

## ICI VIEWPOINTS

May 28, 2024

# Lawmakers, Regulators, and Industry: ICI Puts Leadership on Display

ICI's 2024 Leadership Summit brought together central figures in asset management, technology, and government, sparking thought-provoking conversations about the future of investing. Against the backdrop of rapid innovation, monumental policy proposals, and a celebration of the [mutual fund's 100th anniversary](#), these leaders stressed that the success of individual investors remains their north star.

Here are just some of the key lessons we learned at this year's summit:

### Leadership Can Be a Learned Behavior

A century of progress doesn't happen without strong leadership. And according to attendees, lessons from the past are helping the industry make decisions for the future. Accenture CEO Julie Sweet kicked off the conference with words that resonated: "Lead with excellence, confidence, and humility."

David Senra, host of the popular *Founders* podcast, gave a lively tour of the lessons from biographies of great world leaders and encouraged everyone to take the time to learn from their stories, saying, "think the best leaders are hungry for knowledge." Senra is passionate about the topic, emphasizing how great leaders have a clear mission and work every day to fulfil it.

### ICI's Continued Impact on Capitol Hill

Congressman Patrick McHenry (NC-10), Chair of the [House Financial Services Committee](#), discussed the state of Congress, his policy priorities, and lessons on the art of legislating. The 20-year Capitol Hill veteran also expressed concern that not everyone appreciates the strides that have been made to improve the lives of American retirement savers. "The rest of the world is trying to emulate the United States," Rep. McHenry said. "It is very frightening to me to see policymakers who think we should do away with 401(k)s and IRAs." The Congressman also indicated frustrations with the current leadership at the SEC, saying that the agency is trying to restrict capital and make entering public markets more difficult.

[2024 LS: Fireside Chat with Congressman Patrick McHenry \(R-N.C.\) Excerpt](#) from [Investment Company Institute](#) on [Vimeo](#).

Rep. McHenry has been a great ally of American investors, and his committee recently championed House-passage of three importance [pieces of legislation](#): making electronic delivery the default option for sending financial documents, allowing 403(b)s to invest in

CITs, and closing a loophole that enables activists to hurt closed-end fund investors. He also acknowledged the importance of ICI's depth of expertise on key issues, adding, "Knowing we can rely on ICI as a smart partner to give us feedback is quite helpful." ICI President and CEO Eric Pan thanked Rep. McHenry, who is retiring after 20 years in Congress, for his commitment to public service.

## **SEC Chair Defends Agency Actions**

SEC Chair Gary Gensler defended the work of the agency under his watch in a discussion with Eric Pan. Gensler said that the agency takes seriously the comments it receives when deciding the direction of new rule proposals and the economic analysis conducted for each proposal. Pan pushed the SEC Chair on the [interconnectedness](#) of the rules and their cumulative impact, to which Gensler responded, "We take interconnectedness into account if the rule changes the baseline."

Gensler also challenged a [claim made by ICI](#) that the SEC had not introduced the implementation of a mandatory liquidity fee before finalizing its money market fund rule. Pan pushed back on Gensler, saying "There was no description as to what that fee would look like or how it would operate, and so we did not feel like there was enough information in the proposal to comment. The proposal would have benefited from people telling the SEC our perspective."

When discussing the use of technology and the SEC's [widely-criticized](#) proposal on the use of predictive data analytics, Gensler referenced a recent announcement that the agency is considering a new approach. Pan reminded Chair Gensler of his standing invitation to the Leadership Summit and the importance of the relationship between the industry and its regulators.

## **Investor Choice Is on the Rise**

Industry leaders shared their excitement over the widening range of investment products. Through the introduction of active ETFs and the continued growth of SMAs, CITs, and various closed-end funds, firms are accelerating innovation to meet investors where they are. The explosion of new product offerings is yet another proof point of the industry's ability to deliver solutions for clients, including unique opportunities in private markets. At the same time, industry leaders emphasized that the traditional mutual fund remains a growing business with specific benefits for investors, giving it a pivotal role in the asset management landscape.

Several panelists shared how they are planning responsibly for a future where AI plays a key role in their operations. Those efforts have required executives to roll up their sleeves to learn the ins and outs of AI technologies, which are poised to improve the client experience.

## **Unveiling ICI's New Look**

For the first time in nearly 20 years, ICI updated its logo, unveiling it during remarks by ICI Chair George Walker.

"Our new logo emphasizes our industry's expansion and evolution by focusing so clearly on the Asset Management Industry as a whole," Walker said. "But most of all, the logo reaffirms our enduring mission. At the end of the day, we're a people-focused industry. We succeed by helping investors succeed. And we want to welcome more people into the world of investing, no matter what product they choose or path they take."

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