

VIDEO

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Focus on Funds: A Look into the Future of Funds

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The May 8, 2015, edition of *Focus on Funds* features comments from fund industry leaders—including Walt Bettinger, Charles Schwab president and CEO, and Jenny Johnson, Franklin Templeton COO—about important trends facing the industry and its investors.

Transcript

Stephanie Ortvals-Tibbs, Director, ICI Media Relations: Welcome to *Focus on Funds*, ICI's weekly video roundup of industry news, ICI activities, and research findings.

This is the first of two special editions from ICI's General Membership Meeting in Washington DC. In this report we look at key trends facing the industry, and get insights from some of the industry's most influential leaders in response to those trends. Here are some highlights, beginning with Charles Schwab President and CEO Walt Bettinger.

Walt Bettinger, President and CEO, Charles Schwab: Think of what a quality investment adviser or counselor does for someone: it's a whole pyramid of services. Take, for example, with robo-advice, all that's really happened is that a couple of the easiest parts of that stack—a little bit of risk profiling, asset allocation, and rebalancing—have been moved over here and done with technology. But all of the other things need to be done too. Now, some people will be perfectly happy with just that piece. But the idea that it's going to replace that whole stack is naive. In my mind, technology in our business is no different than technology everywhere else in our lives. It's designed to make life simpler, life easier, keep us more interconnected, closer to our goals, and will never replace human interaction.

Ortvals-Tibbs: Technology and change was also in the air during the investment solutions panel discussion, and afterwards panelist James Macey stopped by to sum up their thinking.

James Macey, Director and Portfolio Manager, Global Multi-Asset Team, Allianz Global Investors: Change is good in this context, and I think the important thing to note: the world of solutions and asset management is rapidly evolving, and where we were in '05, '06, pre-crisis, is not where we are now. I think the concept of managers being everything to everybody is changed now and that old paradigm where single managers are basically trying to fit a solution to everybody and not customizing it, is absolutely changing—and it's

changing for the better.

Ortbals-Tibbs: Achieving maximum success in the face of significant industry change was also on the minds of many of the industry's major leaders during their panel discussions. Afterwards panel moderator Jenny Johnson stopped by to offer her key takeaways for all those who work on behalf of funds and their investors.

Jenny Johnson, Executive Vice President, Operations and Technology, Franklin Templeton: All past leader and future leaders, the ones who are successful, focus on one thing and that is to say we are there as fiduciaries for our clients. And if you absolutely keep your clients in focus, then the rest takes care of itself. The products take care of itself. Even the regulatory environment—while it can be incredibly challenging and sometimes feel nonsensical—usually the regulation comes out of some need to adjust for something that's right for the client and customers. So I think absolutely the focus on doing what's best for the clients is what you would hear past leaders say was part of their success, and future leaders.

Ortbals-Tibbs: That's this week in funds. We'll back next week with a second report from ICI's GMM.

Additional Resources

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