

## VIDEO

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# Focus on Funds: Old Approaches to Fund Distribution Give Way to New Strategies

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In the August 16, 2019, edition of *Focus on Funds*, Sandy Bolton—Bank of America Merrill Lynch managing director, head of managed investments—discusses how funds have quickly adapted to drastic changes in their business, and what it means for investors.

### Transcript

**Stephanie Ortvals-Tibbs, ICI director of media relations:** Fund distribution is changing fast, so what do you need to do to change with it? At ICI's recent General Membership Meeting, I got some ideas from one of the experts.

**Sandy Bolton, Merrill managing director and head of managed investments:** You can't look at the past three years without thinking of the DOL [Department of Labor] and what the important role that it played there. We put in a lot of different things in response to that DOL rule that we ended up following through with because they were good changes. And I joke that that might be the only compliment I ever give to the DOL rule, but it's a real compliment.

**Ortvals-Tibbs:** That's one thing you said is that there really may need to be kind of continued revamping of the sales approach. Is this more of a dialogue now—less of a presentation?

**Bolton:** I think the biggest changes that we've seen, and we've encouraged these changes, is by partnering with asset managers on the story around portfolio construction. In the past, a wholesaler would walk in and leave with product. Now, how does that wholesaler partner with our portfolio specialist, our portfolio strategist, to come in with a message that really helps the adviser build a portfolio themselves or use a model as the core of that portfolio and then supplement with products around that. The asset manager that can tell that story well, I think, will more much more successful in our system.

**Ortvals-Tibbs:** So you're saying, come in and tell with more of a story and not just a

product, with more of a collaboration between you both—not just kind of a “here it is”?

**Bolton:** That’s exactly right. So, the portfolio construction capabilities that either the asset manager could bring to the table or partnering with our portfolio strategist and portfolio specialist to come up with where [the product fits] within the larger portfolio. I think that’s where asset managers can definitely add more value.

## **Additional Resources**

- [\*ICI Viewpoints: Fund Industry Leaders Encourage Cultural Stability and Willingness to Embrace Change\*](#)
- [\*Speech: Path Toward Globalization Is Unstoppable\*](#)
- [\*Highlights: 2019 GMM\*](#)

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