

## ICI VIEWPOINTS

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# What We Learned at the 2023 Leadership Summit

Last week, ICI's annual *Leadership Summit* convened some of the most important decisionmakers in asset management and government. Amid fast-moving developments in financial markets, emerging technologies, and geopolitics, we learned how these leaders are managing through this time of dynamic change and positioning for the future.

Here are just some of the major points we heard at *Leadership Summit*:

### **Tech innovation is expanding possibilities for clients and employees.**

Speaking with Morgan Stanley Investment Management Chairman Tom Faust, Vanguard Chairman and CEO Tim Buckley observed that rapid technological advancements in recent years have made customized investment solutions possible. While investment offerings have expanded, the industry's core mission has remained constant. "Strategies pivot, tactics change, but purpose is enduring," said Buckley, relaying a principle he learned working with the legendary founder of Vanguard, Jack Bogle.

Later in the summit, Citi CEO Jane Fraser shared her view that artificial intelligence could be a game changer for workforce productivity, but stressed that leaders must continue to make the most out of their teams' talent.

### **Regulatory priorities need further clarification.**

ICI President and CEO Eric J. Pan welcomed SEC Chair Gary Gensler for a [lively conversation](#) on the SEC's rulemaking agenda, the role of regulated funds in America's financial system, and the resilience of funds. The two agreed on the importance of funds in helping middle-class households achieve their financial goals. On the policy front, they readily agreed that capital requirements are inappropriate for money market funds.

However, some fundamental differences of opinion were evident, particularly surrounding the SEC's proposed *swing pricing* rule. "Is dilution of such a size to have the effect that you're worried about?" Pan asked Gensler before reminding the SEC Chair that ICI's data show that average daily dilution is "merely tenths or hundredths of a basis point in size." Pan also pressed Gensler on the rationale behind the Financial Stability Oversight Council's recent proposal to make it possible to subject regulated funds and money market funds to entity designation.

### **Human connection is in high demand.**

Edward Jones Managing Partner Penny Pennington sat down with Lord Abbett & Co.

Managing Partner and CEO Doug Sieg for a wide-ranging discussion on leadership styles and how to engage employees in challenging times.

"What I want people to experience is that I'm a leader learning out loud," Pennington said. "I want to do that with vulnerability and authenticity, which means opening myself up to make mistakes."

Similarly, a panel of top financial advisors touched on the importance of empathy, especially as clients' needs extend further beyond purely financial matters. As Concentric PW Founder and CEO Katherine Liola noted, "what we're finding at a very high level is a massive need for human connection and human expression."

### **Diversification still reigns.**

In a session moderated by Spencer Jakab, Global Editor of the Wall Street Journal's *Heard on the Street*, William Blair Global Strategist Olga Bitel and Invesco Chief Global Market Strategist Kristina Hooper addressed a range of crosscurrents in the global economy. Hooper advised caution and risk management when navigating precarious macroeconomic conditions—and when investing in general. "There are no alternatives to diversification, and I hope this time reminds investors of that," she told the panel.

### **Optimism abounds.**

Despite some recent tensions in financial markets and the public policy arena, numerous speakers expressed optimism about the future of the industry and its benefits to society. In a [fireside chat](#) with ICI's Pan, Deputy Secretary of the Treasury Wally Adeyemo signaled confidence in the US economy and said to ICI members that "the people who work in this industry are critical to giving [investment and savings] opportunities to teachers, firemen, to Americans of middle class, working class, and all backgrounds."

Many speakers also conveyed a strengthened sense of purpose in their leadership. "Managing through crises in the past has given me the platform of remaining calm in the eyes of our employees, remaining clear in communicating with our clients, and humility in what we can actually control," said Lisa Jones, President and CEO of Amundi US, Inc.

For more leadership insights as well as highlights and photos from the summit, visit ICI on [LinkedIn](#) and [Twitter](#).

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