Asset Management Industry Trends
A Discussion of What Lies Ahead

IDC Webinar

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2:00 – 3:00 pm ET

Panelists

- Ralph F. Verni, Moderator
  Independent Director
  Eaton Vance Funds

- Joseph Craven
  U.S. Wealth Advisory Chief Operating Officer
  BlackRock

- John Siciliano
  Managing Director, Global Strategy Lead
  PricewaterhouseCoopers

Asset management 2020

Year 2020

Megatrends

- **Demographic shifts**
- **Shift in economic power**
- **Accelerating urbanisation**
- **Climate change and resource scarcity**
- **Technological breakthroughs**
- **Rise of state-directed capitalism**

The landscape

- **Huge rise in assets and shift in investor base**
- **New pressures and priorities**
- **Increasing transparency and regulation**

AM Game changers

1. **Asset Management moves centre stage**
2. **Distribution is redrawn**
3. **Fee models are transformed**
4. **Alternatives become more mainstream, passives are core and ETFs proliferate**
5. **New breed of global managers**
6. **Asset management enters the 21st century**

Asset management 2020 – The six critical gamechangers…

Asset management moves centre stage

No longer in the shadows of its cousins in the banking and insurance industries.

1

Distribution is redrawn

Distinct regional fund distribution blocks will form allowing products to be sold pan-regionally.

2

Fee models are transformed

Major territories will have increased regulation that improves disclosure and aligns interests with the investor.

3

Alternatives become more mainstream

Traditional active management will grow at a less rapid pace than passive and alternatives.

4

New breed of global managers emerge

With highly streamlined platforms providing targeted solutions for the customer.

5

Asset management enters the 21st century

Technology becomes mission critical.

6

6. Asset management enters the 21st century

Today	Drivers	Consequences	Tomorrow
Asset management players • 40% of the top asset managers are not actively involved in social media and only 15% of asset managers active on social media are interactive; and • More than a quarter of asset managers are not sure whether the use of mobile technology for distribution or communication would play a critical role in their business.	Social media Big data Cloud Digital intelligence CRMs	Tailored products Accurate and timely information Cost reduction Interactive communication Efficiency and control	POTENTIAL NEW ENTRANTS ?

Panel Biographies

- **Ralph Verni** currently serves as board chairman of the Eaton Vance family of mutual funds; as a member of the advisory board of Commonwealth Capital Ventures, L.P. venture capital funds; as a member of Zurich Financial's Investment Management Advisory Council; and as a member of the following professional organizations: National Association of Corporate Directors; Boston Economics Club; Commercial Club of Boston Leaders, Inc; The CFA Institute; and the Boston Society of Security Analysts. Ralph is a former Chairman, President and CEO of State Street Research & Management, acquired by BlackRock several years ago. Prior to State Street Research, he served as chief investment officer and a board member of New England Mutual Life Insurance as well as president and CEO of its subsidiary, New England Investment Companies, now NATIXIS Asset Management.

  Ralph is a graduate of Colgate University and the Columbia University Graduate School of Business.

- **Joseph Craven**, Managing Director, is Chief Operating Officer of BlackRock's US Wealth Advisory Group. US Wealth Advisory is responsible for distribution, marketing and product management for BlackRock's open-end funds, closed-end funds and managed accounts. He is responsible for contributing to business strategy and product management and development issues, while coordinating all operating procedures for the group. Mr. Craven also oversees the finance, operations and administrative functions of the group.

  Prior to joining BlackRock in 2011, Mr. Craven led American Century's North American Institutional business. He began his career as an attorney; served as Deputy Treasurer of the Massachusetts' Pension Investment Division and spent 9 years in the Institutional business at Putnam Investments in various senior leadership roles, which included heading their large market defined contribution business.

  Mr. Craven earned his AB degree in Economics from Brown University in 1980, and his J.D. from Fordham University Law School in 1983

Panel Biographies (cont’d)

- **John Siciliano** leads the firm’s global strategy practice in the asset management industry. His expertise is in defining strategic, business and operational challenges; outlining and assessing potential solutions; and leading management teams to agreement on and implementation of business strategies.

  John has over 30 years experience in the financial services industry as a senior executive at several prominent global financial institutions. Prior to joining PwC, John served as Chairman of Avondale Strategies LLC, a provider of advisory services to asset management firms; as well as a Senior Advisor to Greenwich Associates; Kingsland Capital Management LLC; and Capital Position Ventures LLC. He was also an Advisory Partner at Grail Partners LLC.

  Previously, John was CEO of the six independent money management firms, with $100 billion in AUM, owned by New York Life (McKay Shields, Madison Square Investors, McMorgan & Company, New York Life Capital Partners, and Institutional Capital). In addition, he led the company’s entry into the Fund of Hedge Funds business with the acquisition of Private Advisors in Richmond, Virginia.

  Prior to joining New York Life Investments, John was Managing Partner of Grail Partners LLC, a merchant bank focused on investing in and providing advisory services to the investment management industry. During that period, he served as the founding Chairman of Grail Advisors the first active ETF company investing in equities. Before joining Grail, John was the Chairman, President and Chief Executive Officer of BKF Capital Group, Inc., a NYSE listed company; the head of the global institutional business for Dimensional Fund Advisors and a Managing Principal of Payden & Rygel, as well as President of its mutual fund company.

  John has a B.A. from Pomona College and an M.B.A. from the Stanford University Graduate School of Business. He serves on the board of the Kravis Leadership Institute at Claremont McKenna College and on the Board of Leaders at the Marshall School of Business at the University of Southern California.