Westwood Holdings Group
- ▶ William Blair Investment Mgmt.
- ▶ WisdomTree Asset Mgmt.

### Medium employers

(50 to 99 U.S. employees)

- FIRST PLACE:**  
Vulcan Value Partners
- SECOND PLACE:**  
Adviser Investments
- THIRD PLACE:**  
Bailard
- FOURTH PLACE:**  
MRA Associates
- FIFTH PLACE:**  
Polen Capital Mgmt.

### Other winners (alphabetical):

- ▶ Aksia
- ▶ Aviva Investors
- ▶ Baird Asset Mgmt.
- ▶ Ballentine Partners
- ▶ Blue Vista Capital Mgmt.
- ▶ Canterbury Consulting
- ▶ Corbin Capital Partners
- ▶ Element Capital Mgmt.
- ▶ GuideStone Capital Mgmt.
- ▶ Innovest Portfolio Solutions
- ▶ Kennedy Capital Mgmt.
- ▶ Los Angeles Capital Mgmt. & Equity Research
- ▶ Modera Wealth Mgmt.
- ▶ National Real Estate Advisors
- ▶ Parnassus Investments
- ▶ Penserra
- ▶ Stadion Money Mgmt.
- ▶ Strategic Retirement Partners

### Small employers

(20 to 49 U.S. employees)

- FIRST PLACE:**  
Your Wealth Effect
- SECOND PLACE:**  
Dana Investment Advisors
- THIRD PLACE:**  
Satori Capital
- FOURTH PLACE:**  
Cornerstone Advisors Asset Mgmt.
- FIFTH PLACE:**  
Bridgeway Capital Mgmt.

### Other winners (alphabetical):

- ▶ 361 Capital
- ▶ AAM Insurance Investment Mgmt.
- ▶ Aetos Alternatives Mgmt.
- ▶ ASB Real Estate Investments
- ▶ Balentine
- ▶ Belle Haven Investments
- ▶ Capital Investment Cos.
- ▶ Cardinal Investment Advisors
- ▶ Crossmark Global Investments
- ▶ Elion Partners
- ▶ Garcia Hamilton & Associates
- ▶ intellicents
- ▶ LeafHouse Financial
- ▶ Lyrical Partners
- ▶ McKinley Capital Mgmt.
- ▶ Ninety One North America
- ▶ Palladium Equity Partners
- ▶ Pugh Capital Mgmt.
- ▶ River and Mercantile
- ▶ Shelton Capital Mgmt.
- ▶ Spectrum Investment Advisors
- ▶ Star Mountain Capital
- ▶ WEDGE Capital Mgmt.
- ▶ Xponance

## MANAGERS



### FIRST PLACE Capital Group

**Los Angeles**  
**AUM as of June 30:** \$1.9 trillion  
**Employees:** 7,013  
**Years won:** 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“At Capital Group, the success of the people who invest with us depends on the people we invest in. That’s why we offer a culture, compensation and opportunities that empower our associates to build successful and prosperous careers. For over 88 years, Capital Group’s goal has been to improve people’s lives through successful investing. We know that our history is a testament to

the strength of the people we hire.”

#### 3 COOL THINGS:

- Annually contributes 15% of each associate’s compensation (salary, bonuses, etc.) into the retirement plan subject to certain legal and plan limitations. Offers two annual bonuses, merit-based and profit-sharing.
- Celebrates associates’ careers with its Milestone Anniversary Program. At every fifth anniversary, associates receive a bonus week of vacation, a special celebration, a personalized gift and a donation to a non-profit of their choice.
- New for 2020: 3:1 charitable matching gifts up to \$1,500 for organizations working to advance racial equity. This is on top of the 2:1 charitable matching gifts up to \$5,000.

### SECOND PLACE Neuberger Berman Group

**New York**  
**AUM as of June 30:** \$357 billion  
**Employees:** 1,646  
**Years won:** 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“As an employee-owned firm, Neuberger Berman focuses on ensuring their people have a voice. That voice was never more critical than in 2020. With COVID forcing the firm to work from home, employees played a significant role in shaping the course. It started with sharing best practices to be more effective at work and to balance the new challenges faced at home. That voice became even more heightened as racial injustice conversations increased. We had already laid the groundwork so we had a platform on which to build.”

#### 3 COOL THINGS:

- Profit-sharing program that does not require employee contributions; eligibility starts at date of hire; no vesting schedule and is 15% of total pay up until the regulatory max of \$37,000.
- During COVID-19, held its first virtual 5K



with 100-plus employees/family members running and submitting times and family photos (dogs included!).

- A new civic engagement initiative led by employees seeks to increase awareness and education on important topics. As part of that effort, it offered webinars with local officials on public transportation and schools.



## WITH 1,000 OR MORE EMPLOYEES



**PLAY MISTY FOR ME:** During Capital Group's CG Arts Capital Community virtual talent showcase, members sang, did dramatic readings, played instruments and even shared works of art created during the pandemic.

### EMPLOYEES SAY:

- "Great company culture in general. Takes employee satisfaction very seriously. Respect for individuals is high. Ample time and resources are generally provided to do the job well."
- "I believe we were ahead of the curve with COVID compared to other organizations, and I feel much more taken care of than people who work elsewhere."
- "It nurtures and supports my interests of learning new programs, networking with different teams, and expanding my knowledge set outside of my day-to-day role. CG cares for its associates. Plain and simple."



**GARDEN WARRIORS:** The private wealth management team showed some mirth while volunteering to clean up gardens in the Bronx borough of New York City.

### EMPLOYEES SAY:

- "Accessibility of leadership, real frank conversations, and sense of being part of an actual team. When something is not going

well, or we have a challenge, the communication is clear and honest."

- "Enables and supports individual creativity and thinking. Very collegial environment. Upward mobility allows rapid advancement."
- "Generous 401(k) policy signals to employees that the company wants people to stick around for the long term."

## THIRD PLACE PGIM

Newark, N.J.  
AUM as of June 30: \$1.4 trillion  
Employees: 2,637  
Years won: 2020

### IN THEIR OWN WORDS:

"With a history dating back almost 145 years, PGIM takes a long-term view not only in our investment philosophy, but also in how we identify and grow our talent. We understand that our employees want purposeful and rewarding careers. By promoting an equitable workplace, and a welcoming and inclusive environment, we nurture a 'low ego' culture that allows all employees to bring the best of themselves to work, and to harness our collective intelligence for the benefit of our clients."

### 3 COOL THINGS:

- Matches 100% of employee contributions up to 4% of before-tax and/or Roth 401(k) contributions. The plan offers 18 investment options, including a guaranteed income option and company stock.
- Provides financial wellness programs and tools, including an on-site financial adviser, "lunch and learn" seminars; tools through Prudential's Financial Wellness Center; additional savings opportunities through a health savings account, group universal life insurance cash accumulation fund and discounts to PGIM's mutual funds; and budget coaching.
- Added a variety of health and wellness programs in response to the pandemic,



**IN GOOD COMPANY:** The PGIM International Women's Day 2020 event in New York featured Olympic gold medalist Abby Wambach, who shared her inspirational story with employees and PGIM clients.

including virtual in-house nursing consultations by appointment; virtual fitness programs; and wellness programs tailored to unique challenges of virtual work and pandemic environment, including mindfulness sessions. Other changes include additional short-term dependent crisis care coverage reimbursement, up to \$100 a day; and additional paid time off (up to two weeks) for employee illness or care of another because of COVID-19 illness.

### EMPLOYEES SAY:

- "Benefits are great, salary competitive,

diversity and inclusion are a big focus, emphasis on safety and employee well-being during these COVID times has been greatly appreciated."

■ "By far the most inclusive workplace that I've experienced and people are genuinely nice to each other, which is rare in finance."

■ "Honest and frequent communications. Senior leaders taking a genuine interest in the well-being of employees. A sense of partnership and true teamwork across the organization."

## FOURTH PLACE T. Rowe Price

Baltimore  
AUM as of June 30: \$1.22 trillion  
Employees: 7,489  
Years won: 2015, 2017, 2019, 2020

### IN THEIR OWN WORDS:

"T. Rowe Price has a unique culture. With a focus on collaboration and inclusion, its employees feel appreciated and respected. This was most recently demonstrated by the firm's handling of the pandemic. In a survey of its workforce in April, 88% of employees were satisfied with the way T. Rowe Price has responded to their needs, and 82% felt that T. Rowe Price is taking a genuine interest in their well-being."

### 3 COOL THINGS:

- The 401(k) plan provides a company contribution of up to 12.5% of an associate's salary, if he/she contributes 4%.
- Granted all employees two extra wellness days to use before August 2020 in response to COVID-19. Associates employed as of Jan. 1, 2021, will receive an



**A YEAR TO LEARN:** T. Rowe Price fosters open dialogue and knowledge-sharing through its collaborative culture and learning opportunities. Last year, the firm's 7,000-plus associates received 194,000 hours of training.

additional three wellness days in 2021.

- Provides on-site massage therapy, yoga classes and gyms. Corporate gardens tended by employees grew and the firm donated 581 pounds of produce last year.

### EMPLOYEES SAY:

- "Strong culture, good collaborative

environment, honest and candid feedback from management, strong management promoting accountability and meritocracy, organizational support for ongoing professional development."

■ "They always get it right when it comes down to social issues. They are never hesitant to come out in support of

what is right. Given the current climate the country is in, T. Rowe is always on the right side of the tracks when it is relating to equality, especially for minorities and women."

■ "Solid benefits; interesting work; focus on improvement; good funding for initiatives."



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 1,000 OR MORE EMPLOYEES

#### FIFTH PLACE

### Principal Global Investors

Des Moines, Iowa

AUM as of June 30: \$486.5 billion

Employees: 1,516

Years won: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Despite a global pandemic, Principal Global Investors seamlessly pivoted from a mostly office-work environment to an all remote-work environment in less than a week. Clients continued to be served, investments continued to be managed, assets flowed as they were supposed to between accounts, and the business continued to function as if nothing had happened. Senior leaders began communicating more than ever, employees listened and provided their own feedback, and the organization positively evolved into the new normal without missing a beat.”

#### 3 COOL THINGS:

- Employee recognition awards include spot awards — project-based awards for employ-

ees who have done exemplary work in addition to their normal responsibilities, from \$50 to \$4,000.

- Provides flexibility in the workplace, allowing employees to adjust schedules as needed for things that are important to them outside of work. Unlimited PTO after one year of employment.

- Provides on-site massage, yoga, fitness classes and team sports.

#### EMPLOYEES SAY:

- “This organization, being global, provides a level of diversity that you do not traditionally find in the Midwest. Second to that, the amazing level of communication through the current pandemic, the transparency and actions taken to keep employees safe is of high value to me and my family.”

- “Principal really cares about their employees and makes an effort to have a good work/life balance. Very family-friendly and flexible for work parents. I think the benefits are good, especially the 401(k) match and ESOP.”

- “The people are good at their jobs and easy to work with. During this weird 2020, the company has taken communication up a notch and shown flexibility and grace to adapting in a remote environment.”



**WE'RE WITH THESE GUYS:** Athene hosted a Duck Derby race in the firm's backyard stream to support a youth emergency services and shelter program during Athene's United Way campaign.

#### SIXTH PLACE

### Athene USA

West Des Moines, Iowa

AUM: Not available

Employees: 1,260

Years won: 2020

#### IN THEIR OWN WORDS:

“Working at Athene is more than a job — it's a game changer for your career. We help people live out their retirements financially secure and with dignity. We understand the foundation of our success starts with our workforce. Through our commitment to diversity and inclusion, employees are encouraged to bring their best selves to work. Our employees engage actively to drive our success and see the impact of their work for our customers and our communities.”

#### 3 COOL THINGS:

- Offers a wellness-driven campus, with on-site fitness center, walking trails, game area, healthy choices in company cafe, ergonomic work areas, health coaching and on-site massages.

- Features two monetary employee recognition programs, awarded by leaders for performance: Attitude of Gratitude awards up to 10% of base salary; On the Spot awards up to \$250 in a gift card.

- Encourages employees to act like owners and enroll in an employee stock purchase plan that allows them to buy Athene stock at a 15% discount.

#### EMPLOYEES SAY:

- “The ‘big picture’ is always clear and communicated well, but leadership does an excellent job breaking down the big picture to show where each department contributes to the overall goal of the company.”

- “The company gives me the authority to do my job and listens to my ideas — and many times implements them. A very open environment in that respect.”

- “This is a dynamic organization with plenty of choices in a variety of business units that are integrated with lots of learning/growth opportunities.”



**WHAT'S COOKING?** Principal employees took some time away from their homes and the office to help the less fortunate in their community by volunteering to create a hearty meal at a soup kitchen.

### MANAGERS WITH 500 TO 999 EMPLOYEES

#### FIRST PLACE

### TCW Group

Los Angeles

AUM as of June 30: \$225 billion

Employees: 613

Years won: 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“TCW shows its team spirit throughout its organization. From a collaborative culture to numerous events for staff and opportunities for development and growth, the firm is able to deliver its best to clients largely because of the culture it delivers to employees. TCW also has a strong commitment to the community, which helps encourage team building through initiatives such as packing backpacks and providing them to children in need. TCW maintains strong retention because of a positive culture and recognition that employees can have a rewarding career with increasing responsibilities at the firm.”

#### 3 COOL THINGS:

- On-site subsidized dining facility serves fresh breakfast and lunch, including a made-to-order juice bar.

- Financial wellness courses offered on-site and via webinar, such as estate planning, planning for retirement, getting your financial house in order and managing student loan debt.

- Provides a “quiet room” with lounge chairs and dim lighting so employees can take a break and rest.

#### EMPLOYEES SAY:

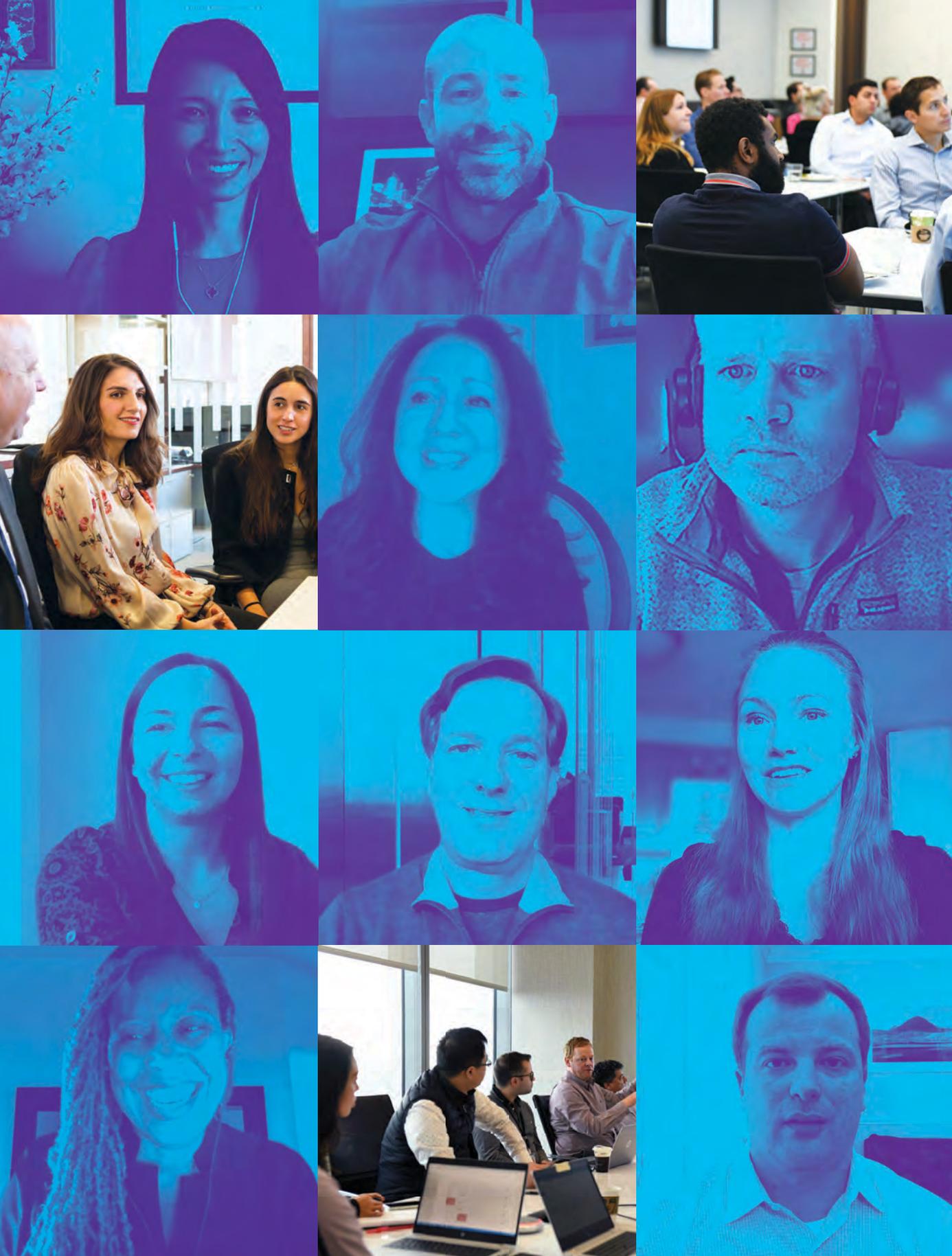
- “This organization adapts fast and well during tough times. In less than a week, the entire organization was ready to work remotely from home.”

- “My direct managers give me the autonomy and respect to succeed in my role. They listen to my concerns, input and thoughts around improvements of our division and are willing to make improvement where it makes sense.”

- “I like that the organization has a small company feel and that I am not lost in the weeds.”



**HELPING HANDS:** TCW collaborated with Big Sunday on a Back-to-School Drive & Community Dinner. TCW colleagues purchased and stuffed 400 backpacks with study necessities that were sent to low-income schools and organizations in and around Los Angeles.



# Challenging Times, Empowered Colleagues



At William Blair, we have always empowered our colleagues to put their fingerprints on the future of our firm and, in the end, deliver strong client results. Never has that spirit of collaboration been more important than in 2020. We celebrate your commitment to our clients, our communities, and each other. Thank you for making William Blair truly one of the best places to work in money management.

*William Blair*

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## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 500 TO 999 EMPLOYEES

#### SECOND PLACE

### Schwab Asset Management Solutions

**San Francisco**  
**AUM as of June 30:** \$2.5 trillion  
**Employees:** 743  
**Years won:** 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“SAMS employees are united by the belief that the work they do makes a direct and positive impact on clients. The ‘Through Clients’ Eyes’ firmwide approach is more than a tag line. It’s a powerful shared belief that brings employees together to work toward a common objective: to dramatically enhance the financial lives of clients. SAMS fosters a fun, engaging and transparent environment that inspires and empowers its people to succeed as a team while providing solutions to help clients achieve their financial goals.”

#### 3 COOL THINGS:

- Offers an employee stock purchase plan, which allows employees to buy Schwab common stock at a 15% discount from the fair-market value on the purchase date.



- Employees can earn a \$300 health reward by completing a health screening, online health risk assessment and achieving certain health thresholds. They can earn an additional \$250 lifestyle reward by pursuing healthy activities such as fitness classes.
- For work-life balance, particularly during the pandemic, employees are empowered to take time off to relax and reset, whether

**COOL CUSTOMERS:** Rick Wurster, left, head of SAMS, wielded a mean scooper with other senior membership leaders at an ice cream social fundraiser to benefit the YMCA Embarcadero.

going on vacation, for a walk or taking advantage of a monthlong sabbatical (possible after five years of service).

#### EMPLOYEES SAY:

- “Charles Schwab has always worked hard to open up the world of investment to the little guy. This makes me feel like I am spending my time doing a good thing for humanity.”

- “There are many options and resources for work-life balance, including paid time to volunteer.”
- “There’s potential to grow your career via numerous networking opportunities and events as well as mentoring programs. Schwab provides great training for new employees and continues to offer top-notch training for additional certifications and knowledge.”

#### THIRD PLACE

### Voya Investment Management

**New York**  
**AUM as of June 30:** \$230 billion  
**Employees:** 826  
**Years won:** 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Voya employees recognize and feel they have a unique opportunity to shape the direction and strategy to determine how our company is run. Employees recognize we have a flat management structure that values feedback from employees at all experience levels and a commitment to community service, which includes annually National Day of Service, Employee Giving Campaign and (giving) each employee an additional 40 hours of paid time off to support the charities of their choice.”

#### 3 COOL THINGS

- Offers a 401(k) match of up to 6%

#### FOURTH PLACE

### AQR Capital Management

**Greenwich, Conn.**  
**AUM as of June 30:** \$141 billion  
**Employees:** 648  
**Years won:** 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“AQR truly cares about its employees, invests in their development, and provides opportunities to connect and grow in even the most challenging times. The firm prioritized the health and safety of employees, moving everyone to work from home early in the pandemic, and kept employees engaged through networks and virtual events. Quanta, our learning and development institute, offered leadership workshops on managing teams remotely and well-being programs, like building resilience. At all times, AQR fosters an inclusive environment where all employees have a true sense of belonging.”

#### 3 COOL THINGS:

- The firm’s learning and development program offers hundreds of classes for professional and personal growth in three areas: technical skills and knowledge, leadership and management, and personal well-being.

- Provides 100% paid medical, dental and vision coverage. Perks include health and wellness allowances, meditation programs, on-site breakfasts and lunches and stocked kitchens with seasonal treats.

- Held virtual events for its Women’s Initiative Network on topics such as finding balance, a series of Pride Chats to connect the AQR Pride community and NYC Chats for employees living in New York during COVID-19. In its new “What We Are” series, employees shared the things they found comfort in during this time, like the books they are reading, the podcasts they are listening



**WIPE THOSE FEET!** An AQR mother-daughter team saw some dirt in a 5K family run at the Boys & Girls Club of Greenwich’s Annual Muddy Up Challenge. The event is held to raise funds for the club’s youth programs.

to, and the shows they are watching.

#### EMPLOYEES SAY:

- “AQR is a leader in the quantitative investment management space. There is a unified mission to sort through the noise of short-term dynamics in favor of long-term forces that move markets.”

- “During the pandemic, AQR is also hosting virtual social events. This week we watched a cooking demonstration, and there’s a mixology demonstration scheduled.”

- “AQR takes a proactive interest in continually investing in its employees through a world-class training program, annual review process and work environment.”

#### FIFTH PLACE

### Western Asset Management Co.

**Pasadena, Calif.**  
**AUM as of June 30:** \$468.5 billion  
**Employees:** 835  
**Years won:** 2012, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“While Western Asset has a client-focused approach to our business, the company fosters an environment that truly allows our employees to thrive. The firm promotes an atmosphere of intellectual curiosity where civil discourse is encouraged and hard work is rewarded, where employees at all levels can have their voices amplified through company

initiatives. We all witnessed and experienced an excellent example of the firm delivering on its promises when COVID-19 struck, as management led with authority, common sense and compassion.”

#### 3 COOL THINGS:

- Pays 100% of premiums for medical, dental, vision, short-term/long-term disability, and basic life insurance for employees and dependents. Contributes \$3,000 per year for family coverage and \$2,000 per year for individual to an employee’s health savings account.

- Automatically enrolls new hires in 401(k) plan, providing an employer match on the first 5% of an employee’s contribution.

- Promotes diversity and inclusion

#### SIXTH PLACE

### Lord Abbett

**Jersey City, N.J.**  
**AUM as of June 30:** \$198.5 billion  
**Employees:** 729  
**Years won:** 2020

#### IN THEIR OWN WORDS:

“At Lord Abbett people matter. Our vision is to be the most respected asset manager in the world. Our culture is principles-led, performance-oriented and purpose-driven and all that we do is both guided and reflected in our four firm values: excellence, responsibility, transparency and collaboration. One of our cultural principles is ‘Dream Big. Work Hard. Have Fun!’ and we support our people to find their passion and provide a diverse and inclusive environment where everyone can thrive.”



#### 3 COOL THINGS:

- Emphasizes work-life balance, including flexible and remote work, unlimited paid time off,



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 500 TO 999 EMPLOYEES



**CAN I GET A CHERRY ON TOP?** Members of Voya's executive team were really chilling out when they scooped out some delightful treats at the firm's annual ice cream social.

and a 4% defined benefit plan.

- Employees are encouraged to volunteer and are paid up to 40 hours a year for volunteer time away. The company's foundation

matches donations to non-profits up to \$5,000 annually.

- Annual on-site health screenings and flu shots are offered during the benefits open-enrollment period.

and social action. Western Asset recently established an LGBT resource group and offered Juneteenth as a floating holiday. The company doubled its match for gifts and encouraged employees to use it to support organizations making positive differences in their communities.

#### EMPLOYEES SAY:

- "The company has gone above and beyond making sure that all employees are safe either working from home or in the office. They have really taken a great effort to keep us safe and informed."

- "Western hires and retains people that you'd want to have as neighbors. Standards are high and people are passionate. They are engaged without being jerks."



**WHAT A VIEW:** Employees and clients got a good view of the Rose Parade from the firm's Pasadena, Calif., office. The company sponsors a float in the parade every year.

- "I feel I have the autonomy to do my job within the scope of my role

Employees can receive additional dollars in their health savings account for completing health awareness activities (biometric screening, health survey and health consult).

#### EMPLOYEES SAY:

- "Leadership has been amazing during the COVID-19 pandemic, from making sure people can work remotely and being supportive of flexible schedules to encouraging healthy activities."

- "This organization is an inviting and welcoming place for people of all different backgrounds and perspectives. It promotes diversity and inclusion and demonstrates this through numerous employee resource groups."

- "The culture is great and the people are collegial. The organization's values were on display during the Black Lives Matter protests and it created a sense of community."

responsibility and not be micro-managed."



Dress for Your Day and Summer Fridays.

- Bring Your Daughters and Sons to Work Day incorporates educa-

tional events for children to begin learning about investing and financial literacy. At Discover Lord Abbett events, college students hear from profes-

- Provides paid subscriptions to a meditation app. The subsidized

#### STARTING SOMETHING:

Lord Abbett led the way in 2019 by illuminating its Jersey City, N.J., headquarters in pride colors for the month of June to signify its commitment to the LGBTQ+ community. In 2020, other firms followed Lord Abbett's lead.

on-site cafeteria offers healthy and organic food options.

#### EMPLOYEES SAY:

- "Our leadership has been amazing with the level of communication and transparency during this COVID crisis. I truly feel that they have my best interests at heart."

- "The organization is going through a 'cultural revolution,' working its way out of being a very buttoned-up Wall Street firm to a place where every voice is heard, and a sense of respect is present and where people feel enabled to do their job in a more flexible manner."

- "Over the past few years, the company has made several changes for the better — casual attire, flexible time off and the ability to work from home more often, even before COVID."

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### FIRST PLACE ClearBridge Investments

New York

AUM as of June 30: \$149.4 billion

Employees: 213

Years won: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

"ClearBridge has a culture that encourages teamwork, inclusion, respect and open communication. This allows everyone to feel they are contributing to the overall goals of the firm. ClearBridge has been recognized by *Pensions & Investments* as a Best Place to Work in Money Management since the inception of the program. These awards reflect the firm's spirit of collaboration, work-life balance and ongoing investment and commitment to our clients and employees."

#### 3 COOL THINGS:

- Marks milestone service anniversaries beginning at five years of service with a monetary gift and a plaque signed by



**SO PRECIOUS:** ClearBridge employees took a day to volunteer at a local animal shelter. The employees spent their time comforting the animals by feeding them and offering some much-needed love and attention.

the CEO. An extra week of PTO is awarded to employees at their 10-year milestone anniversaries, and that continues at year 15, 20, 25, etc.

- Offers nutrition seminars and reimbursement of up to \$300 for employees who participate in a community-supported agriculture program that supports local farmers and provides employees with fresh fruits and vegetables.

- Provides sit-stand desks and stretch demonstrations by fitness instructors. Use of fitness facilities at lunch is allowed and the company offers a fitness reimbursement program of up to \$500 a year.

#### EMPLOYEES SAY:

- "Great leadership that cares for the employee and the quality of the work provided. This trickles down to the employees and impacts the quality of their work and interactions with each other and the clients."

- "Organization pays attention to incentives that add value to the employees. Open-door policy makes it easy to access leadership. Open to suggestions from anyone in the company. Great compensation package."

- "During a very challenging year, it was evident that the company and management team truly cared about the safety and well-being of all the employees and their families. The firm supported employees by providing flexibility in work hours and cost reimbursement for work-at-home expenses. The technology team made the transition to work from home seamless."



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### SECOND PLACE Income Research & Management

**Boston**  
AUM as of June 30: \$81.4 billion  
Employees: 180  
Years won: 2016, 2017, 2018, 2019, 2020

##### IN THEIR OWN WORDS:

“We love our clients, the work we do for them and that we get to do it together. We distinguish ourselves with our fixed-income expertise, vibrant, emotionally intelligent, and collaborative culture and private ownership structure. We are passionate about social justice and have revamped our vision, doubled our philanthropic giving and are ramping up our efforts to ensure diversity, equity and inclusion are embedded in the fabric of our day-to-day employee experience.”

##### 3 COOL THINGS:

- Company makes a 15% profit-sharing/safe-harbor contribution to employee 401(k) accounts. Employees are eligible to contribute to their 401(k) 30 days after being hired.
- Fun Club regularly kicks off initiatives such as March Madness (employees wear their team shirt and get free pizza), a softball and basketball team, and an annual ski trip.
- Granted three extra days of vacation to be taken in May or



**TAKING TIME TO GIVE SOMETHING BACK:** Employees volunteered their time at Boston's Franklin Park Zoo during the 2019's Week of Giving. The firm sees a high participation rate every year, including 2020 when all events were done virtually.

June to combat burnout during work from home because of COVID-19. The company also provided a “Night In” on the firm in the form of \$150 to be expensed for anything the employee chose.

##### EMPLOYEES SAY:

- “Despite rapid growth, IR&M has maintained a small-firm feel that values its employees. The firm has actively made an effort to maintain its culture.”
- “All levels of the organization

have been very flexible with work-life balance, especially given the current circumstances. I have young children at home and my managers have gone out of their way to proactively address concerns I might have.”

- “Even in a pandemic, I still feel connected to and cared for by my co-workers while working from home. IR&M has done a great job of keeping communication elevated during this time and visibility from management continues to be strong.”

#### THIRD PLACE Intercontinental Real Estate

**Boston**  
AUM as of June 30: \$10.4 billion  
Employees: 110  
Years won: 2016, 2017, 2018, 2019, 2020

##### IN THEIR OWN WORDS:

“Since the company’s founding in 1959, Intercontinental has worked to build a supportive work environment that motivates its employees to strive for individual success and for the success of the company. Maintaining a healthy work-life balance is critical to the executive team at Intercontinental, especially during the COVID-19 pandemic, when the virus has transitioned the entire company to working remotely. Now more than ever, Intercontinental’s focus is on the health and wellness of its employees.”

##### 3 COOL THINGS:

- Promotes a healthy work-life balance with an on-site company gym and complimentary wellness and athletic training classes.
- Offers summer hours to all employees. This means alternating half days and full days off on Fridays during the summer.
- Hosts several outings and retreats throughout the year. In response to the pandemic, introduced a social calendar that includes optional events such as workouts, happy hours, meditation sessions and virtual cooking classes. The social calendar



allows employees to continue to interact with each other while working remotely.

##### EMPLOYEES SAY:

- “Intercontinental is a unique combination of corporate and mom/pop shop. The relationships you build here are genuine. The perks and treatment we get as employees is genuine. Never once are you treated as disposable or as a number in a system — who you are and the work you do is valued.”
- “Leadership has handled the COVID pandemic with grace and supported employees in a way that is above and beyond the call of a corporate employer.”
- “This organization has put the health and safety of its employees above everything. They have communicated a very detailed and safe plan on how we are

#### FIFTH PLACE Harbert Management

**Birmingham, Ala.**  
AUM as of June 30: \$7.7 billion  
Employees: 147  
Years won: 2019, 2020

##### IN THEIR OWN WORDS:

“HMC has established itself as a company that cares equally for its clients as well as its employees. A vibrant, committed, trust-driven culture has been cultivated. Top of the line technology, resources, benefits and programs are provided to every employee. The emphasis on community and service sets HMC apart from other investment companies. The emphasis on employee development, well-being and growth makes HMC a best place to work.”

##### 3 COOL THINGS:

- The employee-run HERO Foundation provides direct financial or other appropriate assistance to individuals or families in crisis. Most recently, relief grants of more than \$1 million were given to small businesses impacted by CO-

VID-19.

- Health and wellness initiatives include standing desks, which are offered to all employees, as are annual flu vaccinations, monthly B12 shots and free parking for all employees. Wellness programs include CPR training and work-life balance seminars.
- The company supports the organizations that its employees support, sponsoring events, tables or teams for local charity fundraisers according to employee requests. Tickets purchased for events are shared with employees so they can participate.

##### EMPLOYEES SAY:

- “Our insurance and benefits are wonderful, but they go above and beyond. They pay for our parking, we have break rooms stocked with healthy snacks and drinks, we are provided with monthly themed socials with food and prizes, they allow team-building activities, we have a wonderful program called HERO that allows us to do community outreach,



**NO SHORTAGE OF HEROES:** Employees hosted an Easter egg hunt in cooperation with the HERO Foundation, an organization founded by Harbert Management to provide direct financial assistance to people and families affected by natural disasters, extreme medical trauma and temporary financial hardships. The goal is to help them regain their independence and self-sufficiency.

(and) an amazing Christmas party where they recognize employee achievements.”

- “The HMC team is made up of incredible people who are equally talented as they are moral and kind. Co-workers are more like

friends and family! COVID has made how terrific HMC is to their team members even more evident. They have protected us from the beginning and working from home is without pressure to return to the office.”

- “It is a hardworking, hard-driving place that is focused on growth and providing great investment returns. That noted, it is a collegial and respectful place where employees and people are valued.”



**BEST PLACES TO WORK IN MONEY MANAGEMENT**

**MANAGERS WITH 100 TO 499 EMPLOYEES**

**FOURTH PLACE  
Mesirow  
Financial**

**Chicago**  
**AUM as of June 30:** \$32.3 billion  
**Employees:** 276  
**Years won:** 2013, 2015, 2020

**IN THEIR OWN WORDS:**

“We are proud of our culture based on fostering team member engagement, empowerment and service to both our clients and our communities. We strive to empower smart, diverse professionals to innovate within one of the industry’s most inclusive and collaborative workplaces.”

**THREE COOL THINGS:**

- Offers a student loan debt repayment program designed to assist employees with the growing challenge of student debt. Eligible full-time employees receive between \$100 to \$150 a month, per years of service, toward the repayment of their student loans.
- Promotes team collaboration and engagement via its Unplug



**PREPARING FOR THE FUTURE:** Mesirow IT specialist John Lacey takes some time away from the computer screen to mentor students during the firm’s Values in Action Days as well as ongoing Big Brothers Big Sisters and Big Shoulders Fund programs and other opportunities. Employees take time away from their desks to help the youngest Chicagoans realize their full potential.

N’ Play program, which encourages employees to step away from their desks and connect with colleagues through Mesirow’s favorite pastime: table

tennis.

- In response to the COVID-19 pandemic, provides employees, spouses and dependents with complimentary One Medical

primary care memberships that include access to same-day appointments, on-site lab testing, and mental and emotional well-being support and programs.

**EMPLOYEES SAY:**

- “Mesirow takes the health and safety of their employees very seriously and has handled the challenges of the COVID-19 pandemic with flexibility and professionalism. They have fostered a strong, independent and entrepreneurial environment.”
- “Mesirow does a great job championing the needs of our clients alongside the well-being of its employees. In my experience, my co-workers genuinely care about doing the best for our clients, while being aware that each of our lives are more than our responsibilities in the office.”
- “The financial industry is known for being white-male dominated, but Mesirow bucks that trend and promotes diversity in the whole company.”



**YANKEES GO HOME:** Every year, employees gather for their annual day out attending a Boston Red Sox event. Before the game, all employees are invited to a local bar for appetizers, drinks and maybe a few games of pool.

going to continue through the current health crisis. They have also been very open with how we are doing financially and given us very high confidence in the future of this company.”

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## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)

## Adams Street Partners

**Chicago**  
**AUM as of June 30:** \$41 billion  
**Employees:** 170  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Offers a learning management tool called Axonify that rewards participation with points redeemable for prizes. Axonify covers subjects from fund and investment strategies to firm culture and compliance. Prizes include a leather desk set and portable chargers.
- Social committee hosts monthly happy hours, themed lunches and baking contests.
- Volunteering is encouraged. The company arranges access to community events, including an annual day of service. Believes that the team that gives together stays together.

#### EMPLOYEES SAY:

- "Adams Street has a positive culture



**HOLIDAY HOEDOWN:** During Adams Street's annual holiday breakfast, staffers chow down on pancakes, hot cider and bacon rolls. A major highlight is the coveted ugliest sweater competition.

of 'Midwest values' that emphasizes nice people doing good work who actually care about the well-being of those around themselves. This is in contrast with the typical sharp-elbowed New York-style investment firm."

■ "The culture of collaboration is really genuine and impressive. People share a high level of engagement and focus on high-quality results while appropriately sharing

credit for our firm's successes."

■ "Group leaders have sent snacks and thank-you emails since we have been working from home, which is just a little something to show their appreciation, but it is so much more than our friends get. They also have made us feel very secure throughout the COVID crisis. Among all my other stressors, I do not need to worry about job security, which is a huge blessing!"

## Advent International

**Boston**  
**AUM as of June 30:** \$58.4 billion  
**Employees:** 203  
**Years won:** 2020

#### 3 COOL THINGS:

- Access to Unmind, a personal workplace mental well-being app. It offers digital tools, training and assessments to help employees tend to all aspects of their mental health and well-being. Yoga and meditation sessions complement the app.
- Hosts ADVENTure Challenge, a fundraising team race in which participants paddle, pedal and run for good causes. The event is open to all staff members globally. The challenge also offers

staff members the opportunity to socialize and travel — last year's event was held in the Cotswolds, U.K.

■ Benefits package includes an annual \$12,000 401(k) plan match. The company also offers family-friendly benefits that include adoption assistance, caregiver travel, parental career coaching and mentoring, fertility benefits and backup child care.

#### EMPLOYEES SAY:

■ "Advent provides the benefits of a large financial institution — stability, stature, training and reputation — while the feel and care of a smaller organization



**ALL TOGETHER NOW:** During Beach Point's 10-year anniversary party, staff and their families feasted after an afternoon of horseback riding, archery, karaoke and giggles.

## Beach Point Capital Management

**Santa Monica, Calif.**  
**AUM as of June 30:** \$13.7 billion  
**Employees:** 112  
**Years won:** 2020

#### 3 COOL THINGS:

- Catered lunch twice a week for staff members in all offices. Employees eat together in conference rooms or outside patios, giving them a break from the day and promoting friendly conversation.
- Hosts annual beach days and weekend retreats for employees and their families to spend time together outside the office, which promotes team bonding, relaxation and a break from the everyday routine.
- Offers opportunities for continued learning, including employee development and cross-training. Each summer, senior staff hosts internal training sessions to provide team members the ability to learn new skills and how

different departments work.

#### EMPLOYEES SAY:

■ "Beach Point has been successful in engaging and retaining its employees by putting enormous care in hiring and promoting individuals that are not only smart and ambitious, but are also humble, kind, and willing to learn and evolve."

■ "While there are definitely supervisors and managers, the organization feels relatively flat. I feel comfortable voicing opinions and suggestions and feel colleagues are respectful and receptive to one another."

■ "The co-CEOs send a weekly firmwide note celebrating employees' achievements in and outside of work — from hard work behind the scenes in accounting to teacher certification in yoga — that connect an individual's daily work to a shared mission."

## Brandywine Global Investment Management

**Philadelphia**  
**AUM as of June 30:** \$65.1 billion  
**Employees:** 215  
**Years won:** 2013, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Organized firmwide weekly webinars during COVID-19 to help bring employees together not only to learn and develop, but also to connect, share and laugh. Topics have included emotional intelligence, mindfulness and stress relief.
- Themed luncheons are held throughout the year to celebrate events such as March Madness, the NFL opening kickoff, Thanksgiving, Rita's Water Ice & Soft

Pretzel Day and others. Also hosts after-work, off-site receptions to welcome new employees and acknowledge tenured employees as they retire.

■ Local sponsor of Women in Investing, a group that seeks to promote and support the learning, development and advancement of women in the investment management business. Fully pays WIN memberships for at least five employees annually.

#### EMPLOYEES SAY:

■ "The current all-work-from-home environment has been seamless in terms of access to technology resources and



interacting with others at the firm."

■ "Aside from really competitive benefits and pay, the company is clearly always making an effort to make sure employees enjoy the working environment here. I also really enjoy the employee

## Busey Wealth Management

**Urbana, Ill.**  
**AUM as of June 30:** \$9 billion  
**Employees:** 134  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Through the company's B Well health and fitness program, associates focus on physical, mental and emotional well-being through challenges, education and coaching opportunities from which they can earn contributions to a health savings account or cash incentives.
- Team members are encouraged to schedule a one-on-one complimentary appointment with a wealth management expert to establish a retirement plan or review their current



portfolio. Another program, Plan and Save, encourages associates to develop short-term savings goals and a plan of action to achieve them. By completing the challenges, associates earn points toward quarterly incentive contributions.

■ In response to the COVID-19 outbreak, Busey began offering

an associate assistance fund in mid-May that is available through a confidential request process. The fund helps alleviate the financial burden for essentials such as groceries and medical bills. A committee reviews requests and awards a tax-exempt monetary donation to qualifying associates.

**COMMUNITY SHOWCASE:** Busey Wealth Management hosts the 1868 Collection, an exhibition of artwork from local communities, at its corporate headquarters.



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)



**AIDING YOUTH:** Advent staffers help decorate a Boston-area school during City Year's Service Days. The charity aims to create environments where young people feel like they belong to help them fulfill their potential.

— work-life balance focus, strong firm culture, focus on doing what's right, long-term reputational focus. Employees can be safe, happy and proud to work here."

■ "Advent makes a point to be inclusionary of all employees, no matter race,

religion or ethnic background, and are actually thoughtful and compassionate about it."

■ "They care about you as a person and not just as an employee. You never feel worried about having to be out sick or stay home with a sick child."

#### Ariel Investments

Chicago  
AUM as of June 30: \$11.4 billion  
Employees: 101  
Years won: 2017, 2020

##### 3 COOL THINGS:

■ Ariel pays 100% of all health-care premiums – medical, dental, vision, long- and short-term disability insurance. It also funds employees' deductibles with an HSA contribution.

■ Offers workers an unlimited number of sick days after one year of employment. Employees also can use those sick days to care for an ill dependent. Also gives paid time off for community service or volunteer work.

■ Employee recognition committee hosts quarterly events to relieve workday stress, including smoothie and hot-chocolate breaks.

##### EMPLOYEES SAY:

■ "Many firms' values are aspirational.



Ariel Investments lives their values every day. People are working toward a common goal to make Ariel Investments a top asset management firm. They believe very deeply in helping the community and commit time, money and resources to that every day. I am proud to work at Ariel."

■ "The firm embodies diversity and inclusion at every level and that was on full display after the murder of George Floyd. I loved that Ariel was a place where people could be comfort-

able having uncomfortable conversations and that our leaders were talking openly about the need for society to address systemic racism and inequality. Having diverse leadership mattered at that very important moment."

■ "Ariel Investments does a great job at making everyone feel connected and committed to its underlying goal. The overwhelming sense of teamwork and collaboration is widely felt throughout your day-to-day work."

**THE AIR UP THERE:** The terrace at Ariel's New York office is a favorite meet-and-greet location where colleagues go for formal and informal gatherings.



**TOY TOWN:** Brandywine Global's Young Professionals Network organized a toy drive through Toys for Tots. The group went above and beyond, bringing in 188 toys and smashing their goal of 100 donations.

resource groups formed over the last two years, such as the Brandywine Young

Professionals Network and Women's Employee Resource Group."

■ "It's an entrepreneurial environment — volunteering to own new initiatives is encouraged and rewarded. There are no strict definitions around most roles. Everyone is expected to contribute with their best ideas and skills."

##### EMPLOYEES SAY:

■ "The organization finds ways to allow us to have some fun and express our individuality. Education and advancement opportunities exist at most levels. It is obvious that we are growing and looking for ways to continue to grow and improve as we grow."

■ "I'm so proud to be part of this organization because it thoughtfully gives back to community organizations and encourages community involvement. I believe the leaders of this organization value and support the work it takes to build strong communities."

■ "Their efforts to maintain the health and safety of associates during the COVID-19 pandemic was especially well planned and coordinated, allowing associates to work from home and gradually return to work with guidelines for maintaining social distancing."



**RUNNING FOR A REASON:** CalSTRS staff participated in the Run to Feed the Hungry at the California State University in Sacramento on Thanksgiving Day 2019. Proceeds benefited the Sacramento Food Bank & Family Services.

#### California State Teachers' Retirement System

West Sacramento, Calif.  
AUM as of June 30: \$246 billion  
Employees: 184  
Years won: 2013, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

■ Offers a wide range of in-house training programs and courses to fit all stages of a staff member's career. Leadership supports staff efforts to meet career goals with career-related training reimbursement.

■ Promotes fitness and health through organization-wide activities, including May Bike Month, the StepJockey app that encourages movement throughout the day, programs to help quit smoking, walking workstations and a free on-site gym.

■ Individuals who deliver a superior, sustained performance with demonstrated impact on the organization are

awarded a crystal trophy, a \$500 monetary award and a gala reception celebration that includes executive staff.

##### EMPLOYEES SAY:

■ "CalSTRS promotes work-life balance and gives you an opportunity to grow and move forward with your career."

■ "Our culture of hard work, yet having time to laugh, is our secret sauce to our investment performance. Our people are viewed as the most important asset, more important than the NAV."

■ "Pays for some career and education development opportunities. We have a connection and familiarity with our executives, good solid core values and culture, and we are encouraged to do our best."

#### Cohen & Steers

New York  
AUM as of June 30: \$66.3 billion  
Employees: 301  
Years won: 2020

##### 3 COOL THINGS:

■ Provides a 50% match of employee's 401(k) contribution up to the IRS limit. Partners with Charles Schwab and other outside advisers to offer employees programs focused on financial literacy, estate planning and best

##### EMPLOYEES SAY:

■ "Firm is structured such that no single person or group is required to perform a single task repetitively. As such, the opportunity to build a diverse set of skills is there for all employees."

■ "Cohen & Steers has invested heavily in the company's culture by creating several committees dealing with a range of initiatives such as charitable giving, volunteerism and women's issues."



**SALUTING THE YEAR:** At the firm's year-end celebration, founders Bob Steers and Marty Cohen and President Joe Harvey give a year-end review, acknowledging accomplishments and key department successes.

practices for retirement.

■ Summer Fridays: Employees are able to sign off early each Friday during the summer to help maintain work-life balance and strong mental health.

■ Offers education assistance and certification programs. Additionally, CNS University holds sessions for employees to learn from colleagues about roles and business strategies.

■ "During the recent pandemic, senior leaders announced there would be no layoffs and that we'll continue to invest and grow. This year the firm introduced a new internal communications program and senior leader monthly town halls that increased communication and updates. The return-to-office committee has led with employee safety as the key concern."



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)

## Conning

**Hartford, Conn.**  
**AUM as of June 30:** \$180 billion  
**Employees:** 261  
**Years won:** 2020

#### 3 COOL THINGS:

- Hosts young professional and women's networking groups, offers community volunteering, a comprehensive wellness program, has a commitment to diversity, equity and inclusion,

#### EMPLOYEES SAY:

- "I truly feel valued as an employee and know as a millennial that the company is invested in seeing my growth. Two great things are being able to get 100% tuition reimbursed and getting praise from senior leaders when deserved."
- "The organization provides the most current and up-to-date computer software and hardware available to allow us to do



#### CELEBRATE!

Employees turn out at a local business publication's "40 Under Forty" reception to support colleague Becky Humphrey, center, a director in insurance research.

and an internship program that has endured remotely during the COVID-19 crisis.

- Helps underwrite costs of commuting to work with a contribution of \$60 a month.
- The firm has decades-old employee traditions that include a Reindeer Games holiday celebration featuring employee-cooked breakfast and games such as mini-golf and Family Feud.

our jobs well. They also provide non-work activities and outings during the year, which makes you feel like part of a team/family and not just a number."

- "They seem to actually put people first. I feel free during the pandemic to say, 'I can't work today,' or 'I want to keep working from home,' without fear of reprisal of any kind."



**MAY THE HORSE BE WITH YOU:** The private client consulting group took time to bond by spending an afternoon with the ponies at a local racetrack.

## DiMeo Schneider & Associates

**Chicago**  
**AUA as of June 30:** \$195 billion  
**Employees:** 180  
**Years won:** 2020

#### 3 COOL THINGS:

- Employees are allowed to take a half day off before any major holiday. They also may choose six half-day Fridays between Memorial Day and Labor Day.
- Wellness programs allow for reimbursement of up to \$900 annually, with funds that can be used for health club memberships, relaxation needs or even golf clubs.
- Awards an individual's paid time off allocation based on years of professional service, not years at this firm. In addition, all employees are allotted one additional day each year for their birthday.

#### EMPLOYEES SAY:

- "Over my tenure at the firm,

the company has embraced new benefits and policies that have greatly enhanced our work-life balance and work environment: casual dress, maternity/paternity leave, PTO, wellness benefits, work from home capabilities, cell phone reimbursement, mentorship programs, etc."

- "One of our guideposts, 'check your ego at the door,' ensures that everyone comes in with a 'can-do' attitude; no task too big or too small. My colleagues are a huge reason why I come to work — they are bright, motivated and wonderful to work with."
- "The organization proved they care about the safety of their workers during the coronavirus pandemic by extending work from home and communicating clearly. There is a real attempt at fostering team spirit."

## Hamilton Lane Advisors

**Bala Cynwyd, Pa.**  
**AUM as of June 30:** \$516 billion  
**Employees:** 308  
**Years won:** 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Before the pandemic, the company provided family-style catered lunches every Monday to encourage networking and enhance camaraderie among colleagues. To encourage a healthy work-life balance, the company also offers early office close on summer Fridays.
- Benefits to support employees' families include infertility and adoption assistance, milk shipping, backup child care and elder care, four weeks of paid family and medical leave and 16 weeks of 100% paid parental leave.
- Regular "Rock On" awards are given by the CEO to employees who exemplify the company's core values and



**KEEP ROCKIN':** Hamilton Lane has a town hall meeting each quarter during which employees who exemplify the firm's core values, culture and success receive "Rock On" awards and some special recognition from the entire staff.

culture of ingenuity. Employees nominate their peers; nominations are often based on client feedback.

#### EMPLOYEES SAY:

- "Apart from the great financial performance, and always looking forward to ways to grow and innovate, the leadership is extremely transparent with the direction of the company and the factors driving their decision-making."
- "Direct supervisors give many opportunities to invoke an entrepreneurial spirit — one of the few distinct

qualities that sets the firm apart from others in the money management business."

- "During the COVID-19 work-from-home environment, technology has been very good and there has been increased adoption of technology. This has allowed employees more ability to work remotely for a prolonged period of time. The company has allowed flexibility to employees (for child care, etc.) through this time and the team has responded well."

## Harrison Street Real Estate Capital

**Chicago**  
**AUM as of June 30:** \$27.3 billion  
**Employees:** 153  
**Years won:** 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- During the pandemic, Harrison Street allows employees to take an additional 10 days of PTO if they have symptoms of COVID-19 or if they are caring for a dependent who has the illness.
- Wellness program includes free fitness and meditation classes.
- Offers 16 weeks of paid parental leave for mothers and fathers, as well as a dependent care and transit-matching program.

#### EMPLOYEES SAY:

- "Continues to show employees' value to the company through tough economic times; provides considerable opportunity for experience-based learning and career progression."
- "The firm makes great efforts to instill a spirited, collaborative work environment. This takes a number of different forms, including extensive



**LET'S EAT!** Harrison Street employees donned their aprons for a cooking class at the firm's final inclusion event of the year. The food fest began with appetizers and was followed by a hands-on cooking experience.

benefits and perks, plenty of company events, formal feedback and more."

- "The flexibility and understanding of the personal responsibilities of people with families and children is exceptional relative to other firms in the industry."

## Fort Washington Investment Advisors

**Cincinnati**  
**AUM as of June 30:** \$64.8 billion  
**Employees:** 142  
**Years won:** 2013, 2014, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- During shelter in place because of the pandemic, the firm celebrated its 30th anniversary with a trivia contest every Friday for three weeks based on the history of the firm, the city and parent company. Contest winners were awarded gift cards.
- Retirement benefits include a 401(k) with a company match and a traditional defined benefit plan. Offers health, dental, vision and life insurance to retirees.
- The company covers all out-of-pocket expenses related to COVID-19 testing and associated doctor visits, including related telemedicine visits. It also provided associates with additional PTO days.

#### EMPLOYEES SAY:

- "Fort Washington demonstrates that it genuinely cares about its associates every day. I feel like my contributions are



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)



#### PEDAL TO THE METAL:

Employees took to their bikes for Ride Cincinnati, a leading grassroots organization that funds cancer research in greater Cincinnati. This past year, more than 600 riders participated and the event raised more than \$1 million.

valued through formal and informal recognition and my compensation. Achievements and special events (retirements, marriages, new babies, and other important milestones) are recognized and celebrated.”

■ “I am particularly impressed with how Fort Washington has navigated COVID-19. The transition to work from home was seamless — the technology worked (every single application); the WebEx meetings worked; our communications connectivity worked; and our team

meetings worked.”

■ “Benefits the company provides are unique in today’s world: A traditional pension plan and a 401(k) with a match, a complete health benefits package, and a lot of extra perks for all employees, including meals — free breakfast, lunch and dinner at a very modest cost, subsidized parking, free medical tests — mammograms, PSA, blood tests, health wellness programs — Weight Watchers, South Beach Diet and other wellness programs.”

#### GCM Grosvenor

Chicago  
AUM as of June 30: \$55 billion  
Employees: 444  
Years won: 2020

#### 3 COOL THINGS:

- Employees offered reimbursement of up to \$500 for the cost of IT-related equipment used while working remotely. The company also instituted a “GCM Unplugged Policy,” which allowed up to eight hours additional time off every two weeks to provide flexibility to employees working from home during COVID-19.
- Also in response to COVID-19, the company started an employee giving campaign that provided \$500 (or the local country equivalent) to each employee to make a donation to an organization, business or individual of their choice.
- The GCM Connect program offers formal mentoring



#### BACKPACK STUFFERS:

Volunteering is big part of giving back for GCM Grosvenor employees. For one such event, the group filled backpacks with school supplies for students in need.

opportunities. In addition, every two years the company hosts a Women’s Leadership Summit for the firm’s senior female leaders across business lines and regions to highlight topics that are relevant to their careers and lives.

#### EMPLOYEES SAY:

- “Always, but especially during the COVID-19 situation, they have shown that the health and safety of their employees are their No. 1 priority.”

■ “The organization has extremely great benefits. From the insurance plan to the paid time off and sick days, Grosvenor has always been very generous in providing support.”

■ “Collaborative culture with a client-centric approach. Huge focus on ethics, compliance and a firm that measures the value of its assets not just on the balance sheet but in the quality of people that ride the elevators up and down every day.”

## COHEN & STEERS

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## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)

## LaSalle Investment Management

**Chicago**  
**AUM as of June 30:** \$65.7 billion  
**Employees:** 310  
**Years won:** 2013, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Fosters family-friendly culture with flexible work arrangements, among other offerings.
- Hosts a Growth Through Inclusion program, founded in 2014, with a goal to develop and increase readiness for diverse employees to take on leadership roles. On a biennial basis, the program hosts a firmwide symposium open to all employees, with keynote presentations and discussion themes associated with diversity and inclusion. On the day following the all-employee symposium, a subset of LaSalle employees is invited to participate in more in-depth workshops



**GO LONG:** LaSalle in January had its Pre-Super Bowl Happy Hour. The firm has a happy hour every month, and the theme is always different.

that promote leadership development.

■ Staff recognition awards include the GMC Pinnacle Award, nominated through LaSalle's Global Management Committee, that recognizes employees' outstanding performance on behalf of clients.

#### EMPLOYEES SAY:

■ "During the pandemic, they have been very open to everyone's concerns about the work environment and when everyone would like to go back to the office. Communication has continued throughout the

process and I have never really felt out of the loop."

■ "LaSalle is an organization filled with very smart, high-caliber employees that are down to earth and like to see their team members be successful. LaSalle also does not hesitate to invest in their employees to give them the tools and skills that will make them successful."

■ "The firm has created a very strong culture and that starts at the top. Senior leadership communicates effectively, sets clear strategies and leads by example."

## Legal & General Investment Management America

**Chicago**  
**AUM as of June 30:** \$212 billion  
**Employees:** 220  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Offers a student loan pay-down program. The company will make direct contributions to employees' student loans at \$100 per month to help employees reduce debt and save for the future. Also offers "Lunch and Learn" sessions to discuss saving for retirement.
- Provides a wellness benefit of \$500 per year to be used for wellness-related activities, including gym membership, massages and registration fees for races. Offers flexible work hours and work-from-home capabilities to all employees.



**PROUD:** LGIMA is actively involved with Chicago's Out in Finance chapter. Executives like CEO Aaron Meder, second from left, often speak at gatherings. The group strives for LGBTQ+ inclusion in finance.

■ Hosts an "Appreciating Differences Week" to build awareness around diversity and inclusion, improve understanding, and celebrate employees' differences through various events.

#### EMPLOYEES SAY:

■ "Leaders listen and are open to ideas and suggestions. During the COVID crisis, LGIMA has handled everything really well and kept us informed."  
 ■ "Collaboration through a client-centric lens has

allowed us to develop investment strategies that meet our clients objectives, which continue to evolve. People are open, approachable and want to help others succeed. It's a place where we value innovation and new ideas and try our best to align people's career progression with their interests."

■ "Diversity programs are popular. Some of the teams are very social. I believe my salary is fair considering the bonus opportunity."

## Resolute Investment Managers

**Irving, Texas**  
**AUM:** Not available  
**Employees:** 122  
**Years won:** 2019, 2020

#### 3 COOL THINGS:

- Full employment with no salary reduction for all employees while they worked from home during the COVID-19 pandemic. Provided \$200 stipend to all employees to aid in obtaining necessary resources for work-from-home setup during the pandemic.
- Hosts weekly town halls, providing relevant subject matter expert presenters.
- Sponsors a chili cook-off competition for employees; to kick off the football season, employees are encouraged to wear their favorite sports team jerseys.

#### EMPLOYEES SAY:

■ "I feel like particularly in this time of uncertainty and fear, this company has looked out for employees and their mental, physical and financial well-being. Watching our leadership bend over backwards to cut things, not people, out of the budget makes me feel not only



**PREGAME WARMUP:** Employees enjoyed a Tailgate Football Kickoff to welcome a new season. The food was great and everyone was adorned in a favorite team jersey.

valued, but driven to work harder for the company."

■ "Good focus on work-life balance. With current events (pandemic, protests, etc.), I feel like management has acted responsibly and taken initiative to look out for the interests of the employees."

■ "Leadership from the CEO and president to VPs and supervisors make the employees feel they can excel in their work and have the freedom to push back with ideas or opinions. For the most part, employees work as a team but ultimately everyone's goal is to do their best for the company."

## Schroder Investment Management North America

**New York**  
**AUM as of June 30:** \$649.6 billion  
**Employees:** 326  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- A matching gift program supports the charities that employees support. During the COVID-19 crisis, the company added to that support by increasing the match — up to 6.25% of an employee's salary.

■ At least once a year, sponsors a "Kid's Day" where parents can bring their children to the office for an afternoon of pizza and entertainment.

■ For new mothers, the company sponsors a corporate lactation program that provides hospital-grade breast pumps for new mothers, a welcome basket, unlimited virtual lactation counseling and monthly delivery of breastfeeding comfort items to the office.

#### EMPLOYEES SAY:

■ "I have never been more proud to be associated with Schrodgers than I have in the



last few months with how the firm, globally, has shown up for those in need. The support in different forms, including substantial grants, has been unparalleled."

## SLC Management

**Wellesley Hills, Mass.**  
**AUM as of June 30:** \$193 billion  
**Employees:** 192  
**Years won:** 2020

#### 3 COOL THINGS:

- Supports employees' financial wellness, offering employees the opportunity to buy shares of Sun Life stock at a 10% discount on an after-tax payroll deduction basis, and it provides retirement-planning and other online financial support tools as well as a variety of related webinars.



**TO THE RESCUE:** SLC Management is an Emergency Aid Hero to Wonderfund, and it provided backpacks full of necessities for Massachusetts foster children removed from their homes in emergencies.

■ Launched a new paid family and medical leave program in January, which includes 24 weeks of paid family leave for a birth parent (eight weeks of paid medical leave for child-birth recovery and 16 weeks of

paid family leave for bonding). It also offers 26-plus weeks of paid medical leave for an illness or injury.

■ Global recognition program includes an annual CEO Awards for top achievers who



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)

## PanAgora Asset Management

**Boston**  
**AUM:** Not available  
**Employees:** 138  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Empowers team members through affinity groups, such as the Women in Network group, which hosts speakers and holds off-site events; gives employees mobility across roles by promoting from within and keeping an open-door policy that gives employees at all levels the ability to connect with senior members of the staff.
- Hosts virtual happy hours and maintains a sense of community and collegiality despite working from home during the pandemic, with activities including virtual lunch groups, virtual trivia nights for the sales team and the firm-sponsored "Kahoot! Wednesdays," a



**SHELTERING:** PanAgora's Women in Network staff volunteers at Rosie's Place, which provides a nurturing environment to help poor and homeless women maintain dignity and find security and opportunity.

game-based learning platform.

- Promotes teamwork through group philanthropic events by sponsoring an employee team and providing T-shirts for the J.P. Morgan Corporate Challenge and hosting a staff party to gather donations for the "Walker Wishes" toy drive.

#### EMPLOYEES SAY:

- "The company is an advocate for promoting from within, which is a driving factor in retaining

talent long term."

- "Leadership is strong. It is the culture of the organization that makes it a great place to work. You are valued as an individual and the organization promotes learning."
- "While the health and safety of the employees has always been a priority, I am especially pleased at the way we handled remote work through the pandemic this year and feel like our families' needs are truly taken into consideration."

## PineBridge Investments

**New York**  
**AUM as of June 30:** \$104.4 billion  
**Employees:** 272  
**Years won:** 2020

#### 3 COOL THINGS:

- In response to COVID-19, the company doubled the number of allowable 2020 vacation days and extended the carryover timeline so that the days can be used at any point during 2021. Launched a "Work from Home Diaries" campaign on the company intranet that encouraged employees to share their experiences and journey during COVID-19.
- Organizes a range of charitable activities and fundraisers to support the communities in which employees live and work — hunger relief, LGBT youth, education, Toys for Tots, etc. Provides a paid day off for volunteer work.
- Added virtual training opportunities based on employees' requests for



**TALK IT OUT:** The firm holds "coffee chats" for informal discussions. A recent chat featured Jennifer Motz, the global head of human resources.

additional professional development opportunities during COVID-19. Workshops cover topics including Excel, business writing skills and DiSC personality assessments.

#### EMPLOYEES SAY:

- "PineBridge is broadly amenable to hiring talent regardless of location, even prior to COVID-19. So flexibility to work from home (while still maintaining an in-person presence as needed) has long been a cultural facet of the organization — that has boded well for our ability to work remotely during the current environment."

- "PineBridge is a very 'flat' organization. People at higher levels within the firm are not only willing, but interested in hearing the opinions of those more junior to them. The firm really has a 'we are in this together' mentality where I feel nothing but support from those I work with."
- "The firm goes out of the way to hold team-building activities — whether social, or charitable, 'coffee chats' with senior leaders or 'lunch and learns' on a wide range of topics. The mood and the tone is set from the top and you feel the collegiality and the friendliness all around you."



**WHEELS DOWN:** Employees bike to support the United Negro College Fund education drive. The company is a sponsor.

- "I feel like I am part of a family instead of just a number or a workhorse. I have no desire to ever leave the firm and (I am) hoping to stay until I retire."

"The firm truly invests in their people from a training, learning and development perspective and also from a benefits perspective. The view that they want to invest in our people for the long term with extremely competitive retirement contributions is one of the reasons it has kept me here for so long. They are contributing to my future in a meaningful way and I am grateful for that."

make significant contributions related to the company's strategy and purpose. Winners participate in regional celebration events and are invited to a three-day destination trip.

#### EMPLOYEES SAY:

- "Strong employee-centered culture. Highly collaborative environment where teamwork and partnerships are valued. I feel I can speak my mind and be my authentic self at SLC. I am proud to work for this

company because it aligns with my values."

- "Work-life balance is emphasized so it is easy to find time for activities outside of work. Sun Life also does a great job of giving a lot of time off and the opportunity to take sabbaticals."
- "Strong focus on creating a high-performing culture that supports diversity and inclusion and is client obsessed. They also have very strong executive communications on a consistent basis."



**CAM CAN DO IT:** "Cam Can" is a companywide campaign to support Cam. He's the 6-year-old son of an employee and he's been in a longtime battle with cancer. Chief Operating Officer Tuba Malinowski, in the front row, was among those showing support to help Cam in his struggle.

## Stockbridge Capital Group

**San Francisco**  
**AUM as of June 30:** \$17.6 billion  
**Employees:** 118  
**Years won:** 2020

#### 3 COOL THINGS:

- In response to the coronavirus pandemic, communications and meetings were enhanced through the addition of Microsoft Teams, allowing for group chat, company announcements, calls and video conferences. In addition, virtual happy hours are held regularly between departments, replacing previous in-person gatherings, and a companywide trivia

game was held over several weeks to bring fun to the day-to-day.

- Regularly gives to the non-profit group Raising Expectations in Atlanta, which helps children and young adults break the cycle of poverty. For example, the company adopted a family, provided gifts to each child and their mother and donated money for rent.
- Champions a family-friendly work environment with flexible hours to accommodate school events or doctor visits, free or discounted tickets to entertainment or sporting events and other perks.

#### EMPLOYEES SAY:

- "Stockbridge has created a culture that encourages

and promotes leadership, creativity and inclusion. Team members are respected and provided with opportunities to grow and develop their career."

"Stockbridge offers a culture built around collaboration, teamwork and positivity. The company is well-oiled in the institutional real estate industry. I am able to work on some exciting real estate transactions and allowed autonomy while doing so."

- "Stockbridge is very tuned in to employees' wants and needs and it speaks volumes that we've been able to maintain so much camaraderie and productivity while working from home for many weeks in 2020."

## Westwood Holdings Group

**Dallas**  
**AUM as of June 30:** \$11.9 billion  
**Employees:** 142  
**Years won:** 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Makes 401(k) program available on the first day of hire. Company matches 6%. Any contributions or matches are vested at 100%; an additional 1% is matched for contributions 7% or above to individuals earning less than \$125,000 per fiscal year. In addition, stock is awarded to each employee as part of their total compensation.
- Microsoft Teams service and cloud integration made it possible to deepen employee collaboration and maintain a cohesive work environment despite a shift to working remotely during the pandemic. Created a Westwood Yammer account and held weekly drawings to keep employees engaged and feeling connected.
- Partial time off is given for birthdays and on



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 100 TO 499 EMPLOYEES

#### Other winners (in alphabetical order)

#### Westwood Holdings Group

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summer Fridays. Employees can leave the office at 2 p.m. on their birthday. During the summer, staff members can choose six Fridays between June 1 and Aug. 24 to leave the office at 3 p.m. The company also grants four paid hours per month for volunteering.



**HAMMERING IT OUT:** Westwood employees are big on Habitat for Humanity, putting in 3,500 volunteer hours over 16 years of service.

#### EMPLOYEES SAY:

■ “Westwood makes you feel valued and a person,

not a number. Westwood trusts its employees, as seen during COVID-19, to

diligently do the work for our clients while also checking to make sure we, as employees, are doing OK!”

■ “Great benefit package, from health/wellness programs to retirement planning, and high company values that make me proud to represent.”

■ “People here are open to one another and treat others with the utmost respect. Leadership and managers truly care about the well-being of its employees and their success.”

#### William Blair Investment Management

**Chicago**  
**AUM as of June 30:** \$61.7 billion  
**Employees:** 316  
**Years won:** 2012, 2013, 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

■ Offers a 3:1 match for charities that promote inclusion, racial equality and social justice. Paid day off each calendar year to volunteer. In addition, the company offers opportunities to volunteer with community partners.

■ Enhanced its benefits program as result of the pandemic, including testing and treatment for COVID-19 not being subject to the deductible; telehealth; enhanced cell phone stipends and providing one-time

equipment stipends to help employees set up a more efficient home office.

■ Seasonal gatherings throughout the year include celebrations for events such as March Madness, Thanksgiving, an annual holiday party and celebration of milestone anniversaries.

#### EMPLOYEES SAY:

■ “Planned technology rollouts were moved forward as the pandemic took hold, allowing for a seamless transition (and showing what an agile company this is). Employees were given, and continue to be given, tremendous support, including technology assistance and stipends. Steps have been taken to



**WOMEN FOR WOMEN:** Maria Inlong is one of many members of the firm's Women's Alliance Business Resource Group, which fosters professional development and provides a channel for sharing ideas.

ensure there is work-life balance when we are working from home, including an extra vacation day this summer.”

■ “William Blair has consistently shown how much it cares for the employees through surprise bonuses, paid personal days, get-togethers at restaurants, and the concern for overall safety by implementing WFH (work from home) options

and not making major layoffs or terminations.”

■ “This organization values each individual. Throughout their recruiting process, they focus on seeking diverse candidates who have similar morals and values to the company. They work to promote an inclusive environment where all feel welcome and help each employee still feel unique and important.”

#### WisdomTree Asset Management

**New York**  
**AUM as of June 30:** \$57.6 billion  
**Employees:** 139  
**Years won:** 2015, 2016, 2017, 2020

#### 3 COOL THINGS:

■ Offers complimentary fitness apps, meditation, yoga, and virtual sessions with a wellness guru. Also circulates weekly and monthly newsletters with a compilation of themed wellness articles and hosts annual fitness challenges.

■ Matches 50% of every employee contribution to 401(k)s with no limit. Plan investment options are



**IF YOU CAN DODGE A WRENCH ...** The sports league brings employees together from different departments across the firm. Here the dodgeball team celebrated after another hard day on the court.

reviewed annually to ensure the best options are offered.

■ Recognizes employees at town hall meetings as they celebrate their 10-year anniversary with the firm, receiving a plaque from the CEO and a two-month paid sabbatical that they're

free to take all at once or split up at a time of their choosing.

#### EMPLOYEES SAY:

■ “The period of working from home has really given WisdomTree an opportunity to shine — se-

nior management is making a strong effort to stay connected to the other employees and it shows. Personally, I'm benefiting from the weekly yoga, meditation and health seminars.”

■ “Executives look at each employee as a person, and try to provide support to each as their own individual. The communication during COVID has been fantastic. There is a real community culture even as we work remotely.”

■ “You have opportunities to learn and grow, more so than you would at a larger organization, as well as access to our leadership team. I look forward to working every day, even while working from home.”

#### FIRST PLACE

#### Vulcan Value Partners

**Birmingham, Ala.**  
**AUM as of June 30:** \$13.5 billion  
**Employees:** 64  
**Years won:** 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Vulcan believes its culture, community and workplace are essential to its success. Its leaders built a company that is supportive, encouraging and empowering. They provide employees opportunities to learn, develop and grow as leaders. Work-life balance is promoted. Vulcan's compensation package is second-to-none. Vulcan is intentional

in formulating and nurturing its culture. The company understands the importance of its culture and the people who create it.”

#### 3 COOL THINGS:

■ Fully paid maternity and paternity leave, child-care reimbursement, and adoption and infertility financial assistance. During the pandemic, modified child-care policy to include sitters in addition to licensed day-care facilities.

■ Matches employee 401(k) contributions up to 6% of base plus bonus with immediate vesting.

#### SECOND PLACE

#### Adviser Investments

**Newton, Mass.**  
**AUM as of June 30:** \$5.6 billion  
**AUA:** \$386 million  
**Employees:** 88  
**Years won:** 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“We know our employees are our greatest asset. We support employees in their professional and personal growth with continuing education allowances, paid volunteer time and informative in-house employee seminars covering a wide range of topics — from enhancing public speaking skills to self-defense training. We recognize the



importance of workplace camaraderie and foster those relationships with companywide events, and are pleased we've come up with innovative ways to continue to foster our culture through the pandemic.”

#### THIRD PLACE

#### Bailard

**Foster City, Calif.**  
**AUM as of June 30:** \$3.8 billion  
**Employees:** 65  
**Years won:** 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“An independent firm since our founding in 1969, Bailard stands committed to our values and, most importantly, our clients. The pursuit of excellence — as a manager, partner and employer — drives everything we do. We believe in accountability, respect, courage, diversity, and in balancing innovation and stability. And those values manifest in our compassionate, high-touch service; our

firmwide intellectual curiosity and deep industry expertise; and in our transparency with both clients and colleagues. Empathy is not a hindrance, nor is it incompatible with risk and investing. In fact, we think it provides an edge.”

#### 3 COOL THINGS:

■ Provides a paid six-week sabbatical for every seven years of service.

■ Makes available education assistance with paid study days.

■ Recognizes employees with Oasis Awards for exceptional achievement, Longevity Awards for tenure and Movers & Shakers for ad hoc or under the radar achievements.



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 50 TO 99 EMPLOYEES



**TOUGH AS IRON:** Vulcan employees prepare for the football season at their annual pig roast tailgate party at Sloss Furnaces in Birmingham.

■ Offers wellness program with health coaches and quarterly wellness competitions. During the

pandemic, added virtual fitness classes. Provided gym reimbursement for online fitness classes or

membership.

#### EMPLOYEES SAY:

- “Quality work is valued greatly and there is always someone there to say a simple ‘great work!’”
- “There is not a single company meeting — not a single check-in with a superior — where senior staff doesn’t ask, ‘How can we better support you?’”
- “It is more difficult to maintain the company culture when everyone is scattered, but the company has added trivia contests via Zoom, ‘Poker Night,’ ‘Cocktail Tuesday’ via Microsoft Teams and other events to help keep employees communicating.”



**DON'T FEED THE TIGER:** To celebrate Adviser Investments' 25th anniversary, employees and their family and friends went all out and partied under the big top with a circus-themed picnic.

#### 3 COOL THINGS:

■ Offers a generous safe harbor 401(k), typically awarding participants more than 10% of gross pay as a year-end contribution from the firm.

■ Provides paid time off to

allow employees to contribute to local and national organizations and also sponsors charitable events in which employees can participate.

■ Makes available guided hypnotherapy, self-defense, meditation, yoga

and acupuncture during office hours.

#### EMPLOYEES SAY:

- “With the pandemic, management seems more concerned with health and safety than with maximum efficiency and is willing to keep us out of the office until there are better safety protections in place.”
- “Very entrepreneurial — if you see something that needs to be improved or an opportunity that arises, you are encouraged to run with it.”
- “The company makes tremendous investments in itself, especially in technology and marketing and that helps all of us do our job much better and with ease.”



**BIG SWINGS ON THE LINKS:** Bailard and the Bailard Foundation served as a gold sponsor of the 15th Annual Gatepath Golf Classic. Employee Stacy Pearl, left, foundation Chairwoman Terri Bailard, and employees Mike Faust and Austin Lastinger won first place in the mixed division. Ms. Pearl also won for longest drive for women and Ms. Bailard got a prize for closest to the pin for women.

#### EMPLOYEES SAY:

■ “The open-door policy literally means we have no doors in our main office. The CEO and COO sit in cubes.”

■ “Bailard balances the

needs of clients, employees and shareholders with an enlightened hand, recognizing the engagement of all of these is required for the firm’s success.”

■ “We are never penalized

or made to feel bad if an error occurs. We work together to make the problem right, figure out how not to repeat the same mistake and then we move on.”

### FOURTH PLACE MRA Associates

**Phoenix**  
**AUA as of June 30:** \$3.6 billion  
**Employees:** 53  
**Years won:** 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“MRA Associates employs a culture that encourages collaboration and innovation. Each of our workspaces hosts an open office concept, enhancing the firm’s transparent environment and team-focused culture. The firm fosters a healthy work-life balance by hosting volunteering and team-building events during office hours and offering a flexible work schedule. Motivated and talented team members have the opportunity to become the next generation of partners.”

#### 3 COOL THINGS:

■ Participates in fitness challenges such as the statewide AZ walking challenge and an annual



**CULTURE ON THE JOB:** MRA Associates features an in-office community art gallery, with a rotating exhibition chosen by employees.

challenge run by Fit Company for which staff members prepare well in advance. In the office, MRA provides healthy snacks such as fresh fruit and premade salads.

■ Option to work from home established before the pandemic. Personal laptops, extra monitors, and conferencing headsets are available to all employees.

■ The in-office MRA Associates Community Gallery showcases original artworks by local established and emerging artists with rotating exhibitions.

#### EMPLOYEES SAY:

- “They (management) have been transparent with all of the firm’s decisions during COVID and update us regularly as to what the company is planning and where the firm is financially.”
- “Management recognizes the role technology plays into our industry and works hard to always be on top of new advancements.”
- “The partners promote activities and an atmosphere of having fun, play hard and work hard.”

### FIFTH PLACE Polen Capital Management

**Boca Raton, Fla.**  
**AUM as of June 30:** \$45 billion  
**Employees:** 91  
**Years won:** 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Despite rapid growth in both assets and talent, the firm hasn’t changed its purpose to serve its clients, employees and community. A big part of Polen’s culture is operating as a (results-only work environment) ... instead of face time and hours. To promote a healthy lifestyle, Polen Capital provides its employees with an on-site gym and daily catered healthy breakfast and lunch.”

#### 3 COOL THINGS:

■ Covers 100% of medical, dental and vision premiums for employees and dependents. Funds 100% of each employee’s annual deductible via a health savings account.

■ Offers on-site gym and wellness room with free personal training, yoga, meditation and massages.

■ Employees are given a \$5,000 annual training budget to be used for personal or professional development. The firm also hosts quarterly training on topics such as soft skills development and financial wellness.

#### EMPLOYEES SAY:

■ “Throughout the COVID-19 crisis, Polen



**ON THE RUN:** Polen employees from the Boca Raton and Boston offices got their running shoes out for South Florida’s Susan G. Komen Race for the Cure to fight breast cancer.

has gone above and beyond to support employees with virtual babysitting and tutoring services, increased employee assistance program counseling, personalized gift boxes and additional funding for child care.”

■ “It artfully blends doing what is right for our clients while doing what is right for employees.”

■ “You can fail without fear of unfair retribution, allowing you to experiment and try new things that may add value to firm.”



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 50 TO 99 EMPLOYEES

#### Other winners (in alphabetical order)

#### Aksia

**New York**  
**AUA as of June 30:** \$160 billion  
**Employees:** 89  
**Years won:** 2015, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Schedules frequent lunch and learn educational conference calls or in-person seminars that allow employees to step away from their desks during the day, enjoy a free lunch and learn about an industry-relevant topic that may be outside their day-to-day role.

- In-office mindfulness and meditation workshops lets employees release tension and reset during the workday.

- Hosts regular social outings and networking opportunities, such as baseball games, trivia nights and BBQs.



**WALL-TO-WALL WORK:** Aksia employees got their workout in at a rock-climbing gym.

each other outside of doing our day jobs.”

- “Even though the firm has grown significantly over the past few years, it still has an entrepreneurial feel.”

- “During the pandemic, Aksia offered employ-

Holiday celebrations include an Ugly Sweater party and a bake-off.

##### EMPLOYEES SAY:

- “Aksia emphasizes community and organizes several events to help people connect and get to know

ees a creative solution involving a virtual summer camp for children from ages 3-8 years. This program was a great reprieve for many of the working parents whose summer plans were altered due to COVID-19.”

#### Aviva Investors

**Chicago**  
**AUM as of June 30:** \$438.5 billion  
**Employees:** 76  
**Years won:** 2020

##### 3 COOL THINGS:

- Supports philanthropy by matching employee fundraising efforts, hosting quarterly bake sales, and by giving each team member three paid days off each year to support organizations they are passionate about.

- Offers transit subsidies and job-related tuition assistance.

- Helps parents and caregivers achieve work-life balance by providing a parental leave policy that gives new mothers and fathers time



**HOME RUN:** Aviva's summer recognition program honors colleagues across the firm who embody the firm's values and culture. A celebration took place across from Chicago's Wrigley Field, home of the Cubs.

off for the birth or adoption of a child.

##### EMPLOYEES SAY:

- “The energy in the office is very positive, with great connectivity between offices in North America and with our headquarters in London.”

- “Our North American team is the best I have

worked with in my 20-year career. There is shared collaboration and leadership is trustworthy, authentic, and cares about employees and our clients.”

- “I am given as much autonomy to do my job as I see fit, which is very empowering. I like coming to work.”

## How the survey was conducted

*Pensions & Investments* worked with a leading workplace expert to produce the 2020 Best Places to Work in Money Management list of top companies.

Best Companies Group, Harrisburg, Pa., undertook a two-step process to develop the list, designed to gather detailed data about each organization. To participate, a firm had to have at least 20 employees in the U.S., have at least \$100 million of discretionary assets under management or advisement and be in business for at least one year.

In part one, the employer completed a questionnaire about the firm's policies, practices, benefits and demographics. U.S. employment numbers for each firm were then confirmed by Best Companies.

In part two, employees were emailed an engagement and satisfaction survey that consisted of 78 statements. Employees were asked to respond on a 1-to-5 scale of “Disagree Strongly” to “Agree Strongly.” Two questions also were asked: what the firm did to make it a place where people wanted to work, and things the company could do to increase employee satisfaction and productivity.

The compiled data allowed Best Companies to determine the strengths and weaknesses of the participating firms. Employee responses accounted for 75% of the total company score, with the employer responses making up the remaining 25%.

For the final step, Best Companies' vice president of market research as well as several other staff members examined the data to verify and finalize the rankings. At *P&I's* request, participating firms were ranked against others of similar size.

Assets under management and assets under advisement figures are as of June 30, unless otherwise noted. Company and employee comments from the survey have been edited for space, style and clarity.

Read more about the survey process and sign up for an email notification when the 2021 program opens for registration at [pionline.com/bptw-pi](http://pionline.com/bptw-pi).

#### Baird Asset Management

**Milwaukee**  
**AUM as of June 30:** \$103 billion  
**Employees:** 97  
**Years won:** 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Shares operating income with associates in the form of profit-sharing and 401(k) contributions. Over the past five years, associates received an average contribution of 3.72% of their eligible compensation in profit-sharing.

- During the pandemic, doubled the donation amounts eligible to receive a 50% company match from the



**DOWN THE HATCH:** Warren Pierson, left, fixed-income deputy CIO, and CIO Mary Ellen Stanek served the crowd at a United Way fundraiser.

Baird Foundation. Previously, the most associates (excluding senior management) could donate to receive a 50% match was \$1,000. Now, associates can donate as much as \$2,000 and receive a

\$1,000 matching contribution.

- Baird's Kasten Award recognizes associates who provide extraordinary client service, exemplify Baird Asset Management's values and continually strive to

improve service on behalf of the whole team. Winner receives a crystal award and a \$5,000 gift card.

##### EMPLOYEES SAY:

- “Employees understand that if they do right by the client in the long-run, the work environment will remain top notch and the resources required to continue that effort will be provided.”

- “We work hard but are encouraged to take time for ourselves and our families.”

- “The organization has an open-door culture, which is great, and I came from a place where this didn't happen. You can talk to senior leaders when needed.”

#### Ballentine Partners

**Waltham, Mass.**  
**AUM as of June 30:** \$7.5 billion  
**Employees:** 89  
**Years won:** 2017, 2019, 2020

##### 3 COOL THINGS:

- Wellness initiatives focused on stress reduction and mental health; on-site yoga; monthly social hours.

- In response to the pandemic, personal paid sick days were increased to unlimited.

- Community leadership award recognizes an individual for their impact outside the firm toward making the



**PARTY CRASHERS:** Ballentine Partners hosts a big holiday celebration each year. At this gathering, employees and their spouses had unexpected guests.

world a better place.

Another award recognizes improvements to internal processes and systems while a third celebrates contributions to workplace culture. Winners receive a \$100

restaurant gift card.

##### EMPLOYEES SAY:

- “It's the little things that show the organization cares, such as snack drawers and birthday emails. They may be small but it makes being at

work feel more like family than a more traditional corporate workspace.”

- “They focus on collaboration among employees as well as professional development for all employees. They make it clear what they expect before being considered for a promotion, and make the tools available for every employee to improve and reach the next level.”

- “The company does everything it can to support its employees. Take the current situation, the company made sure that everyone one had what they needed to be able to work from home to the best of their ability.”



**BEST PLACES TO WORK IN MONEY MANAGEMENT**

**MANAGERS WITH 50 TO 99 EMPLOYEES**

Other winners (in alphabetical order)

**Blue Vista Capital Management**

Chicago  
 AUM as of June 30: \$4.5 billion  
 Employees: 58  
 Years won: 2020

**3 COOL THINGS:**

- Two summer outings are planned by the newest employees to engage the staff. One example: A Chicago boat ride to Chinatown to eat and play karaoke. On Fridays during the summer, the office closes at 2:30 p.m.
- Told employees that they won't be required to return to the office until a vaccine is created and proven to be effective. Increased technical support to resolve at-home technology questions. Added twice monthly all-staff Zoom calls to help staff stay informed and engaged.
- Matches the first 4% of an



**OFFERING WARMTH ON A WINTER DAY:** One of Blue Vista's annual service day events was held at Cradles to Crayons, where employees organized and packed winter items for the organization's "Gear Up for Winter" initiative.

employee's 401(k) contributions.

**EMPLOYEES SAY:**

- "There are rigorous standards and processes for recruiting people who are a good fit to work together. The result is very good collaboration, shared ambition, high retention and levels of engagement."
- "There is an annual group

trip to Aspen where we're able to spend time playing games by night and skiing together by day. This allows you to get to know the colleagues you wouldn't typically work with."

- "Management isn't satisfied with the 'this is the way it's always been done' mentality, but strives to grow and improve as the company grows and the economic environment changes."

**Canterbury Consulting**

Newport Beach, Calif.  
 AUA as of June 30: \$23.6 billion  
 Employees: 61  
 Years won: 2020

**3 COOL THINGS:**

- Contributes 5% of salary into employee profit-sharing plans each pay period. The company also matches 2% of an employee's 401(k) contribution.
  - Financial support for professional designations CFA, CAIA and CPA. Canterbury pays costs associated with the study materials and ongoing professional fees.
  - Recognizes those employees who have been at the company for five, 10, 15, 20 and 25 years with a travel voucher (\$100 for each year) to spend only on travel.
- EMPLOYEES SAY:**
- "The benefit package reflects the



**BREAKING DOWN THE WALLS:** The open floor plan of Canterbury Consulting's office allows employees to easily collaborate with one another on client projects large and small.

- effort to give the best. Beyond the excellent insurance and other benefits, this includes three paid half-days to go to the beach every summer."
- "Every employee, no matter their position in the company receives equal respect."
- "I feel truly comfortable walking into any office to have a conversation be it my teammate or the president."



**Always Evolving**

TCW fosters a culture of teamwork and innovation that drives us to meet the challenges of the day, no matter how unexpected, and consistently exceed our clients' expectations

Proud to be named one of P&I's Best Places to Work for the seventh consecutive year.



**Pensions & Investments** ★ ★ ★ ★

<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2020★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2019★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2018★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2017★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2016★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2015★	<b>BEST PLACES TO WORK</b> IN MONEY MANAGEMENT ★2014★
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## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 50 TO 99 EMPLOYEES

#### Other winners (in alphabetical order)



**GROWING UP:** Corbin Capital's corporate volunteer day helped make the world a bit greener with the Citizens Committee for New York City at Lydia's Magic Garden in East Harlem.

#### Corbin Capital Partners

**New York**  
**AUM as of June 30:** \$7.2 billion  
**Employees:** 51  
**Years won:** 2020

##### 3 COOL THINGS:

- During the pandemic, the firm added monthly reimbursements for subscribing to fitness and wellness apps. Pays 100% of medical and dental coverage premiums for employees and their dependents.
- Holds philanthropy events, such as a park cleanup.
- Employees receive a customized bobblehead on their 10-year

anniversary along with a gift card or personalized gift. Recognition awards are announced at the firm's summer outing and come with a \$500 gift card and sash with the award title.

##### EMPLOYEES SAY:

- "Corbin values work-life balance and wants all employees to be able to leave at a reasonable time, take breaks during the workday and use all vacation days."
- "For younger employees, the flat structure allows individuals to work closely with senior management, take on dynamic tasks and projects."
- "Nice size — big enough to be expert, but small enough that there aren't a lot of politics or bureaucracy."

#### Element Capital Management

**New York**  
**AUM as of June 30:** \$16 billion  
**Employees:** 50  
**Years won:** 2019, 2020

##### 3 COOL THINGS:

- Sponsors social impact initiatives for staff. Recent projects include an interview training program at schools in lower-income areas, a program that supports the arts in city public schools and one that provides school supplies to homeless students.
- Matches an employee's charitable donations up to \$50,000 a year and allows staff paid time off for volunteer work with charities.
- Offers a fully paid premium benefits package to all employees. This includes health-care, dental and vision insurance for the staff members and their families. In addition, company provides staff with free access to an

insurance concierge service that helps them navigate the claims procedure, process reimbursements, research providers, etc.

##### EMPLOYEES SAY:

- "Element goes above and beyond to provide every perk imaginable, including everyday catered breakfast and lunch, unlimited snacks and beverages, free massages, indoor/outdoor relaxation areas and firmwide happy hours."
- "During the coronavirus pandemic, the company has ensured that the work environment is safe. No employees have to use public transportation to get to work."
- "Working at Element is like being a Navy SEAL — everyone is an absolute top performer, committed to success, and eager to work with other team members to achieve that success."

#### GuideStone Capital Management

**Dallas**  
**AUM as of June 30:** \$14.2 billion  
**Employees:** 51  
**Years won:** 2019, 2020

##### 3 COOL THINGS:

- Offers a 403(b) plan that includes a 10% employer contribution. Automatic enrollment sets the employee contribution at 5%, but that can be amended.

#### Innovest Portfolio Solutions

**Denver**  
**AUA as of June 30:** \$30 billion  
**Employees:** 56  
**Years won:** 2014, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Sponsors a monthly volunteer opportunity such as painting homes for the elderly or delivering meals to those living with a life-threatening illness.
- Participates in the Arrupe Jesuit High School Corporate Work Study Program. Innovest pays 65% of

#### Los Angeles Capital Management & Equity Research

**Los Angeles**  
**AUM as of June 30:** \$25.6 billion  
**Employees:** 84  
**Years won:** 2014, 2015, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Paid time off to participate in philanthropic initiatives, including beach cleanups, volunteering at local elementary schools, and activities with Habitat for Humanity, Special



**WIDESPREAD EFFORTS:** Philanthropy Day 2019 was busy. Some employees helped with a cleanup on Venice Beach, while others participated in an annual 5K run sponsored by Homeboy Industries, a youth advocate organization.

Olympics and other non-profits.

- Early office closure on workday preceding a holiday; fully stocked kitchen with organic items and healthy

choices.

- Covers 95% of the medical premium for employees and dependents and 100% for other lines of coverage such as dental

and vision.

##### EMPLOYEES SAY:

- "From the health of the firm to areas in need of improvement, there is a willingness to level with employees in a face-to-face environment that is very real and authentic."
- "Most projects/assignments are intellectually challenging, and when an employee encounters a roadblock, ample support is provided in a timely fashion."
- "The senior leaders at the firm work hard to create and maintain a culture of inclusion, creativity and open-mindedness that promotes professional and personal growth."



#### Modera Wealth Management

**Westwood, N.J.**  
**AUM as of June 30:** \$2.8 billion  
**Employees:** 69  
**Years won:** 2012, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Organizes firmwide team-building retreats, including barbecues, lawn games and escape room challenges. Hosts holiday staff festivities (gift exchange, bake-offs and ugly sweater contests).
- Establishes buddy pairs

across the company's six offices to enhance staff interaction and community.

- Through its philanthropy committee, selects and organizes local day of service events for each of its six offices and sponsors philanthropic endeavors.

##### EMPLOYEES SAY:

- "During this pandemic, we've been provided with the technology needed to successfully and productively work from home, taking care of ourselves, our families, and also our clients with the best



**REAL DIRT:** Colleagues from the Charlotte, N.C., office dug in for a maintenance project at Independence Park, working with the park's horticulture team to trim trees, clear debris and pull weeds.

possible service."

- "If I take a day off or am unavailable, someone is always willing to step in and help out

in my absence."

- "Growth and learning are constantly encouraged and reinforced."

#### National Real Estate Advisors

**Washington**  
**AUM:** Not available  
**Employees:** 58  
**Years won:** 2014, 2016, 2017, 2018, 2019, 2020

##### 3 COOL THINGS:

- Medical, prescription, dental and vision premium benefits are paid 100% by the company for eligible employees and their dependents.
- Offers health and well-being initiatives, including free healthy lunch meetings, fresh fruit and snacks available daily, and standing desks for all employees.
- Company-sponsored social hours



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 50 TO 99 EMPLOYEES

#### Other winners (in alphabetical order)

■ Operates on a 9/80 schedule, which means most employees work nine-hour days Monday through Thursday and an eight-hour day every other Friday, with alternating Fridays off.

■ The executive leadership team hosts breakfast every Wednesday to promote relationships at the firm.

#### EMPLOYEES SAY:

■ "The Christian culture

that emphasizes caring for each other as people and not just co-workers makes this a special place to work."

■ "It seems that everyone here wants you to succeed and wants to help you develop where needed to be able to succeed."

■ "GuideStone is a faith-based, service-minded organization that strives to excel in its business lines with integrity."



#### PITCHING IN:

GuideStone Gives is a service opportunity for employees to give back. One employee took up a pitchfork at the Bonton Farms, an urban farm in Dallas, to make way for some renovation.



**WINNER'S CIRCLE:** Kennedy Capital takes fitness seriously, and what's more serious than some relaxing after the annual 5K Family Fun Run.

### Kennedy Capital Management

St. Louis

AUM as of June 30: \$3.58 billion

Employees: 54

Years won: 2020

#### 3 COOL THINGS:

■ In addition to the regular 50% match on 401(k) contributions, there typically is a discretionary additional match at the end of the year.

■ Lunch is provided on Tuesdays, Wednesdays and Thursdays during earnings season. Work-life balance is encouraged through

flexible schedules.

■ Pays 100% of medical deductible costs for employees and dependents.

#### EMPLOYEES SAY:

■ "The close-knit environment makes it easy to go into work each day knowing that you always have consistent support professionally and personally. I was also impressed with how they (management) are handling COVID and making sure we are all safe."

■ "Work-life balance is as good as I would have ever thought it could be."

■ "Great pay, amazing benefits and wonderful friendships!"



student tuition for four economically disadvantaged students who work at Innovest during the school year, gaining work experience.

■ Encourages work-life balance

#### PETAL MAKERS :

Innovest employees volunteer to plant flowers at the Central City Opera House near Denver in time for the summer season.

through a flexible vacation policy, custom work schedules (reduced or compressed),

integration of family in company events and celebrations of family accomplishments, such as baby and wedding showers. When a baby is born, Innovest opens a college

account for the newborn and contributes to it.

#### EMPLOYEES SAY:

■ "The overall hiring of employees is well thought out and character is paramount, which helps everything else fall into place in the long run."

■ "I have people check in with me regularly just to see how I am personally doing and how my work is coming along."

■ "Management trusts that you will put the needs of the client and your teammates first and that you understand what is expected of you. Thus, they do not micromanage your schedule."

#### AN ISLAND ADVENTURE:

When the weather turns warm each year, the firm holds a summer picnic on Gibson Island in Chesapeake Bay. The annual event features great activities such as boat rides on the bay and maybe a volleyball game and a moon bounce (some people call it a bouncy house) for the kids, all served up with a buffet-style meal.



celebrate staff member achievements such as promotions and graduations.

#### EMPLOYEES SAY:

■ "During COVID-19, leadership has really shined by providing flexibility to employees, zero layoffs, and direct and consistent communication."

■ "Allows for intellectual engagement and fosters independent work while holding high expectations. You have room to strive mightily and recover if you stumble."

■ "It is a phenomenal place for a junior employee to learn and be exposed to the business."

### Parnassus Investments

San Francisco

AUM as of June 30: \$30.1 billion

Employees: 56

Years won: 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

■ Pays 100% of health-care premiums for employees and their dependents.

■ Offers a safe harbor 401(k) with a company contribution equal to 3% of an employee's compensation. An additional discretionary contribution is determined by the firm's profitability.

■ Provides employees with four paid days a year to volunteer for a charitable cause and employee donations are double matched up to \$10,000. A \$100 employee donation, for example, would yield a \$200 donation from Parnassus, resulting in \$300 to the charity.

#### EMPLOYEES SAY:

■ "The environment is collaborative and familial. Every team member knows all other team members by name. It's rare that employees leave."

■ "This organization trusts in the work that you do and gives you the space to be productive



#### BEACH PARTY:

Parnassus team members took a moment to bask in the glow of their accomplishment after spending a day removing trash and microplastic in association with All One Ocean, an organization focused on the removal of ocean debris.

without micromanaging your day-to-day."

■ "I feel I grow most days, have

fascinating projects, and make myself more valuable through accepting rising responsibilities."

### Penserra

Orinda, Calif.

AUM as of June 30: \$3 billion

Employees: 57

Years won: 2017, 2018, 2020

#### 3 COOL THINGS:

■ Promotes a diverse and accepting work environment in which 34% of the staff is from underrepresented minority backgrounds, respect is highly valued and teammates are encouraged to "treat colleagues like clients."

■ Supports work-life balance with an unlimited paid time off policy that allows employees to pursue their individual interests when they need time away from



the office; provides the staff with the equipment to work from home and gave each employee the option to work from home two days each month before the pandemic.

■ Maintains a collegial office atmosphere with free meals and snacks; hosts social events such as patio barbecues for the team, birthday celebrations and holiday gatherings; and encourages

#### DRINKING IT ALL IN:

Penserra's Chicago office enjoyed a wine tasting during last year's polar vortex as part of the firm's annual Christmas party.

employees to take breaks and play in-office golf or video games.

#### EMPLOYEES SAY:

■ "The firm is committed to diversity and inclusion from the top down. There is full transparency of the business lines and financials. Lots of flexibility with unlimited PTO and telecommuting policies."

■ "Small firm with a family feel. Very close relationship with co-workers. Part of a team working toward the same goals."

■ "They let you do your job. They ask questions and respond to input. Offer suggestions but always look for answers to problems and concerns. Penserra tries to bring us all together as a team."



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 50 TO 99 EMPLOYEES

#### Other winners (in alphabetical order)



**ALL DRESSED FOR WORK:** Trick-or-treat time is a family affair at Stadion. Everyone dresses up, and children of employees roam through the office seeking out treats as part of the spook-tastic Halloween fun.

### Stadion Money Management

Watkinsville, Ga.  
AUM as of June 30: \$2.6 billion  
Employees: 52  
Years won: 2019, 2020

#### 3 COOL THINGS:

- Fosters a collegial office atmosphere with daily company-catered lunches from local restaurants. Periodic after-hours happy hours celebrate upcoming events such as weddings and new babies, and an annual Family Fun Day in the spring and holiday party also builds culture.
- Contributes 3% of annual salary/bonuses/commissions to the 401(k), regardless of employee contribution. An additional annual profit-sharing contribution ranges from 1% to 1.5%.

- Offers a business casual dress code, with jeans allowed on Fridays.

#### EMPLOYEES SAY:

- “We are a nimble organization, able to quickly respond to changing market conditions and opportunities. That quickness provides opportunities for professional growth and the ability to quickly see each person’s individual contribution.”
- “Small enough to feel like a family. Large enough to be stable, competitive and secure.”
- “The company invests in little things that people value such as hosting a group lunch every day, fitness boot camps and an employee appreciation day.”



**ALL TOGETHER NOW:** The firm brings in employees from all over for a three-day event that focuses on team-building and collaboration. Evenings are reserved for camaraderie and fun.

### Strategic Retirement Partners

Shorewood, Ill.  
AUM as of June 30: \$11.9 billion  
Employees: 75  
Years won: 2019, 2020

#### 3 COOL THINGS:

- Even before the pandemic, more than 75% of employees worked remotely. Employees participate in videoconference calls daily and celebrate holidays periodically during Zoom calls.
- Matches employee 401(k) contributions up to 6%. It also contributes to health savings accounts: \$500 a year for individuals and \$1,000 for employees with dependents.
- Offers financial wellness through “Your Money Line,” providing employees access to coaches who help with

finances and investment issues. They also can use the company’s 401(k) contribution match to pay down student loan debt.

#### EMPLOYEES SAY:

- “Everyone in the company has a voice. The upper-level management is concerned with making sure that the decisions that are made will be beneficial to the entire company.”
- “There has never been one time in the years I have worked here that I have felt worried or distrustful of the information that has been shared by management.”
- “Our remote working environment gives me a relaxed space to work and allows for a great work-life balance.”

### FIRST PLACE Your Wealth Effect

Irvine, Calif.  
AUM as of June 30: \$1.1 billion  
Employees: 21  
Years won: 2020

#### IN THEIR OWN WORDS:

“In their words and in their actions, this company puts people over profits. People as it relates to their employees, people as it relates to families of their employees and people as it relates to the community.”

#### 3 COOL THINGS:

- Provides team members with one paid day off per quarter to volunteer.
- Pre-COVID-19, the firm

came together for a variety of fun activities such as pot-lucks, costume parties, group lunches and more. Since quarantine, the firm has periodically sent Grubhub gift cards to employees so they can enjoy a free meal at home.

- Covers 100% of the health, dental and vision premiums for employees and their families, regardless of employees’ part-time or full-time status.

#### EMPLOYEES SAY:

- “Everything the company



does is focused on taking care of employees, clients and the community.”

### SECOND PLACE Dana Investment Advisors

Waukesha, Wis.  
AUM as of June 30: \$6.5 billion  
Employees: 45  
Years won: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Dana Investment Advisors is a best place to work because of the strong family culture they’ve built and maintained since inception. The company has consistently added talented professionals and experienced virtually zero turnover. Creating an environment that employees value as the ‘best’ takes work, and Dana’s leadership understands the benefits of it and, therefore, is keenly focused on maintaining this type of



environment and culture.”

#### 3 COOL THINGS:

- Ensures each employee’s favorite beverages are consistently provided free of charge. To support local restaurants during COVID-19

closures, the company provided free Take-Out Tuesday lunches.

- Even before the pandemic, the firm provided PCs and other devices so employees could work remotely or from home, including giving

### THIRD PLACE Satori Capital

Dallas  
AUM as of June 30: \$1 billion  
Employees: 37  
Years won: 2015, 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Satori Capital is founded on the principles of conscious capitalism, a business approach that emphasizes creating extraordinary outcomes for all stakeholders. The firm views its team members as a crucial stakeholder group and works continually to sustain a world-class culture that helps employees thrive.”

#### 3 COOL THINGS:

- Provides team members with chef-prepared meals as a

health benefit and a convenience for those with busy schedules. During quarantine, Satori provided a week’s worth of fresh and healthy lunches to employees’ homes each Monday at no cost.

- Offers virtual sessions with a meditation specialist, and virtual group fitness classes and provides a wellness allowance of \$1,000 annually per employee for gym memberships and health-related items and puts on fitness challenges for which Satori donates to the charity of the winner’s choice.

- Emphasizes giving back. On each team member’s birthday, Satori offers a \$100 donation to the charity of the employee’s choice. The “Satori Serves” program also organizes regular charitable



activities for team members, such as serving breakfast at the Ronald McDonald House of Dallas, sorting donations at the Tarrant Area Food Bank, and creating “blessing bags” filled with toiletries and non-perishable food items to



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### WITH 20 TO 49 EMPLOYEES



**SUNDAES AT THE OFFICE WITH GEORGE:** *What's better on a summer day than ice cream? If it's June, it's sundae time for employees. The sundae station is part of a monthly tradition of potluck parties and all-around fun.*

ees and offer training, tools and tuition reimbursement.”

■ “You have the support of being

■ “I wouldn't be where I am career-wise if the company didn't invest in their employ-

part of a team, but you are also treated like an individual. Best of both worlds.”



**MASKED MARVELS:** *Dana Investment came to the rescue of coronavirus front-line workers with much-needed face shields as part of a recent community project.*

employees a pair of Apple AirPods so they could exercise and take calls cord-free.

■ Provides 100% premium-paid medical, dental and life insurance for employ-

ees and their dependents and makes annual profit-sharing contributions (typically 15%) to all employees.

#### EMPLOYEES SAY:

■ “The firm has always been employee-centric and has

provided flexibility to work remotely due to family circumstances. When I started with the firm many years ago, the IT department helped me set up a remote system on my home computer so as to not miss a beat. This came in handy when my kids were born and at times couldn't go to day care, during inclement weather, during travel, sickness, etc.”

■ “Employees are encouraged to think outside of the box and senior leaders are willing to listen. Employees are treated with respect.”

■ “Management seems to go out of their way and even take a financial hit to themselves first to ensure the success of all employees and organizations. There appears to be a real focus on providing everything necessary for every member of the organization to be successful.”



**FOR THE LESS FORTUNATE:** *Satori employees are big backers of the Tarrant Area Food Bank, which offers food to 1 million people in Texas.*

■ “Satori is never satisfied with the status quo or ‘good enough.’ We have a culture of constant improvement in every aspect of our work: investment returns, work-life balance, employee benefits and perks, etc.”

■ “Everyone at Satori has a voice. If you have an idea and the justification and research behind why an idea is good, it will most likely be implemented. ... If it will make your life, or the life of others better, you can almost guarantee Satori will jump at that opportunity.”

benefit the homeless.

#### EMPLOYEES SAY:

■ “Leadership goes above and beyond to make it an environment where authenticity and collaboration are optimally tuned.”

### FOURTH PLACE Cornerstone Advisors Asset Management

Bethlehem, Pa.  
AUM as of June 30: \$6.2 billion  
Employees: 34  
Years won: 2016, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“At Cornerstone, culture is paramount. We expect there to be a good cultural fit in all of our relationships, whether it is with a teammate or with a client. Our employees strive to deliver results for our clients and one another. Our people love what they do and who they get to do it with. Any firm is only as good as its people, and we are extremely proud of the people we get to work with.”

#### 3 COOL THINGS:

- The firm's Employee Experience Committee offers monthly celebratory events such as tailgates, and lunch and learns, among other events.
- Offers a charitable giving match of up to \$100 a year per employee and a paid day off for volunteering.
- Contributes 20% of employee pay



**WHO GOT THE FRUITCAKE?** *Employee-owners like to celebrate the holidays with a gift exchange and luncheon. Later, there is a night of dinner and dancing with the families.*

to its employee stock ownership plan.

#### EMPLOYEES SAY:

- Cornerstone “empowers us to work in our area of unique ability (and) improve our skill set every year. We are not micromanaged, but held accountable, which is very liberating.”
- “Leadership is transparent and communicates very well with its employees. They are always willing to provide their employees with the technology necessary to help improve

comfort as well as productivity.”

■ “While we work hard, the company also makes sure that we and our families are taken care of during good times and bad. Every employee has access to the most senior members of the team for coaching, advice or just to chat. It isn't so much the events that the Employee Engagement Committee puts on (even though they are great!) that makes this company a place people want to work, it is the day-to-day small acts of support that show people care about you.”

### FIFTH PLACE Bridgeway Capital Management

Houston  
AUM as of June 30: \$5 billion  
Employees: 37  
Years won: 2014, 2015, 2017, 2018, 2019, 2020

#### IN THEIR OWN WORDS:

“Bridgeway's commitment to its people creates a rare work environment that encourages and supports intellectual freedom, innovation and a strong commitment back from colleagues. We demonstrate this level of commitment by donating 50% of our profits to non-profit organizations. We are committed to transformative change for our company and the communities in which we live and work. This focus brings inspiration and motivation to do our best for investors every day.”

#### 3 COOL THINGS:

- Has a culture of philanthropy. Bridgeway contributes 50% of its earnings to non-profit and service organizations. The firm also provides generous matching options, permits employees to serve in the community in any capacity they choose during the workday, covers 50% of charitable service trip expenses for employees and their family members, and provides additional paid time to travel globally to serve.
- Hosts periodic appreciation trips



**GETTING BETTER:** *Bridgeway employees follow servant-leadership concepts and teachings from Trammell McGee-Cooper and make it part of their everyday lives. In-depth content and team activities show employees how to be continually more effective at their jobs.*

for team members and their families. The last trip was in 2018 to Grand Cayman, and all colleagues and their families participated.

■ Sponsors company outings including sporting events and happy hours along with special celebrations, such as Pi Day, a chili cookout competition, a virtual family talent show, and pumpkin carving.

#### EMPLOYEES SAY:

■ “Because it's a relatively flat organization, all staff opinions are valued and senior management

does a good job of creating opportunities to hear from everyone. The sense of purpose in the firm is also palpable — ‘results for investors, returns for humanity’ has become a mantra that fits with every intention and action.”

■ “People are truly valued, both as workers and as people. There is ample opportunity to do innovative work and contribute; it is not concentrated at the top.”

■ “Partners truly care for each other. We care about society and others. It's why BCM was established — to give back.”



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)

## 361 Capital

**Denver**  
**AUM as of June 30:** \$1.1 billion  
**Employees:** 22  
**Years won:** 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Provides unlimited vacation/paid time off and the ability to work around personal or family schedules.
- Treats team members to lunch on Fridays, which gives employees an opportunity to catch up and relax.
- Offers a minimum of 16 hours of paid time off to give back to the community, which can include participating in a build day with Habitat for Humanity or planning and hosting the annual Travis Manion Foundation's 9/11 Heroes Run in Denver.



**ON YOUR MARK ...** Chairman and CEO Tom Florence welcomes runners to the 9/11 Heroes Run in Denver. 361 Capital plans and hosts the race each year, which benefits the Travis Manion Foundation.

#### EMPLOYEES SAY:

- "It's a collaborative and competitive work environment. Everyone involved wants to

succeed and do best by our clients and colleagues. We also know how to have fun and relax from time to time."

- "For people who are driven and willing to be a part of building and making something outside their specific job description, there is a great deal of autonomy and support for trying ideas and stepping outside of your defined role."

- "Everyone has input on the direction of the firm and everyone's opinion is taken into account. Everyone feels like they have an impact in what they do on a daily basis."

## AAM Insurance Investment Management

**Chicago**  
**AUM as of June 30:** \$28 billion  
**Employees:** 47  
**Years won:** 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Provides free gym access and the flexibility to exercise during business hours.
- Encourages work-life balance, sponsors an annual Kids Day and encourages community involvement by mentoring minority students, packing meals and sponsoring families for the holidays.
- In response to COVID-19, employees were provided with an additional 10 sick days this year and the work from home policy was expanded. The vacation carryover policy also was extended this year to allow employees a few more months



to use days that had been carried over from the previous year, and the flexible spending account policy was amended to allow contribution adjustments midyear.

#### EMPLOYEES SAY:

- "Leaders at the company take a vested interest in the development and well-being of employees. I find that I don't need to speak up for



**NAILING IT:** ASB employees spent a volunteer day repairing houses in the District of Columbia area with Rebuilding Together, a mission-driven organization that builds, repairs and maintains housing.

## ASB Real Estate Investments

**Bethesda, Md.**  
**AUM as of June 30:** \$7.3 billion  
**Employees:** 47  
**Years won:** 2019, 2020

#### 3 COOL THINGS:

- Offers five paid volunteer days a year for each employee.
- The president provides surprise days off company-wide, typically near or around other holidays.
- Puts a focus on career development and training. During the pandemic, the firm launched virtual breakout sessions, giving employees an opportunity to discuss current topics of interest to them, personally and professionally. The firm's long-standing, company-wide learning forum, ASB University, has program-

ming throughout the year and brings in outside speakers to provide perspectives on areas important to employees' career development and the firm.

#### EMPLOYEES SAY:

- "I like that the company does not get involved in the world's political views but communicates to its employees the world's social issues."
- "During (the) coronavirus, a sincere and ongoing effort to make it possible to work remotely, not make us feel as if we have to return to work in order to keep our jobs, and an overall message in words and action that our health/welfare is most important."
- "I think the organization does a good job of recognizing that the work we do is incredibly time-consuming and pressure-filled, so recognition at the company is well-made."

## Balentine

**Atlanta**  
**AUM:** Not available  
**Employees:** 37  
**Years won:** 2012, 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Managers can give their employees an "On the Spot" award (\$250 gift card) for going above and beyond in their efforts. Recognizes employees' work anniversaries, promotions and other significant achievements at weekly all-firm meeting.
- Provides "Study PTO," which is additional paid time off to be used for

studying ahead of exams for qualifying continuing education efforts.

- Hosts fun family events like an annual Halloween party and holiday party for team members and their significant others; early close before holidays (2 p.m. the Friday before Monday holidays).

#### EMPLOYEES SAY:

- "The company really cares. During COVID, senior management has checked in with me multiple times and even sent customized gift baskets to each person with a handwritten note from the CEO and



**SHARPENING THEIR SKILLS:** Balentine employees got to enjoy a team-building event that you don't see every day — ax throwing!

chairman."

- "The employee engagement opportunities such as

lunch/learns, monthly birthday celebrations ... allow me to meet with my

## Capital Investment Cos.

**Raleigh, N.C.**  
**AUM as of June 30:** approximately \$6.5 billion  
**Employees:** 42  
**Years won:** 2017, 2018, 2020

#### 3 COOL THINGS:

- Encourages health and wellness with monthly yoga classes, quarterly chair massages and access to fresh fruit in the break room.
- Holds twice-a-year corporate retreats of typically three days to promote team bonding. While retreats were canceled this year because of the pandem-

ic, the team has traveled to Myrtle Beach, S.C., in the past.

- To build morale, provides employees with catered lunches on special occasions or whenever it deems necessary.

#### EMPLOYEES SAY:

- "First and foremost, they appreciate their employees and recognize the work they do. I have received gift cards out of the clear blue for a job well done. They support you as a person and understand you have a personal life and will help with any issues there if necessary. During COVID, we even had Zoom social hours

just to connect with colleagues. They also buy lunches, have your car washed, and have in-house chair massages (pre-COVID-19)."

- "No one is micromanaged, so work can be done primarily at own pace as long as it meets the deadline."
- "Capital is an environment of open communication and cooperation. The leadership values people, our human capital, and enables all employees to make the most of individual skills, experiences and perspectives, which creates synergies between departments that drive better solutions for our clients."

## Cardinal Investment Advisors

**Chicago**  
**AUA as of June 30:** \$246 billion  
**Employees:** 39  
**Years won:** 2015, 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Provides excellent retirement benefits; for instance, employees who defer 7% of their salary to their 401(k) will receive a 13.5% contribution from Cardinal.
- Coordinates fun and adventurous group activities, including charitable service, go-kart racing, mud runs, demolition ball and kickball teams.



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)



#### WOMEN AND CHILDREN

**FIRST:** The AAM team takes a moment from their volunteer work at the Catholic Charities' Mother and Child Nutrition Program Warehouse. Last year, AAM employees worked side by side with area high school students.

someone to look out for my best interests. My supervisor and other colleagues that I work with genuinely care about me and each other."

- The company "treats employees fairly and there is a high level of transparency and honesty where everyone knows how they're doing and what they may hope to achieve."

- "The ability for each employee to contribute to the success of the organization through innovation and idea generation is very compelling. Employee ownership contributes to a sense of team and shared values."

### Aetos Alternatives Management

**New York**  
**AUM as of June 30:** \$8.9 billion  
**Employees:** 33  
**Years won:** 2020

#### 3 COOL THINGS:

- Has an uncapped matching donation program for COVID-19 and social justice initiatives and gives employees additional leave to volunteer for those causes. Other charitable initiatives have included providing holiday gifts, backpacks and school supplies to children in need.

- Promotes a strong work-life balance by giving team members the flexibility to fulfill outside interests and obligations. For instance, when an employee had the opportunity

to become a professional rower, Aetos provided her with flexibility to work remotely while training, financially sponsored her boat, and cheered her on in the 2019 World Rowing Championships.

- Provides opportunities to relieve workday stress and have fun, such as Travel Bingo. To lighten the mood for team members who experience travel issues, employees claim a square on a board for types of travel problems. Each time a team member achieves a certain number of squares, Aetos makes a charitable donation.

#### EMPLOYEES SAY:

- "I think valuing diversity and people's opinions are what makes it such a great place, particularly at a time when there is so much division in our country. I feel that I can be



**ALMOST READY:** This Aetos team participated in an Operation Backpack event in New York to ensure that every child living in a shelter is ready for school.

myself and will be valued for who I am. That's very important to me."

- "Senior management is incredibly approachable and interesting. Every time I am in a meeting with our CIO or deputy CIO, I learn something. Three months in, our CIO knew as much about me as the CIO in

my last job who I worked with every day for six years."

- "Aetos is led by founders who care so fundamentally about the individuals working for them that it feels like a family. Paying themselves little or not all in lean years to make sure employees are still well taken care of is just one example."

co-workers in a laid-back environment instead of just talking about work. Because of COVID, we can't have our typical events but the company has scheduled virtual lunches and happy hours for the same effect."

- "The leadership is caring and communicates well. I appreciate the personal calls I have gotten from the president and CEO checking in during the pandemic ensuring I felt comfortable with the new work conditions and doing well mentally."

### Belle Haven Investments

**Rye Brook, N.Y.**  
**AUM as of June 30:** \$12.4 billion  
**Employees:** 35  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Promotes healthy living: Green juice made from fresh vegetables and fruits is made in the office every morning. Other healthy food options are also available. Prior to the pandemic, the firm came together for SoulCycle classes or other group exercise classes.

- To lighten the mood and have fun, the firm hosts themed dress-up days, such

as pajama day or a decades-themed day, along with a holiday ugly sweater contest and Halloween costume party.

- Offers training and development opportunities for women and minority employees, including executive coaching from third-party coaches, 360 evaluations and leadership workshops.

#### EMPLOYEES SAY:

- "The firm's leaders have put together a great team that makes coming to work each day enjoyable, and there is a healthy mix of



**ALL DRESSED UP:** Belle Haven employees did it up right for Halloween in 2019. Prizes and bragging rights were offered for the best costumes.

work and play. We have great team events, like concerts, escape rooms, dinners, our annual holiday

party, etc., and it's always fun spending time together outside of the office. Other highlights in the office

include Friday massages (pre-COVID, of course), going all out for people's birthdays, a very well-stocked kitchen and daily catered lunches."

- "The culture promotes hard work, accountability and collaboration, and although everyone is serious about their work, we try to sprinkle in some lighthearted fun as much as possible."

- "Awesome firm culture. The organization does an excellent job of making everyone feel like they are all part of the same team working toward the same goal together."



#### SPECIAL DELIVERY:

Cardinal employees enjoyed hand-delivered ice cream as a thank-you for their hard work and flexibility this summer. Employees also got an extra day off to chill out.

note giving team members an extra Friday off work to "chill out."

#### EMPLOYEES SAY:

- In light of shelter-in-place requirements this year, the firm sent all employees gift cards for takeout or delivered dinner to their families. This summer, the firm had ice cream hand-delivered to each employee's home with a

- "Cardinal is an organization where everyone feels empowered to speak up, make suggestions and enact change. I also appreciate the fact that Cardinal is 40% women-owned and has about the same percentage

of women employees. As a woman who is a working mom, it is valuable to have leadership and colleagues that understand your responsibilities and perspectives."

- "Cardinal listens to their employees! We have quarterly feedback, which was recently enhanced to include annual mentoring questions. Cardinal wants to ensure they are training, mentoring and providing all the resources necessary to their employees."

- "Not only does this firm provide great benefits and a great working environment, they continue to seek out additional benefits that employees desire in order to continue to make this a great place to work."

### Crossmark Global Investments

**Houston**  
**AUM as of June 30:** \$4.9 billion  
**Employees:** 44  
**Years won:** 2018, 2019, 2020

#### 3 COOL THINGS:

- Partners with Mission of Hope Haiti for an annual weeklong service trip in Haiti. Employees have participated in both the Farm-to-Table and Blue to Block programs, helping to deliver Haitian-grown crops and build homes for families.

- Further encourages a spirit of philanthropy through a biannual philanthropy event where all employees are encouraged to participate and serve in the community. Last December, the



**SUPERHEROES GALORE:** Employees and family members traded business attire for superhero costumes to participate in a themed 5K run for Child Advocates, a Houston organization that helps abused children.



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)

## Crossmark Global Investments

CONTINUED FROM PAGE 37

firm partnered with the Barbara Bush Houston Literacy Foundation to help increase child literacy rates in underdeveloped areas of Houston. Additionally, there are intraoffice contests tied to philanthropy initiatives, the firm matches employee donations to the charities they care about (up to \$250 per employee per calendar year), and donates cash for employee volunteer hours.

- Hosts a holiday decorating contest where employees are encouraged to decorate their individual workspaces or partner with their deskmates to create

holiday scenes. The top three winners receive cash prizes.

#### EMPLOYEES SAY:

- “This organization is unlike any others I have worked for — in the best ways. The people who work here and the leadership are of the highest caliber. They truly care about your well-being personally and professionally. They make the work environment a place where I want to be.”

- “People enjoy being in the office. The team has respect for other employees, and people are more than willing to help and support others.”

- “They have great leadership and community among employees. They care about clients and have a heart for philanthropy.”

## Elion Partners

Miami  
AUM as of June 30: \$1.5 billion  
Employees: 21  
Years won: 2020

#### 3 COOL THINGS:

- Hosts an annual corporate retreat off-site for two days during the workweek. The retreat is all expenses paid and includes team-building exercises, motivational discussions/focused groups, and time for relaxation. A condensed version is planned for 2020 because of the pandemic.

- Occasionally, following a busy, well-executed week, the firm will break early on Fridays to give team members more time with



**STORK TIME:** Expectant parents Phil Bottfeld, left, Dalia Pearson and Kaylee McCall Correa got a joyful surprise when the company hosted a baby shower, complete with a catered meal and lots of love.

their families and to reward a week well spent.

- Hosts employee socials once a month off-site to give the team an opportunity to bond outside of work and relieve stress. As a result of the pandemic, weekly town-hall style

meetings have taken the place of socials.

#### EMPLOYEES SAY:

- “Elion Partners has developed a corporate culture that feels like a second home. All the employees are actually friends and have fun

while working very hard. I think that every employee is challenged but also valued for what they bring to the team.”

- “The partners have cultivated a strong community of support and respect within the team. They strive to provide clear visibility into our individual growth paths and work to mentor us along the way. This focus has helped to build a cohesive, prospering corporate culture.”

- “Knowing where an organization is going, feeling a part of it, and receiving appropriate compensation for the value that I am adding as an individual is an ideal working situation for anyone.”



**FEATURED CREATURES:** Halloween is always a good time at the GH&A office, and you are never quite sure who — or what — will be showing up.

## Garcia Hamilton & Associates

Houston  
AUM as of June 30: \$16 billion  
Employees: 35  
Years won: 2016, 2017, 2018, 2019, 2020

#### 3 COOL THINGS:

- Matches individual donations made by eligible employees to non-profit groups or educational institutions of their choice, matching up to \$2,500 per employee per calendar year.

- To lighten the mood during the pandemic, the firm ramped up the number of themed dress-up events, which included an ‘80s day, “Star Wars” day, ‘70s day and others. The firm also increased the number of fun initiatives for those in the office such as an onion-eating challenge, with prizes and other games.

- Sent deliveries of surprise

cookies, chocolate-covered fruit, or cupcakes to the office and special deliveries to the homes of employees working remotely.

#### EMPLOYEES SAY:

- “Your voice is heard. You are looked to for solutions. Excellent compensation and benefits. Though we work in an extremely stressful industry, we still find time to have fun with regular social outings.”

- “Promotes diversity and allows opportunities to grow in your role.”

- “GH&A being a small business with less than 40 employees and being employee-owned means the work you put in you will see in the growth of the firm. When the firm does well we all do well. ... To be able to see something grow and continuously change for the better feels good to be a part of. Not to mention we receive great pay, bonuses and insurance is paid for.”

## intellicents

Albert Lea, Minn.  
AUM as of June 30: approximately \$4 billion  
Employees: 39  
Years won: 2020

#### 3 COOL THINGS:

- Provides a cash-back program called “myCents” that gives employees cash back to put into their 401(k), a 529 plan, an emergency fund, or to pay off their student loans.

Employees receive cash back for making everyday purchases at retailers such as Target, Home Depot and more than 1,000 online websites.

- Typically closes at noon



**HOLIDAY CHEER:** Holiday parties are a big deal at intellicents, and employees enjoy going all out to see who will win for the best outfits.

on Fridays during the summer.

- Pre-COVID, provided free, monthly on-site massages.

#### EMPLOYEES SAY:

- “It is an inclusive, fun and interactive group. The leadership strives to provide employees ample

opportunities to advance within their roles and encourages good teamwork. It is a growing company with great potential to do big things.”

- “The employees are provided with regular updates on ‘the state of intellicents.’ Our mission is clear and leadership walks the walk.”

- “The firm really values their employees and wants to know them on a personal level outside of work. They put forth the effort to make sure this firm is a place that people want to work for and are able to promote outside of the office.”

## LeafHouse Financial

Austin, Texas  
AUM as of Dec. 31, 2019: \$9.5 billion  
Employees: 20  
Years won: 2020

#### 3 COOL THINGS:

- Has impromptu happy hours or other social get-togethers when employees feel the need.

- Celebrates employee milestones in creative ways. This year, the firm used cameo.com to have comedian Norm MacDonald wish an employee happy birthday. When the firm hired its chief operations officer, it got Mark McGrath (from the band



**RAPT AUDIENCE:** The LeafHouse team poses with David Robinson, keynote speaker at the 2019 LeafHouse National Retirement Symposium.

Sugar Ray) to congratulate the COO on the new job.

- Is flexible toward employees’ needs, whether it’s switching to a standing desk or offering flexible working hours.

#### EMPLOYEES SAY:

- “Considers you for you, not just another arm and leg to work. Listens to your questions and concerns, then tries to develop solutions to help you reach

a resolution. Challenges you to not be complacent, but to push yourself and skills further.”

- “We have a great setup here with so many fun activities. The company recently took the whole firm to San Diego as a reward for a job well done. Who does that? We rented a sailboat and had a great time.”

- “Not only does my team have meetings several times a day to talk about work, but we can also talk about our personal lives. Struggles, personal and work related, are always heard and taken into consideration. I feel supported daily, regardless of the circumstance.”



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## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)

#### Lyrical Partners

**New York**  
**AUM as of June 30:** approximately \$7 billion  
**Employees:** 28  
**Years won:** 2020

##### 3 COOL THINGS:

- Holds fun and competitive parties in the firm's lounge. Last year, the lounge furniture was replaced with table tennis equipment, and world champion tennis instructors conducted a tournament for the firm. The company also provides a serenity room with a massage chair, yoga mats and wellness gear.
- Puts on firmwide celebrations for major company milestones and other achievements, such as the off-site retreat in 2018 for all employees and their significant others to celebrate the firm's 10th anniversary.
- Provides top benefits such as



##### FREE BIRD! FREE BIRD! Team

*Lyrical gathered at a retreat to relax and celebrate their 10th anniversary. Employees presented signed Fender Stratocasters to co-founders Jeff Keswin and Andrew Wellington as part of the festivities.*

unlimited vacation days and a profit-sharing plan for each eligible employee with annual contributions equal to 20% of an employee's earnings.

##### EMPLOYEES SAY:

- "The firm is adaptable and flexible. Focus is on doing things the right way and changing if there is a better way, even if the better way is new and different than what is conventional."

■ "Lyrical invests in its employees — whether it is hiring a communications coach or reimbursing for educational programs. This has resulted in very little turnover where we are able to grow and improve as a unit."

■ "Encourages every employee to bring their entire self to work. Looks at the employees as fully functioning human beings where work is a very important and essential part of who we are, but not the only part."

#### McKinley Capital Management

**Anchorage, Alaska**  
**AUM as of June 30:** \$3.8 billion  
**AUA as of June 30:** \$433 million  
**Employees:** 34  
**Years won:** 2020

##### 3 COOL THINGS:

- Hosts a quarterly stock-pick program in which everyone in the firm is invited to pick a stock and track it. The stock with the highest percentage return at quarter end wins \$1,000 for the employee.
- Activities committee plans quarterly outings to foster teamwork and camaraderie. Last year, team members went curling, had an all-family holiday decorating party



and an after-work event at a microbrewery.

■ Promotes a healthy lifestyle and work-life balance by providing employees with a paid membership to the fitness center in the firm's Anchorage office building. The firm also reimburses entry fees for fitness and healthy lifestyle. Members of the

#### Palladium Equity Partners

**New York**  
**AUM as of June 30:** approximately \$3 billion  
**Employees:** 48  
**Years won:** 2020

##### 3 COOL THINGS:

- Prioritizes giving back to the community. Since the onset of the COVID-19 crisis, the firm's employees have donated about \$500,000 to three charities supporting first responders and homebound New Yorkers. The firm's partners also pledged \$1 million to charities including local hospitals and schools.



**BEACH BUMS:** Palladium team members, friends and family spent two days attending strategy sessions and bonding activities while relaxing a bit by the water at a strategic meeting in Naples, Fla.

- Celebrates personal and professional milestones big and small with spontaneous happy hours and team-bonding activities. Examples include senior team fishing trips to Alaska with

portfolio company CEOs and industry executives and strategic planning off-site trips to places like Montana and Naples, Fla.

- In light of the pandemic, the firm has granted team

members the flexibility to work remotely anywhere in the U.S. through June 1, 2021. Meal stipends remain in place while team members are working at home and any office equipment required for remote working is reimbursed.

##### EMPLOYEES SAY:

■ "Palladium has a culture that makes the entire office and each team feel like a family. The trust and ability to rely on one another to get work done is second to none."

■ "Job security, diversity and inclusion, and a commitment to 'doing the right thing' are messages that come directly from

leadership. This goes a long way with the employees. Palladium's benefits like off-site retreats, complimentary meals and generous health-care benefits are extremely valuable."

■ "To have the CEO at every firm meeting say hello and good morning to each individual resonates with the importance the firm places on its employees and ensuring they are enjoying their experience here. In regards to the current situation and the importance of health ... Palladium immediately took action and provided us with certainty and extended out-of-office to next June 2021."

#### River and Mercantile

**Waltham, Mass.**  
**AUM as of June 30:** \$54.5 billion  
**AUA:** \$35 billion  
**Employees:** 39  
**Years won:** 2019, 2020

##### 3 COOL THINGS:

- Participates in team-focused community service outings, such as a river cleanup project and a volunteer night with West End House, a large youth development agency in the Boston area. At the onset of the

#### Shelton Capital Management

**Denver**  
**AUM as of June 30:** \$2.8 billion  
**Employees:** 32  
**Years won:** 2020

##### 3 COOL THINGS:

- To encourage a relaxed atmosphere, the firm permits employees to bring their pets into the office.
- Holds Wine Wednesdays, typically once a month, to bring employees together at the end of the day to catch up with one another and relax. Snacks and other beverages are also served.

■ Encourages team camaraderie and a healthy work-life balance with periodic group hikes, golf outings, volunteer work and other get-togethers.

##### EMPLOYEES SAY:

- "They empower their employees to do their jobs

#### Pugh Capital Management

**Seattle**  
**AUM as of June 30:** \$8.4 billion  
**Employees:** 24  
**Years won:** 2018, 2019, 2020

##### 3 COOL THINGS:

- Supports employee growth by offering tuition reimbursement, which includes paying for advanced degrees, such as an MBA, or professional certifications, such as a CFA program; pays related fees for employees who enroll in outside leadership or professional development programs.
- Promotes work-life balance for parents

through flexible schedules in which the employee is encouraged to focus on managing and completing the work, rather than putting hours on the clock.

■ Matches employee philanthropy up to \$500 per year, and has increased the match level during the pandemic; supports an established community service team of employees for volunteer projects that include support for racial equity and social justice organizations and providing support for front-line workers during the



**IN THE THICK OF IT:** Mary Pugh, center, CEO, CIO and co-founder of Pugh Capital, was among the group of employees enjoying each other's company while having a lot of fun toasting the holiday season.

pandemic.

##### EMPLOYEES SAY:

■ "The leadership team has always provided great communication and support especially during these recent difficult and challenging times. The

firm also has a very intentional focus on diversity and mentorship."

■ "Great leadership and collaborative work environment. Everyone is helpful toward one another and working here is fun. I feel valued and

free to voice my opinion."

■ "Leadership is very open to feedback and works closely with every employee. Employees are given room to grow. The culture is well defined and shared, which leads to low employee turnover."



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)



**KEEPING THEIR COOL:** The McKinley Capital team really chilled out at a corporate retreat on the top of Mount Alyeska. Even at 15 below zero, the group was cool enough to commemorate the event.

tion. There is a focus to tear down walls between departments. This helps the staff to quickly organize groups

from different departments to solve problems. It's helpful, too, in that people learn a bit about other people's roles and responsibilities."

■ "Leadership exhibits great empathy in staffing/strategic decisions ... diversity is embraced, and work-life balance is supported."

plank club meet weekly, in person or virtually, to increase core strength.

#### EMPLOYEES SAY:

■ "Freedom to engage and express ourselves out of the circle and limitations of regular job duties."

■ "The firm encourages cross-discipline interac-

### Ninety One North America

**New York**  
**AUM as of June 30:** \$145.4 billion  
**Employees:** 47  
**Years won:** 2020

#### 3 COOL THINGS:

- Provides enhanced parental leave in which all new parents have access to six months of full paid leave. The firm also provides flexible work arrangements.
- Expanded its matching gift program to include COVID-19 recovery and racial equality initiatives. Employees and clients ran, walked, biked, swam and even rode horses to raise funds for non-profits where they live and work.



**CHALLENGE TIME:** Ninety One brought clients and employees together in a virtual challenge fundraiser. The money raised went to two charities in the communities where employees and clients live and work.

- Offers a global well-being program for employees, which includes access to training, seminars and well-being tools, and advice to empower employees to look after their mental, financial and physical well-being and to help foster an inclusive and

supportive work environment including meditation sessions and sessions to support parents during strict lockdown.

#### EMPLOYEES SAY:

■ "The CEO knows every person's name. It is the type of firm that provides

opportunity for people to think outside of the box and implement what others may consider crazy ideas."

■ "Ninety One gives its employees the freedom to create and to build their business lines as they see fit. It is an organization which takes care of its employees and has genuine concern for the well-being of the people who make up the firm's workforce."

■ "There is a constant open and transparent dialogue from the leaders of the organization. Management encourages us to succeed in a manner that does not affect our mental health. The culture is excellent, and there are many diverse people at the organization from a multitude of places."



**VIRTUAL FUN:** Team members really enjoyed an outing at MindTrek VR, where they donned virtual reality gear to play games and compete.

pandemic, the firm participated in a remote fund-

raiser in which participants walked a number of miles

and collected pledges.

■ Puts together a variety of fun team activities such as a gingerbread house contest around the holidays, a virtual escape room and online party games.

■ Even before COVID-19, the firm has permitted employees to move to various locations and work remotely.

#### EMPLOYEES SAY:

■ "R&M offers a unique experience of working closely with director-level

personnel regardless of your amount of time with the firm. This makes for accelerated learning and a faster path toward consulting."

■ "The company is really good at giving credit when someone does something well. They also reward great wins with free lunch for everyone, and other initiatives."

■ "There is a lot of variety in the work I get to do and I have the freedom to experiment with how things are done, which is very fulfilling."



**MAKING TRACKS:** Employees donned running apparel to hit the pavement at the Terry Fox Run for Cancer Research in New York.

### Star Mountain Capital

**New York**  
**AUM as of June 30:** \$1.3 billion (capital commitments plus committed asset-based leverage)  
**Employees:** 34  
**Years won:** 2019, 2020

#### 3 COOL THINGS:

- Provides employees with the opportunity and flexibility to participate in charitable endeavors via the Star Mountain Charitable Foundation or other organizations.
- Takes employees' health and wellness to heart with free healthy snacks and beverages available in the office, such as fresh fruit, yogurt, protein bars, coconut water, La Croix, and Bai drinks. The firm also reimburses up to 50% of employees' monthly gym expenses.
- Brings employees together for bowling and pingpong parties, and office happy hours.

#### EMPLOYEES SAY:

■ "The organization is open to ideas/contributions from all levels of the firm. Employees are able to participate in equity ownership of the firm as well as in carried interest across the various fund offerings."

■ "Strong sense of alignment within a fun culture of motivated professionals."

■ "The team at Star Mountain contributes to a strong culture in which asking questions, learning and progressing in your responsibilities is highly encouraged. As a Star Mountain team member, we are able to work on a number of different projects and get exposure to many aspects of the business, which allows (team members) to learn about new topics and progress in their (careers)."



**WRAPPERS:** CEO Steve Rogers turned out for an employee volunteer day, wrapping gifts for needy families at United Way.

properly and well and value them as members of a team. Management is accessible and open to input from anyone who brings concerns to them."

■ "All the individuals in a management position hear their employees and do their best to create an environment where everyone wants to do their best work."

■ "Competing with the larger asset management firms is extremely challenging. ... However, this environment has galvanized our team and instilled a real sense of purpose and commitment. Management and the rest of the team enjoy working and supporting each other, and that is very gratifying."

### Spectrum Investment Advisors

**Mequon, Wis.**  
**AUA as of June 30:** \$2.5 billion  
**AUM:** \$201 million  
**Employees:** 24  
**Years won:** 2017, 2019, 2020

#### 3 COOL THINGS:

- Commemorates company milestones and wins. To celebrate 20 years in business, Spectrum sponsored a three-day trip to New York with spouses, complete with

dinners and a Broadway show. Last year, the firm celebrated with a trip to Washington.

■ Recognizes employee milestones in a big way. At five years of service, the firm offers employees a weekend for two in Door County, Wis. At 10 years, Spectrum provides employees with \$1,500 toward

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**MAKING WAVES:** Employees and their spouses got away from it all with a train ride to Washington and a special boat tour in Baltimore to commemorate a special event.



## BEST PLACES TO WORK IN MONEY MANAGEMENT

### MANAGERS WITH 20 TO 49 EMPLOYEES

#### Other winners (in alphabetical order)

#### Spectrum Investment Advisors

CONTINUED FROM PAGE 43

a vacation destination of their choice.

- Provides all employees with the opportunity to go to at least one Bucks game and one Brewers game per season with

a guest or guests of their choice.

#### EMPLOYEES SAY:

- “Everybody knows everyone’s spouses and children and genuinely care for one another. We spend time outside of work as an organization going to baseball games, concerts, and there is even a Spectrum volleyball team.”

- “Some of the most fun conversations happen over

lunch when almost everyone eats at the same time and all at a couple of tables.”

- “I am proud to work for Spectrum because the work we do has a significant positive impact on the lives of our clients. All associates feel the same way, so the environment here is one of incredible commitment, positive energy and high integrity.”

#### WEDGE Capital Management

Charlotte, N.C.  
AUM as of June 30: \$9.6 billion  
Employees: 45  
Years won: 2020

#### 3 COOL THINGS:

- Puts on lighthearted competitions, such as salsa and chili cooking contests, where the firm covers the cost of grocery supplies to encourage participation.

- Buys a block of tickets to a minor league baseball game in the summer for employees and their families. Each ticket is preloaded with money to buy concessions or items from the team store.

- Matches 100% of employees’ contributions in the 401(k) plan up to 7.5%; contributes up to \$5,500 to employees’ health savings accounts, which covers all but \$500 of an employee’s deductible. Employees are fully vested in both benefits immediately.



**THIS IS SERIOUS STUFF:** At WEDGE, employees don’t joke about chili. At the firm’s annual chili cook-off, employees sample each other’s submissions while paying very close attention to the color-coded spice meters in front of each pot.

#### EMPLOYEES SAY:

- “There is a sense of trust and accountability within our culture, which cultivates great respect between every single employee — no matter position or seniority.”

- “The complete focus on people and constant effort to improve the environment for them to flourish makes this company a very special place.”

- “The company is fairly small

and all located in a single office, which puts everyone on a first-name basis with their co-workers. That family mentality translates to a very flexible work environment — people throughout the office maintain different working schedules that fit their personal preferences (although market trading hours limits this flexibility for some), and late-night emails and weekend work are almost unheard of.”

#### Xponance

Philadelphia  
AUM as of June 30: \$10.8 billion  
Employees: 42  
Years won: 2020

#### 3 COOL THINGS:

- Pre-pandemic, sponsored holiday meals in the office at least twice a year, such as the Monday before Thanksgiving and around Christmas or Easter.

- Weekly companywide meetings over Zoom, which include the CEO and the president/COO. Team members have played Uno and Trivial Pursuit together virtually. They’ve also come together for a virtual cooking lesson.

- Recognition efforts include Employee of the Year award, with a monetary gift and/or travel valued at \$2,000.



#### LUNCH WITH A SIDE OF HUMILITY:

Xponance is a big backer of Philadelphia’s Broad Street Ministry. Each quarter, team members feel privileged to serve lunch to the less fortunate in the city.

#### EMPLOYEES SAY:

- “We are the result of the recent merging of two firms, so there are bound to be ripples. However, the firm management has done a good job in what can always be a difficult situation. It is definitely a fun and friendly environment.”

- “We stay connected with each other weekly with a firmwide virtual call. We have imple-

mented a monthly virtual game (at) lunchtime and a monthly virtual book club. We have actually grown closer as a firm during this pandemic.”

- “The culture of the organization lends itself to a place where you feel you are a part. The special activities that are provided help you to appreciate the culture of Xponance because you are made to feel that you matter.”

## Culture

CONTINUED FROM PAGE 3

a mostly remote workforce.

For example, in terms of negative impact on company culture, senior money management executives interviewed for this story each stressed the difficulty — to some extent emotional — that employees at all levels and departments are experiencing because they have been unable to work together in person.

“The employees who are really struggling are our younger employees. We really enjoy being together and having fun,” Peter Stelian, co-founder and CEO of real estate specialist Blue Vista Capital Management LLC, Chicago, said in an interview.

For example, a dozen of Blue Vista’s analysts regularly rent a house during fall weekends so they can watch football together, Mr. Stelian said, noting that younger employees have said they want to come back to the office now.

#### Challenges — and solutions

The firm is making do — culturally — until employees can safely return to the office by leveraging Zoom meetings; offering more frequent educational lectures via the online Blue Vista University; virtual bingo and other social activities; and get-to-know-you interviews with senior executives and investment team leaders.

Like other CEOs and human resources officers P&I spoke with, Mr. Stelian said he is very concerned about the mental health of Blue Vista’s workforce.

He determined that the firm would survive without layoffs and could grant employee bonuses for two years even if the firm didn’t do any real estate transactions in 2020 or 2021 and shared that information with staff.

“Everyone is stressed out. People can’t easily separate their personal and work lives. The best thing we could do is offer them reassurance about their jobs and their work life,” Mr. Stelian said.

Blue Vista, a newcomer to the Best Places program, reported 58 U.S. employees and \$4.5 billion in assets under management as of June 30 in its survey responses.

Analysts at Aetos Alternatives Management are accustomed to regularly going back and forth between the firm’s New York and Menlo Park, Calif., offices to work together on investments and are finding “not traveling and not being together really weird. This has been the biggest impact for us from the pandemic,” Michael F. Klein, the New York-based managing director, co-president and chief risk officer, said in an interview. Aetos managed \$8.9 billion as of June 30.

Aetos’ senior executives are “very concerned that the current working situation isn’t sustainable indefinitely. It’s not at all clear how long the runway is,” Mr. Klein said.

“People like going into the office and it’s essential for us to try to replicate the water-cooler chatter,” Mr. Klein said, noting that executives are trying to accomplish that with more frequent Zoom meetings between team members and ramping up the firm’s support for charitable

activities, including paid time off for volunteering.

On a more personal note, Mr. Klein said that as a boss “it’s hard, very hard to be sitting by yourself, trying to balance all the demands. You want to fix all the problems. I’m grateful for being able to talk with my partner, Anne Casscells, every day. You need to share the burden.”

Ms. Casscells is a managing director and Aetos’ co-president and CIO, based in Menlo Park.

#### Getting to yes

Another pandemic-related problem is recruitment via virtual channels, money manager executives said.

Chicago-based Adams Street Partners LLC, which manages \$41 billion in alternative strategies, hired new employees during the pandemic virtually, Jeffery T. Diehl, managing partner and head of investments, said in an interview.

“We’ve adapted to the practice of meeting by Zoom, including onboarding these new employees. However, it’s hard for me to not to have met 10% of our employees in person,” he said.

“We’re doing all we can do to build relationships with these new and existing employees through more frequent meetings. Before COVID-19, our all-hands meetings were every six months. Now, we meet every two weeks. Employees know a lot more about the company and like the frequency of meetings so we might continue this schedule when we’re on the other side of the pandemic,” Mr. Diehl said.

Employees said they appreciate Adams Street Partners’ efforts. Adams Street also was designated a Best Place in 2018 and 2019.

“We have a very special culture. We work hard but genuinely enjoy what we do and collaborate incredibly well. During the pandemic, the firm’s culture has only shined through more with great communication, demonstrated care, and providing the necessary resources and technology to work remotely,” an Adams Street employee said in a survey response.

Adams Street Partners reported 170 employees in its survey responses.

ClearBridge Investments LLC, New York, has “tried to mimic normal hiring and onboarding processes using Zoom and Microsoft Teams” and has been able to “maintain active recruiting ... and were also able to continue our summer internship program,” Terrence Murphy, CEO, said in an email.

But Mr. Murphy said “engaging candidates in terms of our culture is something that’s special and valuable during the interview process that has been missing” and added that “some of our new hires have never seen our physical office space.”

“Our operations and technology teams have done an amazing job creating an absolutely seamless transition to remote working for everyone across the country. But there is no substitute for the camaraderie of being together,” he wrote.

ClearBridge, with 213 employees, managed \$149.4 billion as of June 30. The firm ranked first in the BPTW category of firms with 100-499 employees, and has been designated a Best Place every year since the program launched in 2012.



## BEST PLACES TO WORK IN MONEY MANAGEMENT



Paul Elledge

**'UNINTENDED BLESSING':** Stephanie G. Braming said teams in virtual conversations are creating deeper bonds and finding ways to get to know each other better.

Amid the trials of managing people and corporate culture from a distance, investment management company executives have found some surprisingly positive effects.

### More empowered

Executives said they're seeing higher participation in virtual meeting venues than before the COVID-19 crisis and are finding that younger and less senior employees feel more empowered to speak their minds about investment management, operations and distribution practices.

"One unintended blessing of the pandemic has been the democratization of virtual conversation. There have been so many moments where teams are finding ways to create deeper engagement to get to know each other better," said Stephanie G. Braming, partner and head of William Blair Investment Management LLC, Chicago, which has been recognized eight times in the Best Places program since 2012.

One William Blair employee said in the survey: "With our remote work environment, engagement has increased. Stephanie (Braming) meets with small groups frequently to discuss our current financial outlook, progress (in) our initiatives, successes and hurdles. And we have a lot of team-building activities and interaction on Microsoft Teams to substitute for not being in the office. In some ways I feel more connected!"

Another surprise was the ease with which William Blair has been able to maintain the creative tension and debate that's a hallmark of the firm's investment teams in a virtual forum, Ms. Braming said.

Ms. Braming added "that kind of creative tension usually sparks from more casual, in-person connections between team members" but stressed that she's been "positively surprised by how well the teams are doing."

William Blair, with 316 employees, managed \$61.7 billion as of June 30.

Before the COVID-19 outbreak, PGIM, Newark, N.J., already relied on digital onboarding of new employees and the firm continues the process as it adds new employees to its workforce, Pamela Sinclair, global head of human resources, said in an email. As of June 30, PGIM had \$1.4 trillion in AUM.

"While it's certainly unusual that we have PGIM employees that have never set foot (in) a PGIM office, managers and teams are aware of the need to go the extra mile to welcome people and embrace them into the fold," Ms. Sinclair said, noting one good thing about the firm's business travel ban is that it "has meant that our senior leaders have had greater availability than (in) years past to participate in our onboarding programs including teach-in and virtual fireside chats."

PGIM ranked No. 3 in the BPTW category of 1,000 or more U.S. employees.

### Top of mind

Money managers have a lot on the line when it comes to maintaining their corporate cultures through the COVID-19 pandemic and beyond, industry observers said.

"The culture of money management firms has become a very big topic," said Luba Nikulina, global head of research based in consultant Willis Towers Watson PLC's London office.

"A firm's working culture has very significant value when it comes to the quality of investment management and is a critical differentiator for us in recommending managers to our clients."

Ms. Nikulina said many asset owners among Willis Towers Watson's investment consulting clients have become more proactive in asking questions about manager culture during the pandemic "because it's in the forefront of everyone's thinking right now" as managers have been forced to manage their remote workforces.

As for what's ahead for money managers after the COVID-19 pandemic is under control, Michael S. Falk, a partner at Focus Consulting Group Inc., Long Grove, Ill., said in an interview that "managers won't presume that employees need to work in the office. Offices will become more of a gathering place than a 9-to-5 workspace."

He said that of the three general categories of money management company personnel, "the biggest question will be how operations employees fare in what may be a largely remote-working model for the industry. Distribution and marketing people were rarely in their offices anyway and investment staff have proven that they can work anywhere." ■

# Benefits

CONTINUED FROM PAGE 3

have used it for a host of reasons, even if they were "struggling with just being locked down" this year.

"Everybody's experience of lockdown has been so different. It's been important to meet people where they are with that. This was a way to help people take days if they need it, that didn't come out of their sick bank ... and without them having to provide medical documentation," Ms. Tschanz said.

### Focus on flexibility

At New York-based Ninety One North America Inc., which is a newcomer to the Best Places program, the firm focused on providing flexibility for employees.

Philip Anker, CEO of the Americas at Ninety One, said that there hasn't been any one policy or benefit that was most well-received by employees, just overall flexibility and the firm "trusting employees to make decisions for themselves."

"(Employees know) we are very willing to cut everybody slack to make decisions for themselves. For instance, if they want to leave their apartment in New York City because they will be happier living with family in Vermont, they can do that. And a number of employees have done that. And they should know that won't hurt their career," Mr. Anker said.

"Whether these people have permanently or temporarily (relocated), I don't know yet," Mr. Anker said of staff in New York.

"It's important to me for people to know that there is no expectation to come into work with no vaccine," he added.

Ninety One reported 47 U.S.-based employees and \$145.4 billion in AUM as of June 30.

### Positive response

Executives at other firms also noted that enhanced benefits, such as additional sick days or the ability to roll over more unused vacation time, earned a positive response from employees.

At Bala Cynwyd, Pa.-based Hamilton Lane Advisors Inc., one policy change that was most appreciated by employees this year was simply allowing everyone to collectively unplug from work, its top executive said.

After COVID-19 struck this year, CEO Mario Giannini said the firm made an existing summer perk, closing early on Fridays, a year-round offering.

Additionally, on Dec. 4, the company had its first "unplug day," in which the firm closed for the entire day, Mr. Giannini said, noting it was a way to encourage employees who might not take paid time off to unplug.

Hamilton Lane had 308 U.S.-based employees and \$516 billion in AUM as of June 30. The firm has been named a Best Place every year since the P&I program began in 2012.

Joseph Borgmann, principal and chief financial officer at AAM Insurance Investment Management, Chicago, said that the firm's flexibility related to individuals' work schedule and remote work, along

with added sick days, has driven the most positive feedback from employees. AAM is a four-time winner in the Best Places program.

The firm provided an additional 10 sick days annually to employees, the firm said in its survey responses. AAM had \$28 billion in AUM as of June 30 and reported 47 U.S.-based employees.

At PineBridge Investments, another newcomer to the Best Places program this year, employees now are able to roll over up to 10 days of unused vacation time to be used anytime during 2021, regardless of their years of service. This was enhanced from up to five days of unused vacation days being permitted to be rolled over, said Jennifer Motz, a New York-based managing director and global head of human resources.

PineBridge also doubled the number of allowable 2020 vacation days for staff, the firm said in its survey responses.

PineBridge had 272 U.S.-based employees and \$104.4 billion in

Group, through its employee assistance program, provided small group and one-on-one healing sessions for its Black employees during October and November, which were led by a Black therapist in a confidential environment. Twelve small group sessions were held with 225 employees that participated, while 53 employees participated in the one-on-one sessions facilitated by the therapist, she added.

"The take-up rate on that was unbelievable," Ms. Tschanz said.

Capital Group also hosted "Conversation Cafes" on race that were open to all employees, and sessions for managers focused on how to have conversations about race, according to Ms. Tschanz.

New York-based Neuberger Berman Group LLC, which had 1,646 employees in the U.S. and \$357 billion in AUM as of June 30, held a three-part racial equity training series for employees this summer, said Sean Williamson, head of employee platform at the company.



Tomer Fotyn

**UNPLUG IT:** Hamilton Lane's Mario Giannini sees real benefits from more time off; the firm has been closing early on Fridays and recently gave everyone an extra day off.

AUM as of June 30.

### Racial inequality in spotlight

The year's events — including global protests after the deaths of George Floyd, Ahmaud Arbery and Breonna Taylor — also pushed money managers to improve workplace support for Black employees and offer educational programs on race for the entire workforce.

Amid repeated instances of police brutality, the pandemic itself exposed glaring racial disparities in the country, such as the COVID-19 death toll disproportionately impacting Black and Latino communities.

To address these concerns, Capital Group introduced this year a 3-to-1 charitable matching contribution for employee donations up to \$1,500 for organizations working to advance racial equity, Ms. Tschanz said. This was in addition to the firm's existing 2-to-1 charitable matching contribution for gifts up to \$5,000.

The money manager pledged this summer that it would contribute up to \$2 million to organizations promoting social justice and racial equity, which can include gifts made through its new matching program.

Ms. Tschanz noted that Capital

The company ranked No. 2 among the largest employers, and is an eight-time winner in the Best Places program.

In addition, the firm's Black Experience employee resource group, which was created a few years ago, served as a "critical voice broadly to employees, but also as we were thinking about communications to the workforce" related to racial inequality, Mr. Williamson said.

Before 2020, Neuberger Berman had "already laid the groundwork" to have conversations around racial injustice through discussions led by Chairman and CEO George H. Walker IV, focus groups and mandatory bias training, the firm said in its Best Places survey responses.

Heather Zuckerman, chief of staff at Neuberger Berman, said it was to the firm's benefit that it had already started on a path to addressing these issues and wasn't "starting from ground zero."

"One of the most important things was the support that our Black employees got around the globe ... and also from the (employee resource groups). I feel like we already had a bit of credibility, otherwise (the thought) would have been, 'It took this for you to care?'" Ms. Zuckerman said. ■

## HIRINGS

■ **Alaska Permanent Fund Corp.**, Juneau, made more than \$1.1 billion in hires, commitments and investments in the quarter ended Sept. 30, a report for the \$67.9 billion sovereign wealth fund's board shows.

In real estate, APFC hired **Mesa West Capital** to run \$250 million in a separately managed credit program and committed \$100 million to **Realterm Logistics Income Fund**, a core industrial real estate fund.

Within its private equity and special opportunities asset class, APFC committed \$75 million to **Marlin Heritage Europe II**, a European special situation fund managed by **Marlin Management Co.**, and \$50 million each to **Charlesbank Credit Opportunities Fund II**, a mezzanine debt fund managed by **Charlesbank Capital Partners**, and **Goodwater Infinity I**, a venture capital fund managed by **Goodwater Capital** and **Y Combinator Early Stage and Continuation Funds 2020**, managed by venture capital manager **Y Combinator**.

The sovereign wealth fund also made a follow-on commitment

of \$38 million to **Holtzbrinck Ventures VII**, a venture capital fund managed by **HV Holtzbrinck Ventures**. APFC originally committed \$26 million to that fund in 2018.

APFC committed \$35 million to buyout fund **H.I.G. Capital Partners VI**; \$31 million to **CVC Capital Partners VIII**; \$30 million to **Canaan XII**, an early-stage venture capital fund managed by **Canaan Partners**; and \$20 million in aggregate to buyout funds **Thoma Bravo Fund XIV** and **Thoma Bravo Discover Fund III**.

APFC also made a direct co-investment of \$42 million to **InfoBip Ltd.**

Within its infrastructure and private income asset class, APFC committed \$75 million to emerging markets energy fund **Actis Energy 5** and \$50 million to **Atalaya Asset Income Fund V**, a direct lending fund managed by **Atalaya Capital Management**.

APFC also made a co-investment of \$11 million with **Clearlake Capital Group** in its **Alaska Direct Alternative Credit** portfolio.

Within absolute return, the sovereign wealth fund invested \$158 million in **Bridgewater's Pure Alpha II** hedge fund and \$50 million in a hedge fund managed by **Complus Asset Management**.

■ **Connecticut Retirement Plans & Trust Funds**, Hartford, made four new commitments and one follow-on commitment to investment funds totaling \$450 million.

At the state's investment advisory council meeting Dec. 9, state Treasurer Shawn T. Wooden announced a commitment of \$150 million to **ISQ Global Infrastructure Fund III**, an infrastructure fund managed by **I**

**Squared Capital**; \$100 million each to **IPI Partners II**, an infrastructure fund investing in data centers, and **Clearlake Capital Group's Clearlake Flagship Plus Partners**, a special situations fund; and \$50 million to **TruAmerica Workforce Housing Fund**, a real estate fund managed by **TruAmerica Multifamily**.

Mr. Wooden, principal fiduciary of the \$37 billion CRPTF, also announced a follow-on commitment of \$50 million to **Secondary Overflow Fund IV**, managed by **HarbourVest Partners**. The council committed \$50 million to the fund in January.

Mr. Wooden also announced his decision to select **Hamilton Lane Advisors** as the funds' private capital investment consultant. An RFP for private capital consulting services was issued in June because the CRPTF's contract with its private equity consultant, **StepStone Group**, was set to expire, said **Michelle Woods-Matthews**, a spokeswoman for Mr. Wooden.

■ **University of Houston System**

selected **NEPC** to be its investment consultant, confirmed **Shawn Lindsey**, spokeswoman for the \$817 million endowment.

NEPC is replacing **Cambridge Associates**. An RFP seeking investment consulting services to meet the university system's "changing needs and objectives" was issued in May.

A Cambridge spokeswoman declined to comment.

Separately, the system's board of regents voted at its Dec. 3 meeting to allocate \$102 million to the **Northern Trust Russell 3000 Index Fund**, managed by **Northern Trust Asset Management**. Funding will come from redeeming its position within the **Northern Trust Russell 1000 Index Fund**.

■ **Illinois Teachers' Retirement System**, Springfield, committed a total of \$535 million to four alternative managers since the end of October, said **R. Stanley Rupnik**, interim executive director and CIO, during an investment committee meeting held remotely Dec. 9.

Investment staff of the \$53.5 billion system have discretion to make manager changes without board approval.

The largest commitment, up to \$300 million, from the \$8.2 billion real assets portfolio went to existing manager **Starwood Capital Group** for investment in **Starwood Distressed Opportunity Fund XII**, a real estate fund. **Starwood** currently manages \$650 million for the teachers' fund.

Existing manager **Aspect Capital** received an additional investment of \$100 million for **Aspect Systematic Global Macro U.S. Fund**. **Aspect** currently manages \$253 million within

## N.Y. COMMON FUND COMMITS \$1.5 BILLION

New York State Common Retirement Fund, Albany, made six commitments totaling up to \$1.5 billion, according to a notice posted on the website of **Thomas P. DiNapoli**, the state treasurer and sole trustee of the \$226.4 billion pension fund.

The commitments, which were made in October, include one international equity, two private equity and three real estate transactions.

The pension fund committed \$500 million to a LSV international equity account managed by **LSV Asset Management**. No further details were available.

The private equity commitments were \$400 million to **Thoma Bravo Fund XIV**, a buyout fund that focuses on U.S. software companies. **Thoma Bravo** is an existing relationship. Also, \$5 million was committed to **New Era Capital Partners II** through the **Hamilton Lane/NYSCRF Israel Investment Fund**. **New Era Capital Partners II** will make early stage venture capital investments in the software industry.

The real estate commitments were:

\$500 million to **PRISA**. **PRISA** is an open-end commingled fund that invests primarily in U.S. core real estate assets, the website said. **PRISA** is sponsored by **PGIM**, the money management arm of **Prudential Financial**.

€100 million (\$121 million) to **NREP NSFIV CIV IV SCSR**, a co-investment alongside **NREP Nordic Strategies Fund IV**, the website said. **NREP Nordic Strategies Fund IV** is an opportunistic real estate fund focused on commercial and residential properties in Sweden, Norway, Denmark and Finland. The pension fund made a €200 million commitment to the fund in August.

\$15 million to **Scarlet Fire** through the **Empire GCM RE Anchor Fund**, which is advised by **GCM Grosvenor**, an emerging manager program partner for the pension fund. **Scarlet Fire** is a real estate joint venture with **Corten Real Estate Partners** that focuses on middle-market, transitional real estate investments, the website said. **Corten Real Estate Partners** is a new relationship.

the system's \$5.5 billion diversifying strategies portfolio.

**Bertram Capital Management**, a new private equity manager for the system, received \$75 million for **Bertram Growth Capital IV**, a lower middle-market buyout fund. The assets came from the plan's \$6.6 billion private equity/venture capital portfolio.

**Blantyre Capital**, a new credit manager, was given a €50 million (\$60 million) for investment in **Blantyre Special Situations Fund II**, a European-focused distressed debt fund. Funding for the commitment will come from **TRS'** emerging manager program.

■ **Iowa Public Employees' Retirement System**, Des Moines, selected five managers to run a total of about \$300 million in absolute return strategies, confirmed **Shawna Lode**, spokeswoman for the \$36 billion pension plan.

At its quarterly meeting on Dec. 3, the board hired **Aspect Capital**, **Man Group**, **Pacific Investment Management Co.**, **P/E Investments** and **Welton Investment Partners** for **IPERS'** liquid absolute return strategies portfolio. It has yet to be determined how much will be allocated to each manager.

**IPERS** issued the RFP in October 2019 to identify absolute return investment managers that could be used in a portable alpha strategy.

■ **LGPS Central** hired **BMO Global Asset Management** and **Western Asset Management** to run a total £660 million (\$878 million) in multiasset credit allocations.

Each manager will receive half of the total allocation, the pension pool of local authority pension funds said in a news release Dec. 7. More than 80 money managers expressed an initial interest in joining the procurement process.

The pool launched a search in June.

■ **Louisiana School Employees' Retirement System**, Baton Rouge, approved three commitments totaling up to \$170 million at its board meeting Dec. 7.

The \$1.8 billion pension fund's board approved new commitments of up to \$75 million each to **Chatham Asset Private Debt and Strategic Capital Fund III**, a credit fund managed by **Chatham Asset Management**, and a structured credit fund managed by **Tolis Advisors** at a remote meeting Dec. 7.

Also, the board approved a follow-on commitment of \$20 million to **Scout Energy Partners V**, a U.S.-focused energy fund. The board originally committed \$40 million to the fund in 2019.

Investment consultant **Segal Marco Advisors** assisted.

■ **Massachusetts Pension Reserves Investment Management Board**, Boston, agreed to commit a total of up to \$423 million to four alternatives funds, documents from the \$75 billion pension board's Dec. 8 meeting showed.

The **MassPRIM** board committed up to \$220 million to **Charlesbank Equity Fund X**, a private equity fund managed by **Charlesbank Capital Partners** that invests in companies in the business services, industrial, health care and technology sectors; and \$25 million to **Charlesbank Equity Overage Fund X**, a connected fund.

The board also committed up to \$100 million to **JEN Partners VI**, a U.S. residential land development fund; and up to €65 million (\$78 million) to **Waterland Private Equity Fund VIII**; a buyout fund managed by **Waterland Private Equity Investments** that targets medium-size quality companies in fragmented growth markets in Northern Europe.

The board also rehired **International Woodland** to provide timberland investment consulting services; rehired **Bank of New York Mellon** to provide global custody services for **MassPRIM**; and hired **Verus** to provide benchmarking advisory services. **Verus** replaced incumbent service provider **NEPC**, which submitted a bid along with **RVK**.

■ **Michigan Department of Treasury, Bureau of Investments**, committed \$280 million to alternative funds on behalf of the \$76.4 billion Michigan Retirement Systems, East Lansing, in the quarter ended Sept. 30, according to documents from its meeting Dec. 10.

In private equity, the bureau committed \$125 million to **Thoma Bravo XIV**, a large-cap fund focused on the tech and software sectors; \$50 million to **Axiom Asia VI**, a fund of funds focused on growth, small buyout and venture funds managed by **Axiom Asia Private Capital**; \$30 million to **Lead Edge Capital V**, a growth equity fund focused on the tech sector; and \$25 million to **Menlo Ventures XV**, a venture capital fund focused on early stage technology.

In real return and opportunistic, the bureau committed \$50 million to **HPS Mezzanine Partners 2019**, a commingled fund that invests in mezzanine securities managed by **HPS Investment Partners**.

■ **Minnesota State Board of Investments**, St. Paul, on Dec. 2 approved commitments totaling \$675

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## HIRINGS

million to five private market strategies from the state's combined \$74.8 billion defined benefit plan portfolio.

A total of \$475 million was awarded at the virtual meeting to two existing private equity managers, confirmed Mansco Perry III, executive director and CIO, in an email. **Blackstone Group** received a total commitment of \$375 million to two strategies, with \$250 million to Blackstone Growth Equity and \$125 million to a co-investment partnership, a companion fund to the growth equity strategy.

Trustees also approved a commitment of \$100 million to private equity fund KKR Core Investments Partnership, run by existing manager **KKR & Co.**

Additionally, existing manager **Oaktree Capital Management** received additional commitments of \$100 million each to Oaktree Real Estate Opportunities Fund VIII and Oaktree Real Estate Debt Fund III. The board approved initial commitments of \$100 million to each fund in February.

The board managed a total of \$105.1 billion as of Sept. 30. In addition to the combined defined benefit plan portfolio, SBI managed a total of \$8.7 billion in participant-directed defined contribution plans and \$850 million in other public defined benefit plans. The balance of assets was managed in cash and other state funds.

■ **Oregon Investment Council**, Tigard, which runs the \$79.5 billion Oregon Public Employees Retirement Fund, committed a total of \$540 million to five alternative investment vehicles, Michael J. Langdon, director of private markets, reported to the council.

The council committed \$250 million to Brookfield Super-Core Infrastructure Partners fund, an open-end fund managed by **Brookfield Infrastructure Partners**. It also committed a total of \$250 million to Harrison Street Social Infrastructure fund and a co-investment sidecar vehicle managed by real asset manager **Harrison Street Real Estate Capital**.

The council also committed a total of \$40 million to two venture capital strategies managed by **Union Square Ventures**: Union Square Ventures 2021 fund and a climate technology fund.

■ **South Carolina Retirement System Investment Commission**, Columbia, disclosed \$400 million in commitments for the \$32.5 billion South Carolina Retirement System's investment portfolio, according to board documents from its Dec. 3 meeting.

The commitments were made in September and October, the largest of which were \$100 million commitments each to Grain Spectrum Holdings III, an infrastructure fund focused on the telecommunications sector managed by **Grain Management**, and Stockbridge Value Fund IV, a diversified U.S. real estate fund managed by **Stockbridge Capital Group**.

The council also made commitments of \$75 million each to opportunistic credit fund Fortress Credit Opportunities Fund V Expansion and direct lending fund Fortress Lending Fund II, both managed by **Fortress Investment Group**.

Lastly, \$50 million was committed to the WestCap Strategic Operator US Feeder Fund, a private equity fund managed by **WestCap Group**. The commission also has a discretionary arrangement to commit up to an

additional \$50 million in the WestCap fund if it so chooses, board documents show.

■ **Texas Employees Retirement System**, Austin, committed a total of \$165 million to two alternative investment strategies in November, a transaction report from the \$28.6 billion system showed.

The largest commitment was \$125 million to existing manager **Digital Colony Management** for investment in Digital Colony Partners II, an infrastructure fund.

Texas ERS committed \$100 million to the prior fund in Digital Colony's infrastructure family.

The second commitment was \$40

million to Brighton Park Capital Fund I, a venture capital fund run by a new manager for the system, **Brighton Park Capital Management**.

■ **Texas Municipal Retirement System**, Austin, at a Dec. 3 board meeting approved a staff recommendation to commit \$600 million to existing alternatives strategic partner **H.I.G. Capital** for investment in two separately managed accounts.

Trustees of the \$31.5 billion system approved allowing investment officers to allocate \$500 million to H.I.G. Strategic Partnership Fund II and \$100 million to H.I.G. Capital-TMRS Capella SMA, Texas CIO T.J. Carlson.

Mr. Carlson said TMRS' new

strategic partnership fund with H.I.G. will be a fund of funds that will invest in the firm's various alternative investment strategies. The Capella fund is a co-investment fund which will invest in a subset of the partnership fund's transactions.

The latest commitment to H.I.G. extends the system's relationship with the manager; in 2018, the system committed a total of \$300 million to similar funds managed by H.I.G.

The pacing plan for the new H.I.G. funds will commit a total of \$150 million per year between 2021 and 2024, Mr. Carlson said.

In a report to the board of trustees from the investment team, TMRS staff said the breakdown of the total

allocation to the H.I.G. funds will be 50% private equity, 30% real assets and 20% credit strategies.

■ **Texas Teacher Retirement System**, Austin, committed \$250 million to Digital Colony Partners II in November, a transaction report from the \$155.2 billion pension fund showed.

**Digital Colony Management** is an existing manager for TRS and the fund will seek to invest in projects in international developed markets.

In June 2019, TRS committed \$200 million to DC Front Range Holdings I, managed by DCP Fund I Adviser/Digital Colony Management, which will invest in U.S. infrastructure projects.

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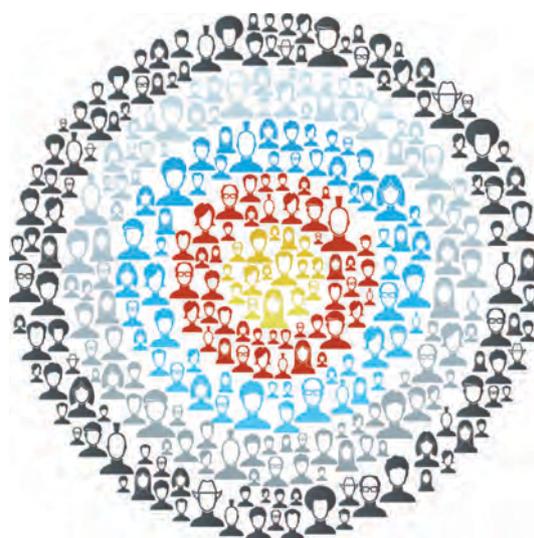
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# Lifetime

CONTINUED FROM PAGE 2

survivor benefit, the Labor Department noted in a fact sheet.

Under the interim final rule, retirement plans would provide lifetime income forecast illustrations using prescribed assumptions — based on information like a participant's marital status and assumed age at the start of the annuity.

By using a snapshot of a participant's income projection that does not include future contributions, future earnings or the account's performance growth, the lifetime income projection "that will be shown is not necessarily going to be realistic based on that individual's circumstances," said Jason Berkowitz, chief legal and regulatory affairs officer at the Insured Retirement Institute in Washington.

House Ways and Means Committee Chairman Richard Neal, D-Mass., also took issue with the interim final rule and said in a comment letter that there is no basis for the assumption that a 31-year old will earn zero from age 31 to 67. "I urge you to correct this aspect of the interim final rule," Mr. Neal said. "Projecting that employees' 401(k) accounts will earn zero over 30 or 40 years was not the type of assumption Congress intended the department to require."

The interim final rule's assumption will produce a "static number that won't mean anything to a large number of participants," said Aliya Robinson, senior vice president of retirement and compensation policy at the ERISA Industry Committee in Washington. Though Ms. Robinson, whose organization represents a number of large plan sponsors, supports lifetime income and participant education, she takes issue with the mandated nature of the rule and said it could lead to participant confusion.

## Flexibility needed

Record keepers, like Greenwood Village, Colo.-based Empower Retirement, will be the ones tasked with making the lifetime income calculations. Edmund F. Murphy III, president and CEO at Empower, said in a comment letter that his firm has concerns that the interim final rule could have the unintended consequence of discouraging the use of more robust lifetime income illustrations.

"We need the flexibility to innovate as new delivery tools are developed," Mr. Murphy said. "It would be helpful if DOL would clarify that the (interim final rule) is not intended to limit additional (lifetime income illustrations) to only being offered on benefit statements with the DOL-prescribed model but may be provided on a variety of platforms and formats."

Empower pointed to the interim final rule's preamble in which the Labor Department noted that many plans already offer lifetime income illustrations that are "interactive, stochastic, and tailored to the individual plan and plan participant" and in many respects, are "superior for financial and retirement planning purposes to a one-size-fits-all, deterministic model like that in the (interim final rule)." The Labor Department said that it does not "want to undermine these best practices or inhibit innovation in this area. The department encourages the continuation of these practices."

## Safe harbor

But unless that message is articulated in the final rule itself, some stakeholders are concerned plan sponsors and service providers will curtail their lifetime income illustrations.

Chantel Sheaks, executive director of retirement policy at the U.S. Chamber of Commerce in Washington, said the SECURE Act provision on which the interim final rule is based has a good concept, but didn't "keep up" with the market.

"We want to make sure that we don't discourage plan sponsors and service providers and record keepers from giving more robust calculators and tools and other kinds of information that are going to be more meaningful for participants and beneficiaries," Ms. Sheaks said.



Jennifer Bishop

**MEANINGLESS:** Aliya Robinson believes the assumption in the rule 'won't mean anything' to many participants.

Mr. Berkowitz said it's essential that the Labor Department classify additional information, calculations, or guidance to plan participants or beneficiaries as purely educational and not investment advice, the latter of which could have a chilling effect on such participant education. "Without that you have the risk that a participant could see that illustration and misunderstand that it's just an illustration and not a guarantee," he said.

If changes are not made to the interim final rule, Mr. Berkowitz urged the Labor Department to provide further liability relief through a safe harbor for plan sponsors and service providers who provide additional illustrations and educational tools, beyond those required by the rule.

Ms. Robinson said she's open to anything that allows plan sponsors to provide information that is pertinent and useful to their participants. "A lot of plan sponsors are already providing this information, so to have to take a step backwards really doesn't make sense," she said. "So if there's a safe harbor that can include the kind of information that they're already providing, we would definitely be in favor of that."

The reason why liability protection is needed? Plan sponsors are "very leery to go out on a limb because of the aggressiveness of some of the plaintiffs' bar," Ms. Sheaks said.

## No major shifts

With a little more than a month left in the Trump administration's tenure, sources expect the final rule to come out under the Biden administration, but without any major shifts.

"This is a bipartisan issue, it's not about left and right, Democrat or Republican, this is about making sure that retirement savers have information to help them really understand what their current account balance and future contributions would result in when they get to retirement age," Mr. Berkowitz said.

Ms. Sheaks added, "I think they have some wiggle room here and there, but I don't see any huge departures from what we have." ■

# Longevity

CONTINUED FROM PAGE 2

immediate relief for workers have sometimes undercut programs designed to ensure they won't outlive their savings.

In Australia, for example, the government's move this year to allow Australians to withdraw A\$20,000 from their mandatory retirement accounts helped many get through the worst of the coronavirus crisis but at the cost of falling behind "in the accumulation phase" of retirement saving, said Debby Blakey, the CEO of HESTA, a Melbourne-based super fund overseeing A\$56 billion (\$41.3 billion) in retirement assets for 870,000 participants.

Women account for more than 80% of HESTA's health care-focused membership so the fund already wrestles with the challenges members who spend years out of the workforce caring for family face in building up sufficient retirement assets, Ms. Blakey said.

Women typically retire "with about 40% less in their super than men and then on top of that live two to eight years longer," she noted. For HESTA, "part of this work is really thinking through the issues, not only at retirement and in terms of longevity risk in retirement but how do we support women through the accumulation stages in order to be more resilient in terms of the longevity they're likely to experience," she said.

Looking at which HESTA participants took advantage of that A\$20,000 lifeline, it's primarily women under the age of 34 — in the run-up to their mid-30s when they often take time off from paid work, Ms. Blakey said. Many of those women have seen their account balances drop by about 70% so "they're now going into their primary saving years for retirement with a very low balance, and if you think about the impact of compound interest, they're missing out on a lot of that so ... I actually think we're very vulnerable in the accumulation stage," she added.



Stu Morley

**TRADE-OFF:** Debby Blakey worries emergency withdrawals could hurt retirement savings.

## Ripple effects

Meanwhile, ripple effects from the Malaysian government's heavy reliance this year on the country's 929.6 billion ringgit (228.3 billion), Kuala Lumpur-based Employees Provident Fund to help participants get through the economy's persistent coronavirus lockdowns could have even broader effects on retirement preparedness.

On Dec. 2, the government expanded a program launched just two weeks earlier — allowing 2 million EPF participants who had lost jobs or sources of income this year to access roughly 14 billion ringgit of savings in their EPF Account 1 retirement pools — to cover 8 million members, or more than half of the system's 14 million-plus members.

A program launched in March had previously opened the way for EPF participants to withdraw 500 ringgit a month from savings in their Account 2 pools, designed to cover a broader range of needs such as housing and education. Account 1 garners 70% of monthly contributions made by employees and their employers, with Account 2 taking in the remaining 30%.

Under the new program, savers with 10,000 ringgit or less in their Account 1 pools can take out all but 100 ringgit.

In a Dec. 3 blog post, Achim Schmilten, a Kuala Lumpur-based senior economist with the World Bank's social protection and jobs global practice, together with two colleagues suggested Malaysia

consider gradually increasing its "relatively low minimum retirement age from 60 to 65" and link it thereafter to life expectancy as the proportion of its population aged 65 or older doubles to 14% by 2044.

Still, even if the pandemic looks set to remain a policy priority for the foreseeable future, longevity risk hasn't been entirely forgotten, as evidenced by continued moves by countries in the region to raise their retirement age. But more will need to be done to turn the corner in dealing with the problem, analysts said.

## Incremental steps

While it's good to see governments in the region, including China and Vietnam, moving to raise their retirement ages, those increases aren't keeping up with longevity, Aon's Mr. Palmer said.

Those incremental steps aren't meaningless but still, it's like "trying to run from a tsunami with baby steps," agreed Josef Pilger, Sydney-based partner and global pension and retirement leader with Ernst & Young.

And if a sense of urgency has been lacking all along, the populist wave sweeping the globe in recent years has made the prospect of decisive action even more remote. "Driving hard pension reforms in the middle of a pandemic — cutting people's benefits or raising their retirement age — may not necessarily be a vote-gathering exercise for any government," Mr. Pilger noted.

All in all, that leaves asset owners doing whatever they can to narrow the gap.

Asset allocation is the main tool HESTA is employing now to help participants deal with the challenge of funding 20 to 30 years in retirement, said Ms. Blakey. Keeping a sufficient allocation to growth assets to sustain members over that decades-long span is "the solution we've come up with," she said.

In addition, on HESTA's wish list, "we would love to see employers extend super contributions" of 9.5% of employees' salaries to parental leave which can extend for up to a year, she said. ■

## Money Management

# Macquarie to acquire Waddell for \$1.7 billion

By DOUGLAS APPELL

Sydney-based Macquarie Asset Management has agreed to acquire Waddell & Reed Financial Inc., an Overland Park, Kan.-based money manager with roughly \$68 billion in assets under management, for \$1.7 billion, the two firms said Wednesday.

Waddell & Reed also has a wealth management business, with about \$63 billion in assets under advisement. Upon completion of the deal, Macquarie said it plans to sell the wealth management unit to LPL Financial Holdings for \$300 million, while entering into a long-term partnership the firm said will make Macquarie one of LPL's top strategic asset management partners.

Macquarie, the money management arm of Australian financial giant Macquarie Group, will absorb Waddell & Reed's \$68 billion asset management business, lifting the firm's global AUM to more than \$465 billion.

The acquisition, expected to be completed by mid-2021, would make Macquarie a top 25 manager of actively managed mutual funds in the U.S. Currently, the firm ranks 40th, a Sydney-based spokeswoman for the company said.

The announcement heralds Macquarie's first major asset management acquisition since the firm bought Delaware Investments and its \$125 billion in assets under management in late 2009.

The move finds Macquarie adding asset management scale at a time when some of its big financial competitors in Australia are moving in the opposite direction.

In late 2018, Commonwealth Bank of Australia sold its A\$213 billion (\$157.2 billion) First State Investments money management arm to Mitsubishi UFJ Trust and Banking.

More recently, AMP Ltd. said it was considering a bid from U.S.-based alternatives fund manager Ares Management to acquire its AMP Capital money management arm, which had roughly \$133 billion in AUM.

The Macquarie spokeswoman said her firm's asset management business is adding scale in a business where scale is a key to success. She declined to say whether Macquarie remains on the hunt for further acquisitions. ■

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**Carving out fresh opportunities: Don't let cash drag you down**

Cash allocations are often intentional and serve many purposes, including meeting daily operating expenses, rebalancing, funding new investments, or having private investment capital calls. Market volatility and persistent low yields continue to affect the optimization of cash, which can directly affect overall portfolio performance. Join a panel of senior thought leaders from Wells Fargo Asset Management for a discussion on fresh opportunities that address cash drag and offer innovative investment solutions as we look toward what lies ahead in the new year. They will explore:

- Overlooked and underused equity opportunities
- Challenges and strategies for global fixed income in a low-yield environment
- A prudent approach to dry powder investing

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**Asset Management**For a full list of webinars, go to [pionline.com/webinars](https://pionline.com/webinars)**Kroger withdraws from UFCW fund to start new variable annuity plan**

Kroger Co. has ratified an agreement to withdraw from the United Food and Commercial Workers International Union-Industry Pension Fund and contribute to a new variable annuity pension plan, the company said.

Similar agreements were ratified by Stop &amp; Shop Supermarket Co. and Albertsons Cos. The tentative agreements were announced in July.

The grocers and the UFCW created the UFCW and Employer's Variable Annuity Pension Plan for future benefits, with a pension benefit formula good through June 2028, when future contributions will be subject to negotiation with the union and 20 UFCW local unions.

The UFCW International Union-Industry Pension Fund, Mokena, Ill., had \$6.1 billion in assets as of June 30, 2019, and was 53.5% funded, according to the most recent Form 5500, which showed 83,656 participants, mostly active. Kroger and Stop and Shop are listed as the largest annual contributors, at \$44.7 million and \$23.4 million, respectively, followed by Albertsons at \$10.6 million.

"We are pleased to reach an agreement that improves the security and stability of future benefits for our associates and modernizes our retirement benefits offering," Gary Millerchip, Kroger's chief financial officer, said Nov. 30 in a news release.

"In an environment where pensions are faced with funding challenges, our strong financial position permits us to invest in our associates," Mr. Millerchip said.

In addition to paying a withdrawal liability of \$962 million to the existing pension fund in installments, Kroger will contribute \$27 million to a transition reserve in the new variable annuity pension plan. On an after-tax basis, the withdrawal liability and reserve contribution amount to \$760 million.

**Blackstone buys quant credit manager DCI**

Blackstone Group will acquire quantitative credit investment firm DCI, confirmed Blackstone spokeswoman Kate Holderness in an email Nov. 30.

Terms of the deal were not disclosed.

DCI, which manages \$7.5 billion in global investment-grade, high-yield and emerging corporate credit assets, will become part of Blackstone Credit. The acquisition will expand Blackstone Credit's high yield and investment grade capabilities and will integrate DCI's models and technology across the combined Blackstone Credit and DCI platforms.

"DCI has a more than 15-year track record of developing and applying technology-driven strategies and is at the forefront of the evolution towards quantitative investing in the corporate bond market," said Dwight Scott, senior managing director and global head of Black-

stone Credit, in a news release. "DCI will strengthen and differentiate the solutions we provide to our retail, institutional and insurance clients."

Tim Kasta, CEO of DCI, added: "Joining Blackstone Credit will provide DCI's team and investors with access to unparalleled institutional resources and asset management expertise and accelerate the development of innovative solutions in corporate credit."

Blackstone does not anticipate any changes to the leadership or management team.

Blackstone Credit had \$135 billion in AUM as of Sept. 30.

**Wellington closes \$1.8 billion private equity fund**

Wellington Management closed its latest private equity fund, the \$1.8 billion Wellington Hadley Harbor III, as well as co-investments totaling close to \$400 million that would invest alongside the fund, according to a news release.

The fund invests in late-stage companies seeking capital to sustain or accelerate growth before a sale or initial public offering.

The fund is 29% larger than its 2017 predecessor, the \$1.4 billion Wellington Hadley Harbor II, according to the release.

Investors in the fund include the \$1.1 billion Hartford (Conn.) Municipal Employees' Retirement Fund.

**Mercer: Pandemic buoying demand for outsourcing**

The coronavirus pandemic-related challenges facing institutional investors this year have put some wind in the sails of Mercer Investments' outsourced CIO business, the company reported Dec. 3.

Mercer's global OCIO assets under management rose to \$321.4 billion as of Sept. 30, up just more than 10% from \$291 billion at the end of 2019, according to company announcements.

"We are seeing a direct correlation between the challenges of the pandemic and investors' interest in our investment solutions," Rich Nuzum, Mercer's New York-based president, investments and retirement, said in a news release.

Equity markets have recovered from sharp declines early this year but interest rates remain near all-time lows, forcing many institutional investors to move out of their comfort zones as they position their portfolios to meet their long-term goals, Mr. Nuzum noted.

Janet Li, the firm's Hong Kong-based wealth business leader for Asia, in an interview Dec. 3, agreed.

Clients have had to diversify their portfolios "much more than before (to) achieve certain risk-adjusted returns," expanding the capabilities required to manage that broader array of asset classes, she said.

Many asset owners recognize that their governance capabilities have been stretched thin this year,

Mr. Nuzum said.

Ms. Li, in Mercer's news release, said growing demand for OCIO investment solutions this year has been particularly evident in Asia. She declined, in a Dec. 3 interview, to provide specific numbers.

Together with the increase in OCIO demand, Ms. Li said the challenges institutional investors face in conducting manager due diligence has likewise seen a sharp increase this year in demand for Mercer's services.

**ICI calls for standardized ESG disclosure from firms**

The Investment Company Institute wants companies to provide more standardized ESG disclosure, the organization said Dec. 7.

That disclosure should be consistent with recommendations of the Task Force on Climate-Related Financial Disclosures and Sustainability Accounting Standards Board standards, said ICI, whose members manage more than \$34 trillion in assets globally.

ICI Chairman George C.W. Gatch, CEO of J.P. Morgan Asset Management, said in a statement that there is emerging global consensus on following those standards. "Fund managers require access to financially material ESG-related information from corporate issuers that is accurate, comparable, and timely," he said in the statement.

In 2017, the task force published formal recommendations to help companies provide disclosure related to climate-related risks and opportunities, and how they manage and measure them. SASB developed 77 industry-specific standards identifying financially material, decision-useful sustainability information and associated metrics.

The call for consistent ESG disclosure through the widely accepted frameworks "will help improve the quality and, ideally, the quantity of comparable ESG data. Moving in this direction should also aid policymakers in the United States and abroad as they consider action on ESG-related issues," Eric J. Pan, ICI president and CEO, said in the same statement.

ICI has also endorsed an ESG "road map" to help provide consistent communication on ESG investing.

**Trinity Industries buys group annuity for liabilities**

Trinity Industries Inc., Dallas, purchased a group annuity contract from Banner Life Insurance and William Penn Life Insurance Co. of New York to transfer the remaining liabilities of its U.S. pension plan.

The purchase from the Legal &amp; General America subsidiaries will be completed on or around Dec. 9, according to an 8-K filing Dec. 4 with the SEC.

The contract transfers the benefit payment responsibilities to the insurers for about 7,850 partici-

## NEWS BRIEFS

## EQUITY STRENGTH FUELS A SURGE IN CORPORATE FUNDING

Funding ratios for corporate pension plans increased in November, according to reports from Legal & General Investment Management America, Wilshire Consulting and Northern Trust Asset Management.

LGIMA found the funding ratio of a typical corporate pension plan rose by 2.4 percentage points in the month, to 79.8%, with strong equity performance outpacing plan liabilities. LGIMA estimates U.S. Treasury rates decreased by 5 basis points, while credit spreads tightened by 22 basis points, resulting in the average discount rate decreasing by 27 basis points.

Liabilities for the average plan increased 4.5%, while plan assets with a traditional 60/40 asset allocation rose by roughly 7.8%, LGIMA said.

Wilshire's monthly report noted that the aggregate funding ratio for U.S. corporate plans increased by 1.3 percentage to 84% as of Nov. 30. The increase resulted from a 6.3-percentage-point

increase in asset values that were partially offset by a 4.6-percentage-point increase in liability values.

"November's funded ratio increase was primarily driven by double-digit U.S. and non-U.S. public equity and real estate monthly returns, with the Wilshire 5000 Total Market index posting multiple record highs stemming from optimism around a COVID-19 vaccine," said Ned McGuire, managing director and a member of the investment management and research group of Wilshire Consulting, in a news release announcing the results. "November's funded ratio increase reverses two consecutive monthly declines in funded ratio."

As measured by Northern Trust, the average funding ratio for S&P 500 companies with defined benefit plans increased to 84.5% in November from 82.1% the month before.

Global equity markets rose about 12.3% during the month and drove the funding increase, while the discount rate decreased to 2.08% from 2.37%.

pants. The company expects to recognize about \$160 million in pension settlement charges for the fourth quarter, according to the 8-K filing. How much in assets was transferred could not be immediately learned.

The purchase completes the termination of the Trinity Industries Inc. Consolidated Pension Plan. According to Trinity's most recent 10-K filing, the company's board of directors approved the termination on Sept. 4, 2019.

As of Dec. 31, 2019, plan assets totaled \$549 million, while projected benefit obligations totaled \$558 million, for a funding ratio of 98.4%, according to the 10-K filing.

Spokesman Jack L. Todd declined to comment.

## Former TCW exec asking court to reinstate lawsuit

Sara Tirschwell, a former managing director of TCW Group's distressed debt strategy group, filed an appellate brief detailing why she believes her full gender discrimination lawsuit against TCW should be reinstated.

In a June 11 summary judgment, New York State Supreme Court Justice Robert D. Kalish dismissed three of five causes of action against TCW and David Lippman, TCW president and CEO, including allegations of gender discrimination and retaliation when she complained about sexual harassment by her boss and co-defendant Jess Ravich. The court also dismissed Ms. Tirschwell's cause of action for retaliation against Mr. Ravich and her request for punitive damages against all defendants.

"Plaintiff was terminated by TCW for committing several compliance violations, as well as for other issues with her conduct and job performance," Mr. Kalish said in the summary judgment.

In her appellate brief filed Dec. 7, Ms. Tirschwell noted that when she was hired by TCW in 2016, she became the first and only woman in a senior investment position at the firm. She alleges that she was fired on Dec. 14, 2017, nine days after she reported alleged sexual assault and sexual harassment by Mr. Ravich to TCW human resources.

Ms. Tirschwell contended in the appellate brief that she was terminated during negotiations led by

Mr. Ravich in December 2017 to sell a minority stake in TCW to Nippon Life Insurance Co. Ms. Tirschwell alleges that the Nippon deal "could have been imperiled by Ms. Tirschwell's revelations," according to court documents.

The appeal also alleges that as of October 2017, Ms. Tirschwell's distressed debt fund was one of the better performing distressed funds of that year, and TCW was advised by its outside counsel three weeks prior to its terminating Ms. Tirschwell that it did not have cause to fire her.

"Sara Tirschwell was dismissed for cause due to repeated, documented compliance violations, and had made no complaint of any kind before it was clear she was being dismissed," TCW said in a written statement.

TCW has until February to file a response.

## Putnam says mental health aid also helps employers

Employers who invest in helping employees deal with mental health issues can see direct and indirect benefits, according to a report released Dec. 4 by Putnam Investments' sustainable investing team.

The report, "Mental Health: Insights and Investment Implications," looks at the true costs of mental illness, how it is impacted by COVID-19, and the potential investment implications of what governments and companies are doing to address it.

"The large population affected by mental illness and the meaningful benefits of effective treatment for patients could lead to important expansion and improvement of care. Potential for compelling investment opportunities exists among both corporate leaders and solutions providers," the report said.

"Policy responses to the COVID-19 pandemic have improved access to mental health care in some ways, and there are encouraging advances in treatment, including telemedicine and pharmacology," the report said. "Although it is too soon to draw lasting conclusions, several trends have emerged during the COVID-19 pandemic — some worrisome, some promising."

Promising trends include recent FDA approval of novel pharmaceu-

tical and digital therapies for treating common mental illness, digital tools and telemedicine platforms.

"The large population affected by mental illness and the meaningful benefits of effective treatment for patients could lead to important expansion and improvement of care. Potential for compelling investment opportunities exists among both corporate leaders and solutions providers," the report said.

## Jacksonville Police &amp; Fire approves new allocations

Jacksonville (Fla.) Police & Fire Pension Fund approved a new target allocation that includes the creation of targets to private credit and non-core real estate, said Timothy H. Johnson, executive director.

The \$2.3 billion pension fund's board approved the new allocation at its Nov. 20 meeting following an asset allocation study by RVK, the pension fund's investment consultant.

The new allocation includes new targets of 8% and 5%, respectively, to private credit and non-core real estate and the elimination of targets of 10% and 3%, respectively, to private equity and master limited partnerships.

The pension fund had yet to make any private equity commitments since the creation of the target in 2019 and its actual allocation to the asset class is zero.

Targets that remain unchanged are 31% domestic large/midcap equities, 16% core-plus fixed income, 14% international large/midcap developed markets equities, 10% core real estate, 6% each domestic small-cap equities and emerging markets equities, and 4% domestic aggregate fixed income.

According to a presentation from RVK, the changes increase the long-term expected return of the fund to 7.06% from 6.92%.

Mr. Johnson said it will take a couple of years to reach the new targets, and the first step is a pacing plan to be developed by RVK.

As of June 30, the actual allocation was 34% domestic large/midcap equities, 18% core-plus fixed income, 16% international large/midcap developed markets equities, 11% core real estate, 7% each domestic small-cap equities and emerging markets equities, 5% do-

mestic aggregate fixed income and 2% MLPs.

## Pension funds continue private equity spree

U.S. public pension plans showed a continuing appetite for private equity funds in October, according to eVestment's latest Private Markets Monthly Monitor.

Twenty-six pension plans reported 69 private equity fund commitments totaling \$3.6 billion in commitments to private equity funds, well above the 48 commitments totaling \$2.4 billion reported in October 2019.

In September, plans reported 110 commitments totaling \$12.7 billion.

As of Oct. 31, 113 U.S. public pension plans' actual allocations to private equity were below their targets, representing \$32.4 billion in potential commitments, according to eVestment.

CalPERS disclosed the highest dollar amount in commitments in October. The \$430.5 billion California Public Employees' Retirement System, Sacramento, had \$4.7 billion in commitments.

## Securities litigation rising globally, report claims

The global landscape of securities litigation is undergoing rapid change, according to a report issued Dec. 3 by Dechert, Global Securities Litigation Trends.

America is still a leader in securities and collective litigation, but the volume and scale of settlements outside of North America is growing. Of the 25 largest non-U.S. settlements, 17 were in Australia, and the rest were in the U.K., the Netherlands, Japan and Israel.

In other countries, some of the change is due to the U.S. Supreme Court's pivotal 2010 Morrison decision limiting U.S. institutional investors' ability to sue foreign stock issuers in U.S. courts.

That has sent shareholders to other countries that are now developing their own templates for accommodating those actions, said the report, which looks at evolving practices in the U.K., Australia, Canada, Israel, Italy and Japan, among other countries.

The law is also changing in the U.S., as plaintiffs find ways to adapt to a post-Morrison world.

More cases globally can be expected as a result of the COVID-19 pandemic, particularly as it affects companies and how they disclose their responses, the report by the law firm said.

Class or collective actions are also on the rise due to third-party litigation funders, it said, and, issuers risk duplicative litigation in multiple jurisdictions in the absence of universal jurisdiction.

## U.S. corporate pension buyout sales up for Q3

U.S. corporate pension plan buyout sales totaled \$4.6 billion in the third quarter, a LIMRA Secure Retirement Institute sales survey found.

The amount for the quarter was 41% lower than the same period in 2019, which saw \$7.7 billion in buyout volume, but it does represent double the \$2.3 billion in volume for the quarter ended June 30.

Buyout activity has traditionally taken place in the second half of calendar years.

For the nine months ended Sept. 30, buyout sales totaled \$11.3 billion, a drop of 32% compared with \$16.7 billion during the same period in 2019.

There were 106 group buyout contracts sold during the third quarter, down 5% from the third quarter of 2019.

LIMRA also said there was one buy-in contract, worth \$209 million, in the third quarter. While the survey did not identify the transaction, Boise Cascade Co., Boise, Idaho, announced on Aug. 14 in an SEC filing that it had signed a pension buy-in contract with Prudential Insurance Co. of America on Aug. 5, with an agreement to convert it to a pension buyout following a lump-sum offer to participants to complete the termination of that plan.

That lone buy-in for the quarter also was the first U.S. pension buy-in contract of 2020, according to LIMRA.

Pension buyout volume is increasing after a slowdown caused by the COVID-19 pandemic, Mark Paracer, assistant research director of the Secure Retirement Institute, said in a news release announcing the survey results.

"We are hearing from the carriers that the volume is picking up. The fourth quarter is typically a busy time as plan sponsors look to close out deals by the year-end. We expect this trend to continue in 2020," Mr. Paracer said.

LIMRA surveyed the 17 financial services companies that provide all the group annuity contracts for U.S. corporate pension plans.

## Moody's says 2021 outlook for managers is negative

The 2021 outlook for global money managers is negative, with the uneven economic recovery, increasing cases of COVID-19, financial markets volatility and wavering investor risk appetite weighing on the sector.

Ratings agency Moody's Investors Service said in its annual outlook report that, on top of these issues, longer-term trends that were already pressuring the money management industry "may have intensified with the coronavirus crisis."

Challenges include that active management remains out of favor with investors and that fee pressures are accelerating in commodity-type products.

Other pressures include a deteriorating operating environment and that "scale has become a necessity to offset fee compression and clients/distribution partners wanting to have fewer, deeper relationships will drive further industry consolidation," the report said.

"The industry is ripe for consolidation as it is fragmented with top 10 firms having 35% of global market share and oversupply of mutual funds in benchmarked disciplines," Rokhaya Cisse, assistant vice president, said in a comment accompanying the report.

Regarding consolidation, Ms. Cisse said: "Especially in the U.S., larger banks and insurance companies will be formidable bidders for asset managers that can increase their own competitive edge."

## AT DEADLINE

**Virginia pledges \$500M**

The \$85.1 billion Virginia Retirement System at a Dec. 10 board meeting announced commitments of \$500 million.

Within its credit strategies asset class, the pension fund committed \$300 million to Ares Private Credit Solutions II, an upper-middle-market junior capital lending strategy managed by Ares Management.

In private equity, VRS committed \$100 million to Charlesbank Equity Fund X, a buyout fund targeting relative value opportunities managed by Charlesbank Capital Partners.

In real assets, the system committed \$100 million to Digital Colony Partners II, a fund targeting digital infrastructure managed by Digital Colony Management. Virginia also opened an internal account with \$100 million for an internally directed global asset allocation strategy, funded from cash.

**Vanguard cuts minimums**

Vanguard Group on Dec. 11 said it was cutting to \$5 million from \$100 million the minimum investment a defined contribution plan would need to qualify for the company's target-date retirement funds, effective immediately. The change primarily affects 401(k) plans and 403(b) plans.

"The goal is to lower the cost of investing," Brian Miller, senior product manager for target retirement funds, said in an interview, adding that the decision wasn't aimed at any specific plan size. As Vanguard increases its target-date fund assets, it is able to reduce the costs to plans and participants, he said.

For the 12 months ended June 30, Vanguard had total target-date assets under management of \$631.6 billion, up 6.6% from the year-ago period.

**DOL finalizes proxy rule**

The Department of Labor on Dec. 11 unveiled a more principles-based final rule on proxy voting that did away with requirements in the proposed version requiring ERISA-governed fiduciaries to cast proxy votes any time the matter being voted on would have an economic impact on the plan but also only cast votes when there is an economic impact on the retirement plan.

The final rule, which will go into effect 30 days after publication in the Federal Register and shortly before the Biden administration takes office Jan. 20, establishes a framework for ERISA-governed fiduciaries to follow when they vote proxies and select and monitor proxy advisory firms.

Based on comments, the Labor Department said it was persuaded that the complexity involved in a determination of economic vs. non-economic impact would be costly to implement. Moreover, it

believes the core structure of the proposal that focused on "whether a fiduciary has a prudent process for proxy voting and other exercises of shareholder rights is a more workable framework for achieving the objectives of the proposal."

**GE lights up \$2.5B**

General Electric voluntarily pre-funded \$2.5 billion of estimated minimum ERISA GE Pension Plan funding requirements for 2021, 2022 and into 2023, a company spokeswoman confirmed in an email.

GE had previously planned to pre-fund roughly \$4 billion to \$5 billion in 2020 to meet its minimum ERISA pension funding requirements through at least 2022, but reduced the figure after assets performed better than expected during the year.

The company's actions were part of an overall plan to reduce its debt and de-risk its balance sheet.

The GE Pension Plan was 81% funded on a GAAP basis as of Dec. 31, 2019.

**Tenn. takes aim at alts**

The \$55.9 billion Tennessee Consolidated Retirement System made three new commitments totaling up to \$425 million, said Shelli King, spokeswoman for state Treasurer David H. Lillard Jr., who oversees the pension fund.

Within strategic lending, the pension fund committed up to \$200 million to Berkshire Multifamily Debt Fund III, a real estate debt fund managed by Berkshire Group.

In real estate, the fund committed \$125 million to Pretium Single-Family Rental Fund III, managed by Pretium Partners.

In private equity, the pension fund committed \$100 million to special situations fund Peak Rock Capital Fund III.

**LACERA hires**

The \$58.2 billion Los Angeles County Employees Retirement Association hired Stable Asset Management to run \$250 million in a manager of emerging hedge fund managers portfolio, according to a report of closed session action taken at the board's Dec. 9 meeting.

The pension fund issued an RFP in January for a separate account manager that would source, conduct due diligence and manage a portfolio of emerging manager hedge funds.

That RFP defined an emerging manager hedge fund as one that is less than 3 years old and has less than \$1 billion in assets under management. The principals of the hedge fund firm must always hold at least 66% of the ownership interest of the company, the RFP said.

LACERA has a long-term target of 4% to diversified hedge funds.

# China

CONTINUED FROM PAGE 2

response to a White House order banning investments in Chinese companies deemed to be supporting the country's military. The action will take effect Dec. 21, following the FTSE Global Equity Index Series quarterly review, and more companies could be removed at a later date.

The MSCI China A Onshore index gained 23.4% year to date to Oct. 30 and 3.9% over the last three years annualized. The MSCI China A International index delivered 24.7% year to date and 5.4% in the last three years annualized. Meanwhile, the MSCI Emerging Market index added 0.87% year to date and 1.94% over the three years annualized.

Investors cited China A shares' outperformance over broader emerging markets as one of the motivations to create separate China portfolios.

Sources added that China's economy is expected to surpass the U.S. as the world's largest economy by 2030. For long-term global investors, that outlook is expected to create opportunities. Domestically, they view China as an inefficient equity market dominated by retail investors — and one where institutional investors using active strategies can find alpha.

**Safe haven**

China has also proven to be a safe haven among other emerging markets.

"We had a massive global financial crisis this year and Chinese equities, bonds and currencies didn't sell off in a way that other emerging markets did sell off. When people get scared, they want to sell emerging markets," Jan Dehn, global head of research at Ashmore Group PLC in London, said in a telephone interview, adding that getting into the global indexes has helped China continue to execute its long-term efforts to attract foreign capital.

Willis Towers Watson PLC's research published Nov. 30 showed that Chinese risk assets should account for 20% of global investor growth portfolios over the next 10 years, compared with the current average exposure of 5%.

Investors said they are creating separate China equity allocations to diversify their portfolios and generate alpha. At the same time, they added that a standalone portfolio gives them a better understanding of country risk as well as a better understanding of specific ESG challenges faced by companies in China.

The £45 billion (\$59.9 billion) Border to Coast Pensions Partnership, Leeds, England, allocated between £300 million and £500 million in October to a new, separate China portfolio run by UBS Asset Management U.K. Ltd. and FountainCap Research & Investment Co. Ltd.

The partnership had been managing its emerging market fund internally. That internal team will continue to manage the ex-China portion, said Graham Long, Leeds-based head of external management at the pool of local authority pension funds. With the restructuring of the emerging markets allocation, he said the pool in effect will have three "sleeves" — a global emerging market ex-China alloca-

tion and two new sleeves run by the two managers. Regarding the motivation behind splitting out China and outsourcing the running of the allocation to specialist managers, Mr. Long said that China as a portion of the emerging market universe is increasing.

China has increased from 35% to 45% of major emerging market benchmarks this year, he said. Part of that move was because of the A-share increase in wider emerging markets indexes, he said.

"We haven't reached a stage where the proportion of China market cap is fully included, there is still somewhere to go," he added. China's weighting in the MSCI benchmark is anticipated to reach between 53% and 55% of the index when onshore China is fully included, consultants said.

**Coronavirus control**

Another factor contributing to the decision was the fact that the Chinese government managed to contain the coronavirus better than other emerging markets. "If you look at the COVID-19 impact on emerging markets, China got COVID under control," he said.



**TAKING A CLOSE LOOK:** Charles Wu said State Super determined that a fragmented China equity market would be a better environment for active management.

State Super, a A\$44 billion (\$32.5 billion) superannuation fund in Sydney, which is a trustee for the State Authorities Superannuation Scheme, State Superannuation Scheme and Police Superannuation Scheme, took a different approach when it awarded a new China equities mandate to Ninety One PLC in October. "It is a sizable mandate," said Charles Wu, acting chief investment officer of the fund, adding that the fund added the new strategic allocation alongside its broader emerging markets mandate.

He didn't disclose the size of the new strategic allocation. "We have identified that the market is fragmented and as a result it's a better opportunity set for active managers," he said.

For State Super, an all-China allocation is also a better way to understand risk. "The appointment allows us to have a specialist manager that (can) take some of the issues specifically related to ESG into account in more detail," said Andrew Huang, senior investment officer for equities at State Super in Sydney.

An allocation to domestic China shares is a portfolio diversifier and also a market with fertile ground to add alpha, he added. Mr. Wu added that the opportunities in broader emerging markets and all-China shares are complementary to each other, although fund executives will

evaluate the situation on an annual basis and as the market evolves.

It's also "possible" that emerging markets as an allocation will become redundant in the years to come, he said, as China increasingly dominates the indexes.

Betting on emerging opportunities in the China domestic market — for example, in clean energy — is APG Asset Management, the in-house manager of Stichting Pensioenfonds ABP, Heerlen, Netherlands, which has €462 billion (\$552.7 billion) in assets and invests in China with E Fund Management Co. Ltd.

**Separate China allocation**

Rene van der Zeeuw, managing director, emerging markets equities at APG Asset Management, said the firm currently invests €900 million via a separate China allocation through a concentrated portfolio of 26 companies listed on the Chinese domestic market. That allocation was funded from its €44 billion emerging market equity allocation, which also is managed in-house and retains an exposure to China.

Mr. Van der Zeeuw said that APG could increase its standalone allocation to China even more in the

coming years. "It's a specific market (where) institutional investors' participation is low," he said.

Simply relying on an external manager to gain China exposure through an active emerging markets portfolio may not be giving investors the allocation they want to the domestic market, sources said. Paul Colwell, head of the advisory portfolio group for Asia at Willis Towers Watson in Hong Kong said: "Many of the emerging market managers tend to be quite underweight in China. Most emerging market managers play the Hong Kong offshore market. Dedicated China managers tend to focus on the mid-cap (domestic) space."

Still, Mr. Colwell said that a separate China onshore portfolio should feature multiple managers. "You can get access to really nice alpha, but it is volatile. The gap between the best and the worst (managers) over the last 10 years, could be more than 10 percentage points per annum," he said.

**ESG challenges**

As investors are stepping up their ESG investment processes, they are confident that standalone portfolios can actually help manage ESG risks in China according to their responsible investment policies.

Mr. Huang said that the new capability helps State Super to navi-

## Willis Towers Watson sees China allocations quadrupling by 2030

Institutional investors should consider quadrupling exposure to Chinese risk assets over the coming decade under a range of geopolitical and economic scenarios, a report by Willis Towers Watson contends.

The report, Allocation to China in a new world order — examines a range of geopolitical outcomes, including a continuation of U.S. dominance, a global order where China displaces the U.S., a multipolar world and one where globalization gives way to regional blocs.

For most scenarios, an allocation to China of 20% or more for the risk asset portion of investors' portfolios makes sense, up from roughly 5% at present, said the report's author, London-based director of investment research Liang Yin, in an interview. Risk assets include equities, credit and infrastructure, among others, he said.

Heightened U.S.-China tensions and the backlash against globalization have multiplied the number of short-term concerns facing investors but, "we argue that recent events in fact (have) reinforced, as opposed to weakened, the case for global investors to own more Chinese assets," Mr. Yin wrote.

For example, in an environment where globalization remains ascendant, whether led by the U.S., China or more than one economic power, investors can tap into China's growth by investing in multinational companies with businesses on the mainland.

If, instead, the coming decade sees a globalized economy give way to regionalization

— WTW's most likely scenario with a 45% probability — "the case for geographic diversification is stronger, not weaker," Mr. Yin wrote. Under that scenario, institutional investors should allocate 25% of their portfolios to Chinese assets, he said.

That scenario would see the world economy devolve into a U.S.-led Americas bloc, the eurozone and an Asia region led by China, marked by more regional supply chains, increasing barriers to interregional trade and a corporate world marked by regional champions. Along the way, multinationals will "get dismantled," Mr. Yin wrote.

While the report posits three additional scenarios where globalization remains dominant, only for the case where the U.S. continues to lead the way — a 15% probability by WTW's calculus — does the report call for a more modest China allocation of 10%.

For a China-led global system — a 10% likelihood — the report recommends a 35% weighting to Chinese assets. For a multipolar global system, which WTW contends is a 20% probability, a weighting of 20% makes sense.

The final scenario, a disruptive end to globalization, accompanied by a surge in nationalism, could bring about an unstable repeat of the situation that preceded the World War I, marked by "a leaderless world (where) great powers adopted a dangerous zero-sum mentality driven by populism and nationalism," the report said. In that scenario, a 10% probability, the weighting to Chinese assets should be zero, Mr. Yin said.

— DOUGLAS APPELL

gate ESG risks specific to China. Ninety One's ability to stay on top of the latest ESG trends helps with company engagement for the "cases where there are controversies that have to be actively managed," he added.

"We do ask quite frequently what the manager intent is (when it comes to ESG) and how they deal with it at a portfolio level," he said.

Border to Coast's Mr. Long agreed that ESG is a challenge due to the scarcity of company disclosure. Still, he said: "I don't think China is different to other emerging markets."

APG's Mr. Van der Zeeuw added: "We know we have to work hard in China to find good companies that fulfill (our) profile. That does not mean that we (lower) our standards when we invest in China. We are as critical about a Chinese company as about companies in developed markets." He

added that APG considers the willingness of Chinese companies to start disclosing as a factor in its stock selection process.

Kathy Kejia Xu, senior portfolio manager at APG in Hong Kong, added: "The companies in our portfolio have the potential to improve."

APG scores companies based on its own scorecard developed for its emerging market investments and most of its Chinese investments have average scores.

"When we don't agree (with a company's practice), we would vote against the company (in meetings). Chinese companies have gotten used to more foreign firms in the market and the criticism, for example, on carbon issues because the top government in Beijing has a high target to go green (by) 2060," she said. ■

Hazel Bradford contributed to this story.

## Distressed

CONTINUED FROM PAGE 1

anticipate seeing as a result of the pandemic."

On the recommendation of Townsend and staff, the council committed up to \$75 million to opportunistic real estate fund KKR Real Estate Partners Americas III managed by KKR & Co. Inc. The fund has a \$3 billion target and KKR expects to invest some of the capital taking advantage of what it calls "cyclical dislocation," according to a Townsend memo to the council.

"Targeted property types in the midst of disruption but with attractive long-term fundamentals are student and senior housing," Townsend said in the memo. "Situational opportunities will include distressed hotels."

Indeed, the fund is expected to have a "materially higher weighting to distressed situations" than its predecessor funds, the Townsend memo said. The fund is targeting mid-double-digit net returns, the memo said.

### Bifurcated recovery

Executives at real estate manager and developer Hines believe there will be a bifurcated recovery, leading to some distress, said David L. Steinbach, Houston-based global CIO and co-head of investment management. And compared to 2008, there is a lot more capital sitting on the sidelines waiting for investment opportunities.

In what has been a challenging year for fundraising, 21 private distressed debt funds raised a combined \$19 billion worldwide as of Dec. 10, compared to 25 funds that raised a total \$20.1 billion in all of 2019, Preqin data show. Real estate debt funds had a slower year, with two funds that raising a combined \$100 million as of Dec. 10, down from nine funds that closed on a total of \$8.6 billion in 2019, according to Preqin.

But widespread distress isn't here — yet.

"We do expect broad-based distress, the first window in a little more than a decade," said Jonathan Van Gorp, director, Makena Capital Management LLC. "It will manifest in the next year or quarters ahead."

It will be an interesting time to invest in hotel and retail debt and earn an attractive return, Mr. Van Gorp said. There have already been some investment opportunities in the public markets, he said.

Makena took advantage of volatility in the real estate investment trust market. In April, Makena invested in multifamily REIT shares in the midst of significant market changes, he said. The firm invested in REIT stocks of high quality, lower leveraged companies that were trading lower compared with private market real estate values, Mr. Van Gorp said. "(These companies) will be able to stand up well and deliver an attractive rate of return," he said. Some industry executives think the expectations of a massive distress investment opportunity are overblown.

### Some opportunities

So far, executives at credit manager Crescent Capital Group LP are not seeing signs of widespread distress on the corporate side of credit but there are some opportunities. Crescent has \$28 billion of assets under management. "The data just doesn't support the premise that there is once-in-a decade distress cycle in corporate credit," said John A. Fekete, Los Angeles-based man-



NOT MUCH: Mark Attanasio said only energy, retail and hospitality offered opportunities.

aging director and head of capital markets. "Real estate is different. It continues to take it on the chin."

In the world of corporate credit, the current availability of low interest rate loans is saving many businesses from the financial abyss, Mr. Fekete said.

"Companies are surviving because they are locking in ... very, very low interest rate loans," he said.

In some instances, companies are refinancing their debt, cutting their interest rate expense by as much as a third, he said. The saving is giving companies time to build up their balance sheets.

"Central bank support is what is underpinning today's credit market, more important than the trajectory of COVID itself," Mr. Fekete said. "What's more impactful is that the Fed will keep rates at or near zero, effectively putting a lid on interest expense for borrowers — leverage ratios are higher with interest costs being lower."

Crescent does not invest in real estate.

Crescent executives are seeing pockets of distressed opportunity, primarily in energy, aircraft leasing, restaurants, live entertainment businesses and corporate structured credit like collateralized loan obligations, Mr. Fekete said.

CLO investment opportunities in the current cycle are very different than they were in the 2008 global financial crisis and they are evolving quickly, he said. "Six months ago, we bought A- and BBB-rated CLO debt, made attractive gains, harvested those gains and reinvested in BBs."

This cycle is different from other distressed cycles, when credit managers typically invested in five to 15 companies and worked them out in a multiyear process, he said.

"Today, we are taking a much more active approach, with a shorter targeted hold, modeling for 12-to-18 months."

Mark Attanasio, Los Angeles-based co-founder and managing partner of Crescent Capital Group, said there has been some distress early on in the pandemic in the public markets.

"There was a sharp decline across the board from mid-March to mid-April, then the Fed came to the rescue," Mr. Attanasio said. "We had a couple of months early in the pandemic to make money on the recovery in the public markets."

In private transactions, between private equity managers and lenders, there were one or two quarters of COVID-19 payment-in-kind, that allowed borrowers to make interest payments in the form of securities rather than cash, he said.

"The epic opportunity in credit certainly did not really ripen," he

said. "Aside from energy, retail and hospitality, there's no there there."

### Similar sectors

In real estate, the distress investment opportunity will involve similar sectors but most sectors will be impacted, industry executives said.

"Hospitality will be a big opportunity distress-wise," said David Conrod, New York-based chief executive of FocusPoint Private Capital Group, a firm that raises capital for private funds and invests in direct transactions. The firm has helped raise about \$10 billion of capital since its 2010 inception.

One of the issues is that there are historic leverage levels, up to seven times more than in 2007 — just before the last recession, he said.

Private credit on these properties increased significantly as well, he said.

In the last financial crisis, the distress didn't hit its peak for 12 to 18 months after the onset of the crisis and Mr. Conrod said distress levels haven't hit their peaks yet this time around.

"We're going to see continued financial deterioration, brought on by shutdowns, unemployment and the recession, he said.

Keeping some companies afloat right now is that many took on debt early on in the pandemic to cover their losses, Mr. Conrod said. Companies like private gyms or even popcorn suppliers to movie theaters saw their revenues evaporate overnight.

Lenders are doing what they can and working with borrowers to avoid defaults but "at some point you have to make some decisions," Mr. Conrod said.

"There will be more bankruptcies, credit downgrades, covenant defaults and operational liquidity challenges for some of these companies," he said.

That is where managers with debt-for-control strategies will come in to buy up debt of struggling companies with the ultimate goal of owning the company, Mr. Conrod said.

"There will be bargains ... a lot of opportunity" for these managers, he said.

In real estate, many investors are in better shape this time around than they were in the 2008-related recession, Hines' Mr. Steinbach said. "This cycle feels different than the last time in some ways."

Most owners are in better financial positions to absorb the impact of an economic downturn than in 2008.

"That said, there will be a hit on fundamentals: rents and vacancies," Mr. Steinbach said, noting that vacancies are going up and rents are coming down, which will impact many real estate sectors. ■

# Climate

CONTINUED FROM PAGE 1

nouncement by New York City Comptroller Scott Stringer and Mayor Bill de Blasio that the \$211 billion New York City Retirement Systems would start a five-year plan to divest fossil fuels.

Divestment “is a last resort,” Mr. DiNapoli said in the announcement, but it will be used if companies don’t follow the pension fund’s guidelines for transitioning to a low-carbon global economy.

Given New York State Common Retirement Fund’s sizable holdings in fossil-fuel companies like Exxon Mobil Corp. and the ambitious goal to decarbonize the portfolio by 2040, the announcement “is the biggest thing in divestment internationally,” said New York state Sen. Liz Krueger, who backs divestment legislation.

“I have no question that other states and localities around the country will be looking at this and asking, ‘Why can’t we do this?’ I think this is the beginning of a movement that will sweep the country,” Ms. Krueger said after the announcement.

## Feeling heat

Exxon Mobil also is feeling heat from the \$254.7 billion California State Teachers’ Retirement System, West Sacramento, which is supporting a shareholder campaign to shake up the energy giant’s board of directors.

CalSTRS, which holds more than \$300 million of Exxon Mobil stock, is backing Engine No. 1, an activist investment firm that in a Dec. 7 letter told the company it will nomi-

nate independent director candidates with strong energy industry experience at the company’s 2021 annual shareholders meeting.

Citing the unique challenges facing the industry and a changing world, plus the company’s underperformance and the board’s lack of outside energy experience, “it is time for shareholders to weigh in,” the Engine No. 1 letter said. It also called for serious plans for renewable energy, cost-cutting and management compensation reforms.

The goal, said Aeisha Mastagni, portfolio manager for CalSTRS’ sustainable investment and stewardship strategies, “is to get new voices inside the boardroom. We are making sure we have the right alignment of interests in terms of the executive team,” as opposed to the current board, which doesn’t have experience in the energy industry or with energy companies in transition, she said. “This is providing a solution that we hope will drive performance.”

“We’ve tried other tactics,” including shareholder proposals with majority support “that the company has basically ignored,” Ms. Mastagni said. “These other traditional engagement tactics have failed.”

Investors will get critical backup from BlackRock Inc., which in 2021 plans to turn up the pressure on carbon-intensive companies to transition to a low-carbon economy and push for board directors capable of helping to achieve that. Instead of the 440 carbon-intensive companies it focused on during the last proxy season, it will now target 1,000 companies — representing 90% of major global emissions — for possible actions that include voting against directors. It will also be spending more time assessing the



**KEEP AT IT:** Andrew Logan sees pressuring the board as a logical move for investors.

impact of climate change on the companies’ business models, said Michelle Edkins, managing director and global head of BlackRock’s investment stewardship team in New York.

“What we are seeing is growing urgency from investors to see (energy) companies set out meaningful transition plans, and a willingness to engage companies. There is growing recognition that more could be done,” Ms. Edkins said.

Ms. Mastagni of CalSTRS also credits investor groups like Climate Action 100-Plus for harnessing the collective power of shareholders to get other energy companies to take climate change seriously. The global initiative now has more than 500 signatories with a collective \$47 trillion under management, including CalSTRS and major asset managers such as BlackRock, Vanguard Group and State Street Corp.

The organization now engages with 167 companies globally to deliver Paris Agreement-aligned

emissions cuts, implement strong climate governance frameworks and improve climate-related disclosures.

Another coalition of global investment organizations representing more than \$103 trillion in assets is calling on companies and auditors to have their publicly released financial results reflect the effects of climate change.

“Ten or 15 years ago you did not see this collective action. I think these collective groups are shifting that resistance in the U.S.,” said Ms. Mastagni of CalSTRS. “Things are constantly evolving. It’s about ensuring resiliency. It is part of what we are calling activist stewardship.”

## Peer pressure

U.S. energy companies are also feeling pressure from European counterparts like BP PLC and Total SE, which have committed to achieving net-zero carbon emissions, said Andrew Logan, senior director of oil and gas for Ceres in Boston.

“European companies are making bold commitments, which is changing what investors are asking companies to do,” he said.

“Going after the board is probably the most obvious way, after a decade or more of investor frustration. Ultimately the board works for the investor, so they have to be responsive” and understand that climate change belongs on the agenda, Mr. Logan said.

Between recent changes at the Securities and Exchange Commission, including no-action letters backing companies and tighter rules for shareholder proposal submissions, “investors see fewer opportunities to file shareholder proposals, which is forcing them to take other avenues. Investors are going to pursue this through other means. The board is emerging as the other target and I think we will see more withholding of votes at other companies,” Mr. Logan said. “Investors aren’t going to go away. They’ll find other ways to make their voices heard.”

There are also numerous lawsuits being filed by state and local governments against oil and gas companies seeking to hold them accountable for climate change-related pollution and inadequate disclosure.

There are now at least 24 such lawsuits, including one that the U.S. Supreme Court may weigh in on early next year, that some advocates compare to those against Big Tobacco.

Big Oil “is facing significant risk from a lot of different quarters, including competing sources of energy and even their own investors. It’s just more reason for these companies to rethink their business,” Mr. Logan said.

# Best Places

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lockdowns and continuing to work from home in many cases.”

In this year’s special report, a variety of firms provided insights into how they build and maintain a healthy corporate culture in a virtual world as the global COVID-19 pandemic disrupted long-standing practices such as daily in-person meetings, strategy retreats, chitchats around the water cooler, holiday parties and in-office birthday celebrations.

How to keep morale high and mitigate the stress of lockdown weighed heavily on employers’ minds, judging by survey responses. Employers stepped in with enhancements to health and wellness policies, ways to virtually share accomplishments and praise, and extra days off to combat stress and burnout.

At New York-based PineBridge Investments LLC, a newcomer this year to the Best Places program, the company doubled the number of allowable 2020 vacation days and extended the carryover timeline so that the days can be used at any point during 2021. It also launched a “Work from Home Diaries” that encouraged employees to share their experiences and journeys during COVID-19.

Employers also stepped up when it came to ensuring that employees had the technology and tools to continue to work remotely. Among the responses in the survey, Chicago-based GCM Grosvenor Inc., another newcomer to the Best Places program, offered employees reimburse-

ment of up to \$500 for the cost of technology equipment used while working remotely. ClearBridge Investments LLC noted that its employees also received a \$250 stipend for working from home-related expenses. And Palladium Equity Partners LLC, another newcomer, noted that meal stipends remain in place while team members are working at home and that any office equipment required for remote working is reimbursed by the firm.

## Plenty of fun perks, too

And as always, there were plenty of fun perks to make employees feel valued. Chicago-based Cardinal Investment Advisors LLC, a six-time winner in the Best Places program since it launched in 2012, thanked employees for their hard work and flexibility by hand-delivering ice cream to their homes. Each delivery had a note attached giving everyone an extra Friday off to “chill out.”

Five-time winner Income Research & Management, Boston, provided a “Night In” on the firm in the form of \$150 that could be expensed for anything employees chose.

A number of winners also spoke about their efforts to talk about race and create opportunities for employees to discuss the impact of the deaths of George Floyd, Ahmaud Arbery and Breonna Taylor.

For example, New York-based Neuberger Berman Group LLC, which had 1,646 employees in the U.S., held a racial equity training series for employees this summer, said Sean Williamson, head of employee platform at Neuberger Berman.

The company ranked No. 2 among the largest employers and is an

eight-time winner in the Best Places program.

Many other firms also are repeat winners. But only five have been named every year since the program launched in 2012:

- Baird Asset Management, Milwaukee.
- ClearBridge Investments LLC, New York.
- Dana Investment Advisors Inc., Waukesha, Wis.
- Hamilton Lane Advisors LLC, Bala Cynwyd, Pa.
- Principal Global Investors, Des Moines, Iowa.

To be named to *P&I*’s Best Places list, all firms met Best Companies’ high threshold for inclusion and were evaluated against others of similar size. Individual firm profiles, which were compiled based on survey results, reflect U.S. employment numbers and were confirmed by Best Companies in the summer. Company and employee comments were edited for space, style and clarity.

Assets under management or advisement are as of June 30, unless otherwise noted. To participate, companies had to have at least 20 employees in the U.S., at least \$100 million of discretionary assets under management or advisement and be in business for at least one year. An anonymous employee survey, which aimed to evaluate employee engagement and satisfaction, accounted for 75% of a firm’s score; an employer survey, which evaluated workplace policies, practices, benefits and demographics, made up 25%.

To learn more about the program and register for notification when the 2021 program opens, visit [www.pionline.com/bptw-pi](http://www.pionline.com/bptw-pi).

## ESG

# Vatican joins with business to shift focus of capitalism

By HAZEL BRADFORD

Investment and business leaders are joining forces with the Vatican to build a more inclusive and sustainable form of capitalism, the newly formed Council for Inclusive Capitalism with the Vatican announced Dec. 8.

The alliance of business and global leaders in the council, known as Guardians for Inclusive Capitalism, represent more than \$9.6 trillion in assets under management and companies with more than \$2 trillion in market capitalization, with 200 million workers in 163 countries. The Guardians group will meet annually with Pope Francis and Cardinal Peter Turkson, who leads the Vatican’s Dicastery for Promoting Integral Human Development.

Alliance members include executives from CalPERS, Allianz SE, TIAA, Principles for Responsible Investment, Bank of America, State Street Corp., the Rockefeller Foundation and the Ford Foundation.

“Our mission is to harness the potential of the private sector to create a more inclusive, sustainable, and trusted form of capitalism,” the council said in a release.

Members of the Council for Inclusive Capitalism have committed to measurable action to create

a more equitable and sustainable economic system. The non-profit organization founded by Lady Lynn Forester de Rothschild under the guidance of Pope Francis is challenging other business and global leaders to join and make public commitments to take measurable action.

Council member Marcie Frost, CEO of the \$430.5 billion California Public Employees’ Retirement System, Sacramento, said in a separate release, “As a trust fund fiduciary, we know that sustainable value creation rests on stewardship, not only of financial capital, but human and natural capital. That’s why we need to incorporate issues like climate change and diversity and inclusion into our investment strategy. Working together, we can help build the shared prosperity in which companies prosper and benefit their investors, workers and the communities they rely upon.”

PRI board member Hiro Mizuno said in the release that while capitalism has brought prosperity to people as a whole, “over the last several decades, people’s short-term pursuit of profit and lack of vision for the long-term, has created divided societies and caused environmental damage. I am convinced inclusiveness is key to making capitalism more fair.”

# Senate

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keep at this problem until we find a solution.”

The Pension Benefit Guaranty Corp.'s multiemployer program had a deficit of \$82.3 billion, as of Sept. 30, 2019, according to the agency's latest projections report released in September. The report projects a “very high likelihood” of the multiemployer program's insolvency by September 2026 and “near certainty” by September 2027.

The bipartisan 2018 Joint Select Committee on the Solvency of the Multiemployer Pension System failed to reach a consensus, but Mr. Grassley and other lawmakers have introduced legislation aimed at solving the crisis in recent years.

## Sense of urgency

Ohio Sens. Rob Portman, a Republican, and Sherrod Brown, a Democrat, each spoke of the need to find a multiemployer solution quickly. “A pension system should be part of the work we're doing on COVID-19,” Mr. Brown said. “There's no reason we shouldn't be able to do this as part of a year-end deal.”

Added Mr. Portman: “It's time that we get it done, and I think we've got a good compromise that is consistent with the plan that we all talked about in connection with the select committee that was formed. This is urgent for our businesses, it's urgent for retirees and it's urgent for our economy, so we cannot let the PBGC multiemployer program go underwater, which is what's going to happen if we don't solve the problem.”

Michael P. Kreps, principal at Groom Law Group, said in testimony at the hearing that there's “simply no time left to lose as every day that ticks by the problem becomes more difficult and costly to fix.”

The bulk of the hearing was spent discussing the merits of several retirement security bills introduced in Congress, including the Retirement Security and Savings Act of 2019, a major package from Mr. Portman and Sen. Ben Cardin, D-Md.

That bill features more than 50 provisions aimed at improving coverage for small business workers and part-time workers.

It establishes a new automatic enrollment safe harbor for employers to meet non-discrimination requirements and allows employers to make matching contributions to retirement accounts for employees to use in paying off qualified student-loan debt.

Eric Stevenson, president of the retirement plans business at Nationwide Mutual Insurance Co., called attention in his testimony to a provision of the bill that would enable 403(b) plan sponsors to offer collective investment trusts to their participants. “CITs are a proven, cost-effective way to help people save and they're widely available in 401(k) plans, and I think we should make those (available) in 403(b)

plans as well,” Mr. Stevenson said.

Joshua Luskin, president of the National Association of Government Defined Contribution Administrators, testified that “DC plans that are able to invest in CITs can realize lower administrative costs, fees and greater flexibility.”

## Automatic portability

When asked by Mr. Brown what Congress can do to reduce the number of missing participants and improve plan portability for workers who change jobs, Groom Law's Mr. Kreps said it would be helpful to encourage the use of automatic portability programs for 401(k) accounts upon employee termination and to pass a bipartisan bill that's been introduced in the House and Senate that would create a national online lost-and-found database for



Ciara Cusseaux

**TIME IS UP:** Michael P. Kreps said the multiemployer problem must be solved now.

retirement accounts.

Last month, a bill similar in scope to the Portman-Cardin package was introduced in the House by

Ways and Means Committee Chairman Richard Neal, D-Mass., and Kevin Brady, R-Texas, the committee's ranking member. And Mr. Grassley said Dec. 9 that he will introduce legislation “in the coming days” that “builds on the (Setting Every Community Up for Retirement Enhancement) Act and the important provisions of Portman-Cardin.”

Looking ahead to 2021 and a new Congress, Mr. Portman sounded optimistic about the passage of more retirement security legislation. “This is an opportunity for bipartisan work... Regardless of who gets the majority in the Senate come January, this is an area where I think we have the potential to make some real progress because I think it has been, and will be, bipartisan,” he said. ■

## Marketing Opportunity

# Reach the pinnacle of institutional assets

The industry's highly-anticipated indispensable resource on the state of the pensions industry — **The P&I 1,000: Largest U.S. Retirement Funds** — is publishing on Feb. 8.

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## CHANGES AHEAD

**Medford (Mass.) Contributory Retirement System** is searching for an international developed markets equities manager to run about \$21 million for the \$205 million defined benefit fund. Lazard Asset Management is the current manager and is invited to rebid. Only pooled investment vehicles (mutual or commingled funds) will be considered. Global equity ex-U.S. funds will not be considered. The RFP is on NEPC's website. Proposals are due 2 p.m. EST on Dec. 18. Scott Driscoll, consultant at NEPC, said he expects a decision in a couple of months.

## HAVE SOME NEWS?

Please submit news of changes to David Schepp, news editor, at [dschepp@pionline.com](mailto:dschepp@pionline.com)

**Public Officials Benefit Association,**

Seoul, is looking to hire a manager to invest a separately managed account of \$100 million in overseas listed real estate investment trusts, including stocks related to real estate companies. POBA is a 15.7 trillion won (\$14.2 billion) organization promoting the financial

well-being of local government officials. Interested managers should submit proposals by 4 p.m. Seoul time Dec. 23. A preliminary quantitative screening will be conducted Dec. 29, followed by qualitative evaluations Jan. 20 and a final selection by the end of January. The necessary forms and other information can be obtained from Shin Kyung-sun, manager, at 81-2-3781-2844 or [greatsks@poba.or.kr](mailto:greatsks@poba.or.kr); Seohwan Jeong, manager, at 81-2-3781-0919 or [shjhong@poba.or.kr](mailto:shjhong@poba.or.kr); or Kim Yu-Hwan, employee, at 81-2-3781-0921 or [kimyuhwan@poba.or.kr](mailto:kimyuhwan@poba.or.kr).

**Boston Retirement System** is looking to commit roughly \$30 million to a closed-end, diverse manager private markets fund of funds. NEPC, investment consultant to the \$5.3 billion pension plan, is assisting with the search. The RFP is available on NEPC's website. Proposals are due by 2 p.m. EST Jan. 4. A selection date was not disclosed.

**Santa Clara Valley Water District,** San Jose, Calif., is searching for an investment consultant for its 457 plan. The district is seeking a firm to provide investment advice to its deferred compensation committee, according to an RFP posted on the district's website. The RFP is posted on the district's website. Proposals are due at 2 p.m. PST on Jan. 5. Finalist interviews are tentatively scheduled for the week of Feb. 1.

**Alexandria (Va.) School Board Employees Retirement Plan** is searching for an investment consultant. The RFP is posted on the state's state's procurement website. Registration is required. Proposals are due at 3 p.m. EST on Jan. 12. Finalist presentations are tentatively scheduled for the week of Jan. 25. A timeline for selection was not provided.

**Middlesex County,** New Brunswick, N.J., is searching for an investment consultant for its \$104 million 457 plan. The plan does not currently have an investment policy. The RFP is posted on the county's procurement website. Registration is required. Proposals are due at 11 a.m. EST on Jan. 12. A timeline for a selection was not provided.

**Danish National Research Foundation,** Copenhagen, is searching for a manager to run a 600 million Danish kroner (\$96 million) allocation to global inflation bonds. The 5.8 billion Danish kroner foundation wants a segregated portfolio hedged back to euros, said a notice filed with European procurement website, Tenders Electronic Daily. Managers wishing to submit RFPs must register with procurement website EU-Supply and submit applications by midnight Central European Time on Jan. 20.

**Pembroke Pines (Fla.) Firefighters' and Police Officers' Pension Fund** is searching for an active domestic large-cap growth equity manager to run about \$40 million. The \$730 million pension fund's current allocation to domestic equities is 53%. The RFP is available on investment consultant Dahab's website. Proposals are due at 5 p.m. EST on Jan. 21.

**Tulare County Employees' Retirement Association,** Visalia, Calif., issued an RFP seeking investment consulting services for the \$1.6 billion plan. The plan's board approved issuing the RFP in September because current consultant Verus Advisory has been the consultant for 10 years. The board approved issuing the RFP in September because it "felt it was incumbent upon them to ensure that they are adequately informed regarding investment consulting services available," wrote Leanne Malison, retirement administrator. Verus is invited to rebid. The RFP is available on TCERA's website. Proposals are due Jan. 22. Finalists are scheduled to be interviewed by the board April 28.

For a comprehensive database of search and hiring activity, visit [researchcenter.pionline.com/archive/piq](http://researchcenter.pionline.com/archive/piq).

## Hutcheson

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believes there is a light at the end of the COVID-19-related tunnel.

While Mr. Hutcheson declined to comment on specific transactions made at the height of the market volatility related to the pandemic, he said the first priority was liquidity. With the Canadian dollar dropping 12% and global markets plummeting 35% by late March, "we were all hands on deck" to ensure executives knew how much elbow room there was if things fell even further.

"From my perspective, that was a big decision and so we went out and raised about C\$4 billion in medium-term notes in multiple currencies around the world so we would have money available to cover our hedges or to make investments." That exercise probably took six weeks.

**3 opportunities**

OMERS executives are now seeing three opportunity sets: the first is where certain industries and businesses are benefiting from trends that have accelerated in the pandemic environment — like industrial real estate. The second is those companies that may look weakened in the current situation but that executives believe will rebound over the medium to long term and are attractive now at current pricing levels, while the third are industries, companies and sectors that the firm is now avoiding as they have been devastated by the outbreak.

Executives also found more opportunities in the public markets than in private markets.

But it's not just COVID-19 that OMERS executives are contending with. The firm has significant exposure to the U.K., meaning the country's departure from the European Union is high on OMERS' agenda of things to be aware of.

"The truth is it's our reality, right? It has put, for many ... the U.K. in the penalty box," Mr. Hutcheson said. However, OMERS "was never one of those who put it, either in the short-term or in the long-term, in the penalty box. We continue to sell some things, we continue to buy some things, we believe in its future."

Continued commitment to the U.K. has been "successful" for OMERS so far and looks like it will continue. "It looks like as we transition into next year, there's lots of room (for the U.K.) to put the politics behind and put economics and the best interests of the citizenry in front. We've always believed that

(the U.K.) will come through. And we've...taken a few bumps during this period of time, like everybody has — but it has not diminished our ambition to be part of that community for the decades ahead. We probably have been a net seller of ... certain types of real estate during this period, but we've also been increasingly investing in areas where we think the opportunity set exists, like industrial, like multifamily" real estate. Executives will also continue to invest in U.K. private equity and infrastructure "and we have really been excited about the prospects for our ventures team," which has placed around 16 investments in Europe so far with "a substantial portion" — seven — of those in the U.K., he said.

The fund's "faith in the ... future of that economy" — the U.K. — is further underscored by the fact it put a ventures team in London in



**LOOK TO TOMORROW:** Blake Hutcheson feels good about the future and thinks 'long-term prospects are actually quite great.'

early 2019.

The U.K. isn't the only region earmarked for expansion by Mr. Hutcheson.

As of Dec. 31, OMERS' portfolio was roughly 35% exposed to Canada, 37% in the U.S., 17% in Europe, 8% in Asia-Pacific and 3% in the rest of the world.

**Asia-Pacific focus**

The Asia-Pacific region has been and will continue to be an area of focus. The fund opened an investment office in Singapore in 2018 and this year added another 12 staffers.

Mr. Hutcheson said he expects OMERS' exposure to Canada, the U.S. and Europe to decrease slightly over the coming years with the flow going to APAC.

"However, I think the most important distinction is we are growing everywhere," Mr. Hutcheson said. His ambition is for OMERS to

double in size to around C\$200 billion in the next decade. "We could be 10% to 15% in APAC" in the future, he said.

The firm sees growth opportunities in the region and it "would be irresponsible for us not to be a significant player in it, incrementally over time."

OMERS bolstered its Australia business last month when its global real estate arm, Oxford Properties Group — where Mr. Hutcheson was president and CEO prior to moving over to OMERS — acquired a 50% stake in Investa Office Management Holdings Pty Ltd. IOMH owns the A\$12 billion (\$8.9 billion) Investa Management Platform, a real estate firm and fund management platform. Oxford Properties Group has about C\$60 billion in assets under management.

ESG is also a focus for OMERS and its boards, and "there isn't an investment we make that doesn't turn a critical eye to those very things. That's embedded in our culture," Mr. Hutcheson said.

"We have recently done some great examples of what leadership in this area means," he said, citing OMERS Infrastructure's investment in Ontario-based nuclear power facility Bruce Power — "our largest single investment," Mr. Hutcheson said. The plant provides about 30% of the province of Ontario's electricity. The firm has held the investment since 2003.

OMERS is actively exploring investment opportunities in all renewable energies, including wind.

**Near-view mirror**

Looking into 2021, Mr. Hutcheson thinks it will still be a "rough period in the short term, and that

we will see the opening and closing of businesses and markets and regions ... which tends to stultify growth and tends to give businesses concerns — including some of ours. And that's a short-term reality that we have to muscle through," he said.

"We can't wait to put this year behind us — like many, we will have our fair share of black eyes like anybody with a large portfolio. You know, we own London City Airport. It's been really tough," Mr. Hutcheson said.

But the flip side is that OMERS owns a lot of "great assets and (has) been insulated against this period of economic suspension ... We believe there are lots of reasons to have optimism and believe in the future," he said. Positive emerging news on vaccines, pent-up demand for assets and an increase in savings rates for many countries mean "the long-term prospects are actually quite great." ■

## P&amp;I Events Calendar

Mark your calendar and join us at these upcoming P&I events.

2021 DCE Spring Virtual Series

DC Investment Lineup Virtual Series

ESG Investing Virtual Series

March 8-11

April 19-22

May 17-20

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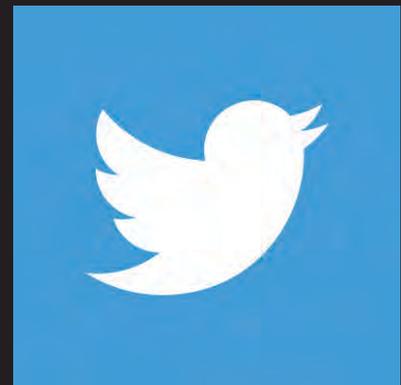
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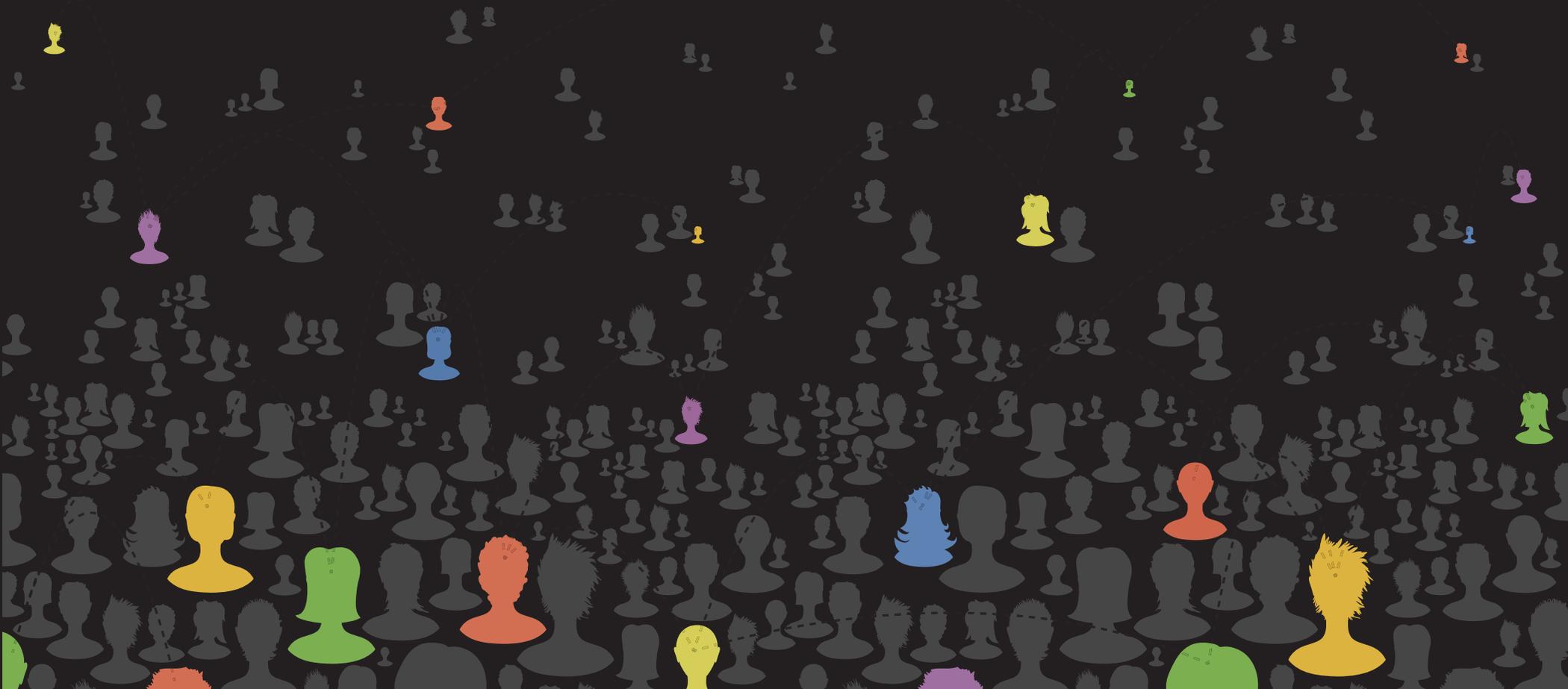
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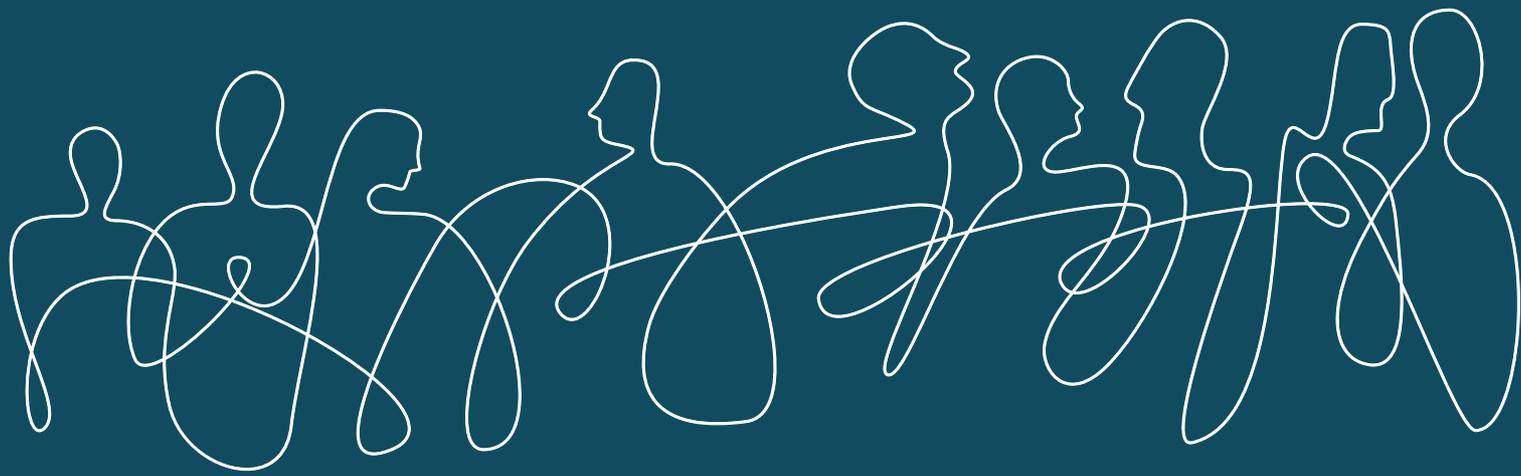


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