

SPEECH

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An Era of Leadership

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INTRODUCTION

Thank you, Shawn, for that introduction. And thank you for setting the stage for the next day and a half.

I can't think of anyone better to kick off the Investment Company Institute's inaugural Leadership Summit than you. You're one of the best and brightest leaders in our industry. Please join me in showing our appreciation for Shawn Lytle!

It's a privilege to be here. More than that, it's a pleasure.

We're finally together after two long years apart. It feels good, doesn't it? And it's even more exciting when you think about the pivotal moment in which we find ourselves.

This is the dawn of a new era. It's an era of change – for the industry, the economy, and society as a whole. But most of all, this is an era of leadership for each and every one of us.

We have a chance to do something extraordinary for investors and the very world in which we live. And as I look out at the leaders in this room, *I know we will* do something extraordinary. Because that's what you have *always* done!

This Summit is specially designed to help us all succeed in this new era. It's about overcoming challenges and seizing opportunities. It's about leaning into the unique role that each of us can play. That's why, as Shawn said, we've renamed and re-focused the event *completely* on *leadership*.

Now is a time to stand up and step forward. There is no resting on laurels in asset management. There never has been, and there never will be. Our industry must continue to be *proactive*, making a bigger difference with every passing day.

Why? Because industry and our economy are *moving* faster than ever. The pandemic dramatically accelerated the seismic shifts that were already underway. What's more, it highlighted longstanding problems in every sector of society that demand long-overdue solutions. We owe it to our shareholders, and to society, to stay ahead of these trends.

So what issues are we focused on in this new era? What mission most demands our *time*, our *dedication*, our *leadership*?

There are three in particular.

First, we have to bring retirement security to even more of society. Saving for retirement can be challenging, so it falls to us to meet people where they are, and help get them to where they need to be.

Second, we have to introduce even more people to investing and wealth building. Financial innovation is a hallmark of our industry, and today, that requires democratizing investing.

Finally, we have to bring a renewed focus on ESG and D&I. Investors have come to expect not only a financial return, but also a difference in society. I know our industry is working hard to deliver what they want.

Over the next few minutes, I'll tackle these issues. But here at the outset, I'll simply say: Our industry has a chance to secure a better future for millions of families—a chance to empower *everyone* to achieve their American Dream. Our country deserves nothing more... and we in this room will deliver nothing less. Isn't that right?

RETIREMENT SECURITY

The first big issue is the core of who are and why we're here. Retirement security is top of mind for millions of Americans. As the country recovers from the pandemic, we will help even more people achieve their long-term financial goals, and chart the brightest future. It's what people want and need – and we'll come through for them.

We all know how much this mission matters. And we know how much progress we've already made. Thanks to your hard work, we are building on a strong foundation. Today, a [remarkable 77% of American workers](#) are already saving for retirement, either through employer-sponsored plans or other options. The typical worker is now [only 27 years old](#) when he or she starts saving for the future. Day after day, they put their trust in you, and you repay it.

We also know there's room for more progress. Our foundation can be strengthened even further.

The pandemic shined a spotlight on the financial struggles facing Americans, impacting retirement planning for many. About [20% of those](#) with savings and investments cut back on contributions as a result of the financial stresses of the pandemic. Not only that, more than a tenth of Americans delayed taking retirement or increased their expected retirement age.

These are real challenges. They face real people. Our industry is rising to help, with action and leadership.

We are bringing more and more opportunities, both to help expand the number of Americans that actively save for retirement, and to increase the amount of savings they can accumulate over their working life.

Our industry is on the job. And that's good news.

The United States Congress is on the job too. ICI fully supports the SECURE 2.0 Act in Congress. Earlier this year, the bill passed the House with overwhelming bipartisan support. The Senate must now consider this important bill—and the ICI urges its swift passage.

SECURE 2.0 would make a positive difference in several ways. It would promote automatic enrollment, so more people participate in their 401(k). That will especially help underserved communities save more for retirement. The bill supports pooled employer plans, giving more businesses and more Americans access to savings plans. And finally, SECURE 2.0 would allow student loan payments to be eligible for a retirement match.

These are concrete steps that would greatly benefit tens of millions of Americans. I believe the Senate will only improve on this bill—and I know that every member, from both parties, wants to help their constituents enter a dignified, well-earned retirement.

And of course, beyond the halls of government, we'll continue to bring our leadership to bear on building bigger nest eggs for the broadest number of people. There are many paths to empower more people to achieve their goals and dreams – and we're moving forward on *all* of them.

DEMOCRATIZING FINANCE

Our work doesn't end with retirement security. Society has also come to expect that *everyone* should be able to invest and build wealth. We're engaged in an industry-wide push to achieve that vision. Our industry is determined to democratize investing—to connect investors to investing opportunities. And we are making great strides.

Our funds are foundational to this effort, and key to its success. Our products, from mutual funds to ETFs and more, empower long-term investors to create diversified portfolios. These go above and beyond what they could ever hold on their own. People can invest little by little to build their wealth, while benefiting from the professional management and cost-effectiveness we offer.

It's amazing how many investors we already serve. All told, ICI's members manage total assets of [\\$31.3 trillion](#) in the US, with an additional \$10.0 trillion outside the country. Thanks to you, more than 100 million people are preparing for their future and building their wealth.

Yet that massive number is a floor, not a ceiling. We envision a future where even more people trust us to help them reach their important financial goals. And we're creating a path to bring that future within reach.

We're finding new ways to make long-term investing more affordable, using technology to drive progress. We're creating new products that appeal to the next generation, showing our value to more investors. And we're developing new investment strategies that address

the growing variety of individual interests.

You'll hear a lot about these topics today and tomorrow. But the bottom line is this: We're living in a golden age for financial innovation. And we're just getting started.

The Investment Company Institute is laser-focused on the future of investing. We've been working on a strategic review that will guide us through the rest of the decade and help lift up even more long-term investors.

ICI is both *reflecting* the shifts in our industry and *sparking* them, too. For instance, since many long-term investors are relying not just on funds, but other products too, ICI must make sure it can continue to serve the industry for the ultimate benefit of long-term investors. So in addition to being the pre-eminent organization serving mutual funds and other '40 Act products, we're broadening our expertise to include CITs and SMAs. Our industry can embrace this new demand *and* expand its impact on helping investors.

We're also launching a major effort focused on strengthening the foundations of individual long-term investing. Last month, ICI President Eric Pan announced the "Modernizing the '40 Act" initiative. It builds on our decades of work to keep that seminal law in touch with the times. Just as we helped policymakers pave the way for money market funds and ETFs, we'll work within Washington to open the door to even more innovations that benefit investors.

The democratization of finance is well underway—and our commitment to serve more investors is as strong as ever. We want to bring *everyone* into the benefits of long-term investing. And if anyone can do it, it's the leaders in this room. Thank you for doing so much to make this vision a reality.

ESG AND D&I

And now I want to discuss further opportunities for leadership. New trends that you're already familiar with, and that you'll hear a lot about over the course of our Summit. I'm talking, of course, about ESG and D&I. Shareholders have come to expect these things along with a return on their investment.

In my opinion, the rise of ESG investing is one of the most significant trends of our time. ESG matters to investors—a lot. It's not just an *acronym*. It's an *outlook*. Our ultimate goal is to develop sustainable strategies that meet those investors' needs over the long haul. When we make it possible for investors to take ESG into account, we're empowering them to a new and exciting extent.

One thing's for sure: Investors are flocking to sustainable funds in record numbers. In 2019, investors put [\\$285 billion](#) into these funds worldwide. By last year, that number had more than doubled, to a stunning \$649 billion. One report suggests ESG funds now represent [10% of fund assets](#) globally.

This growth is amazing—and worthy of applause. But these are still early days. Nearly [half of American investors](#) are interested in ESG, yet only [one in ten](#) hold sustainable investment funds. I'm sure your companies will continue responding to this demand.

At the end of the day, sustainable investing strategies are only going to grow more popular, not less. I look forward to seeing the work we do on ESG and the benefits it brings to millions of investors. And I have to ask: Aren't you as excited as I am?

ESG is a critically important investment goal. And while it is important to achieve *all* the goals investors set for us, it is equally important that our industry achieves its own goals and embraces diversity and inclusion.

This issue is personal for me. I don't know if you noticed, but I'm a small Asian woman. When I got started in this field, I wasn't exactly the profile of a finance CEO. Especially early on, I encountered a workplace that wasn't exactly friendly to women.

One of the first firms I worked at had a pronounced macho culture. Whenever someone closed a big deal, the boss would get everyone together, and then throw that person a football from across the room. Needless to say, I didn't play ball.

Slowly but surely, things started to change. I've seen finance get more welcoming with every passing year. And the fact that I'm standing before you is proof.

I'm not just one of a growing number of female CEOs in American finance. I'm the *first* female chair of the Investment Company Institute. The barriers to diversity are falling—and it's about time!

Now how do we go further? How can we make our industry even more welcoming, diverse, and inclusive for all?

We still have a ways to go. Going back years, studies have shown that women and people of color are under-represented in asset management. That's especially true in senior positions. For instance, as of last year, women only accounted for [19% of C-Suite and president roles](#). Folks, I need some more company.

The good news is, we can all do better. That means embedding a diversity lens in everything our companies do, from top to bottom. It means training managers about the reality of bias, recognizing that not everyone starts at the same place in life, and developing policies that reflect our team's different needs and situations.

There's so much we can do to make diversity and inclusion a reality. And take it from me: Diversity and inclusion works.

At New York Life, we created a Chief Diversity Officer role 15 years ago. We were one of the first to do so. It was one of the best decisions we ever made.

In fact, that person is now also our Head of Talent Management. And our emphasis on recruiting, developing and advancing people from different backgrounds has made our company so much stronger. Our mantra is simple: If I can see it, I can be it. I think that's a vision every company can embrace. Don't you?

ICI is committed to help you make progress. Just look at this Leadership Summit, where we have the top leaders of our industry—who also happen to be an incredibly diverse group of individuals. The speakers at this conference are the face of those we serve. I am proud that ICI has brought these incredible people together to show that this industry's leaders come from all races and genders, each with their own unique background and stories.

Diversity is the right thing to do. It also happens to be smart. A more diverse and inclusive workforce is better able to overcome challenges and deliver returns for investors. In fact, as we make progress on D&I, we'll make progress on the other issues I've covered today.

- We'll more effectively incorporate the pursuit of ESG goals into our investment strategies.
- We'll develop the innovations that bring more people into the benefits of long-term investing.
- And we'll find new and better ways to help more people save for retirement.

My friends, my fellow leaders, what are we waiting for? Let's make a difference—and let's do it now.

CONCLUSION

I couldn't be more excited as we enter this new era. Yet as we look to the future, I'm reminded of my past.

I've been in the asset management industry for 20 years. They've been the best years of my life, hands down.

But I didn't always want to be an asset management CEO. There was a time when I wanted to be a mechanical engineer. I went to college with that goal in mind.

It didn't last. The more I learned, the more I wanted something else that I felt was more meaningful. I came to see that I was passionate about empowering people to rise and thrive. I had to find a career where I could help people, not just in small things, but in truly big ways. Not just in the short run, but over a lifetime.

That realization led me to finance. And the moment I got my first job in the industry, I knew I had found what I was looking for.

- Here, I could serve people over the long run.
- Here, I could strengthen families across generations.
- Here, I could truly make improve society. And in the end, I knew: I could leave the world better than I found it.

I bet each of you has a similar story. If I asked why you got *into* this line of work, I'm sure I'd get a lot of different answers. But if I asked why you've *stayed*, I bet I'd get the same response, over and over.

- You're here because you care.
- You care about helping people meet their financial goals.
- You care about making your communities a better place to live and work.

You care about enabling more people to make the most of their lives—especially those who've been undervalued and overlooked.

And above all else, you care about making tomorrow better than today, in every sense, and for everyone.

My friends, we have an *opportunity* to do just that. What's more, we have an *obligation*.

We are being called on to lead. And as I look out across this room—as I feel the excitement and energy of this first-ever Leadership Summit—I know...

We have answered that call. And what we do will be extraordinary.

So thank you for being here. And thank you for your leadership—today, tomorrow, and every day after.

Thank you.

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