

VIDEO

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Focus on Funds: General Membership Meeting Takes on the Biggest Industry Trends

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Globalization, innovation, and changes in the marketplace topped the agenda at ICI's recent General Membership Meeting (GMM). In the June 1, 2018, edition of *Focus on Funds*, ICI President and CEO Paul Schott Stevens offers some highlights.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: Leadership, industry advances, and serving the investor: those values are at the heart of the work that ICI and its members do. And they form the core of the programming for ICI's major annual meeting—the General Membership Meeting—which just concluded. And as it did, I talked to our leader, ICI President and CEO Paul Schott Stevens, about some of the key takeaways.

Paul Schott Stevens, ICI president and CEO: Well, this is our 60th annual General Membership Meeting, and one of the important purposes of this meeting has been to help to sustain a culture—a fiduciary culture—that serves our investors best. We are very proud that we've got constituencies across the industry that attend, including younger employees, people who are coming up through the ranks, professional life, and that sort of thing.

I think one of the things that the conference offers is the opportunity to see leaders in the fund industry, financial services more generally, and to understand the way they look at the world, and perhaps how they approach their own responsibilities. We had a wonderful panel of women leaders in portfolio management. We had some serious captains of industry—James Gorman and David Rubenstein—as well as many people from the mutual fund world, as such. So from that point of view, it was another tremendously successful and memorable GMM.

Ortbals-Tibbs: Give me a view of what you were hearing across all the programming we offer. What were some of the big themes?

Stevens: You might mention several, I suppose. One would be the globalization of the industry. Almost every issue we deal with now has an international dimension to it. Members [and] the investors we serve are really a global population.

So that's one. Technology's another—both the promise of technology, and also its dark side. Information-security concerns are on, I think, everyone's mind.

A third would be changes in the marketplace: the rise of private equity, private credit—a major new innovation, just as fund investing has been in the modern financial system. So we heard a lot about that.

Ortbals-Tibbs: Paul, the other thing that went on in this meeting is that there was a little bit of myth busting, or conventional wisdom being turned on its head once again. Ted Truscott took a stab at some of the common wisdom that is not very wise these days.

Stevens: He took on the notion, which we heard for—oh, it's almost a hardy perennial, isn't it?—that somehow or other, circumstances will prompt mutual fund shareholders en masse to redeem their shares, requiring portfolio managers to have fire sales of their securities, with the resulting chaotic conditions in the financial markets. This has been predicted over and over and over again.

Ted's speech pretty much puts to rest the notion not only that that's ever happened, but really that it's a great risk to the financial system. That's a piece of conventional wisdom that we really work hard all the time to dispel.

Additional Resources

- [Speech: Ted Truscott Explores Myths Surrounding Fund Investors](#)
- [Speech: Stuart Parker Kicks Off General Membership Meeting](#)
- [ICI Viewpoints: Morgan Stanley's James Gorman Builds Pride from the Inside Out](#)
- [ICI Viewpoints: The Carlyle Group's David M. Rubenstein: Expanding Horizons, Doing What He Loves](#)
- [ICI Viewpoints: Jon Meacham's Leadership Prescription: Curiosity, Humility, and Empathy](#)
- [ICI Viewpoints: SEC Commissioner Michael Piwowar: A Commitment to Markets, Shareholders...and Facts](#)
- [GMM Highlights](#)

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