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Record ETP growth may mean lower fees

AS ALTERNATIVE PRODUCTS GROW TO record levels, analysts expect continue downward pressure on fees.

Now with a combined \$707 billion in assets across 1,320 total products, the global strategic-beta ETP market has swelled 28.4% in the last year since June 2016, Morningstar reported at its eighth annual ETF Conference in Chicago this month.

PERFORMANCE

By Andrew Shilling

In the U.S., 650 total products now account for \$620 billion in combined assets, or 88% of the cumulative strategic-beta market.

"In the first eight months of the year, what we've seen is just mind-boggling, record-breaking growth in just ETFs at large



Wyckoff-Tweadie Photography
"An increasingly crossed and competitive landscape will put pressure on fees," said Morningstar's Ben Johnson.

within the U.S. marketplace," said Ben Johnson, Morningstar's director of global ETF and passive strategies research.

When analyzing the growth, analysts say fees for strategic-beta ETPs will trend lower with time.

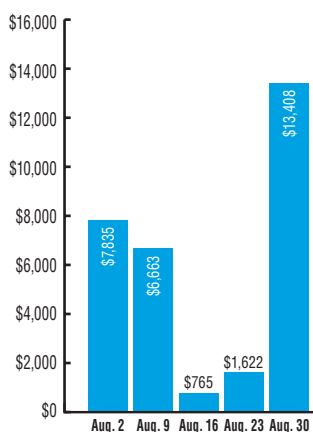
When analyzing the growth, analysts say fees for strategic-beta ETPs will trend lower with time.

Of the 419 strategic-beta ETPs that existed in the U.S. in June 2016, 25% reported average fee reductions of 0.01%. Just 27 of the funds reported a median increase of 0.01% and 287 saw their expenses unchanged.

Johnson says asset managers now have more responsibility than ever to scrutinize

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Estimated value of ETF shares issued exceeded redemptions by \$13.41B for the week ending Aug. 30 (millions)



Source: Investment Company Institute

Goldman's trading plan outshined by lending

INVESTORS HAVE BEEN WAITING FOR GOLDMAN Sachs' strategy to turn around its fixed-income trading operation. What overshadowed that was a plan to expand in a business that's been mostly a sideline.

STRATEGY

By Dakin Campbell

Lending to wealthy clients and consumers through an online bank, as well as other loans, could bring in \$2 billion of new revenue over the next three years, twice as much as a revamp of the firm's storied bond-trading business, Co-President Harvey Schwartz said in a presentation.

The strategy for growth, which follows years

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ETF awareness surges amid education: Schwab

ASSET MANAGERS HAVE BEEN PLEASANTLY surprised to discover millennials love ETFs.

In a new investor study, Schwab reports that 63% of millennials, more than any other generation, said they expect ETFs to be their primary investment vehicle in the future, and 60% expect to increase ETF investments just in the next year.

But to encourage that budding relationship, firms have to provide young investors more guidance about ETFs and how to invest in them, Schwab says, along with offering more SRI-

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INDUSTRY HIGHLIGHTS

Managers skeptical of projected robo advisor growth

Robo advisors are expected to expand by more than \$800 billion over the next five years, according to a report. Digital advice will likely grow to \$1 trillion by 2020, according to another.

Managers, however, see these predictions as too optimistic, with over 75% of those surveyed by PwC expecting robos to generate less than \$100 billion from ETFs over the next five years. Asset managers are only aware of robo advisors in "a superficial manner, like much of the general public," Aite senior analyst Javier Paz told Bloomberg.

Aite suggests that nearly 17 million investors will be using robo advisors by 2021, a rise of 1.8 million when compared to last year. This could result in a concentration and communication problem that robos, investors, and regulators should keep in mind, Bloomberg noted.

"I see it as good business practice to let clients know when and why a robo platform may experience a trade suspension," Paz said. "This kind of communication should precede a major market event and not be the result of increased regulation."

RESEARCH

Insurers struggle with regulatory compliance

The biggest operational challenge to a

firm's expansion strategy is addressing local regulation and accounting standards, according to a new survey.

"As global regulatory regimes grow more complex, insurance firms are required to produce more frequent and detailed disclosures on holdings and exposures," SS&C Institutional and Investment Management Senior Vice President Christy Bremner wrote in the firm's 2017 Insurance Asset Management Technology Outlook report. Firms are also being challenged by the required accounting for an expanding array of non-traditional instruments used to employ new investment strategies, according to the study.

PRODUCTS

Goldman Sachs expands suite of ETFs

Goldman Sachs Asset Management announced last week that it is expanding its Access Suite of ETFs by launching the Goldman Sachs Access High Yield Corporate Bond ETF (GHYB). The fund, which requires a minimum investment of \$1,000, aims to offer low-cost access to high-yield corporate bond markets.

"The Goldman Sachs Access High Yield Corporate Bond ETF seeks to offer investors an innovative approach to access high-yield corporate bonds, with a focus on eliminating underperforming assets to potentially provide a smoother ride and better risk-adjusted returns for investors," GSAM's Global Head of ETF Strategy Michael Crinieri said in a statement.

Estimated Flows* to Long-Term Mutual Funds

(\$ millions)

	9/6/2017	8/30/2017	8/23/2017	8/16/2017	8/9/2017
Equity	-2,735	-2,199	-1,060	-8,505	-2,665
Domestic	-4,280	-3,606	-2,730	-9,894	-5,137
World	1,545	1,407	1,670	1,389	2,472
Hybrid	-1,209	-1,002	-1,107	-1,795	-393
Bond	4,502	3,393	3,589	4,303	6,803
Taxable	3,894	2,756	2,488	3,416	5,842
Municipal	608	636	1,101	888	961
Total	558	191	1,422	-5,997	3,745

Source: Investment Company Institute

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KraneShares MSCI to list on NYSE

Inspired by Chinese President Xi Jinping's initiative to modernize the original Silk Road trading routes, the KraneShares MSCI One Belt One Road ETF (OBOR) will hold companies from countries across the region participating in the project.

The fund, which has an expense ratio of 0.79%, delivers its investment theme through the MSCI Global China Infrastructure Exposure Index, which reflects the performance of companies with high revenue exposure to Chinese infrastructure development under the One Belt One Road initiative.

CBOE Holdings plans options launch on S&P

CBOE plans to launch options on the 10 S&P Select Sector Indices that comprise the S&P 500 in late fourth-quarter 2017 or early 2018, pending regulatory approval, the firm said.

Expected to be exclusively listed on the Chicago exchange, the launch is aimed to provide exposure to widely followed U.S. equity sectors represented in the S&P 500.

ARRIVALS

DoubleLine appoints head of Latin America and Caribbean

DoubleLine hired Joel Peña, a manager with over a decade of experience, to head the firm's institutional and intermediary investor relations in Latin America and the Caribbean.

Peña will manage relations with overseas clients, advisors and distributors engaging the firm via its U.S. offshore platforms.

"Thanks to economic growth, a broadening middle class and rising standards of living, countries in Central and South America have seen growth in assets entrusted to pension funds, insurers and other fiduciaries," DoubleLine Executive Vice President Ron Redell said in a statement. "These institutional investors are looking beyond their local markets for in-

vestment opportunities and expertise."

GoldenTree expands, poaches JPMorgan exec to lead new office

GoldenTree Asset Management hired a 30-year JPMorgan veteran to lead its new office in Sydney, Australia, as the firm looks to continue its expansion in the Asia-Pacific region.

Russell Taylor has held many roles at JPMorgan, but most recently served as the managing director of JPMorgan's Institutional Sales for Australia and New Zealand.

The opening of the Sydney office represents the company's latest expansion in the Asia-Pacific region, following the opening of an office in Singapore three years ago. Sydney is home to a number of GoldenTree's institutional clients.

"Australia has long been an important market for GoldenTree and we are pleased to establish an on-the-ground presence in the region, which we believe will offer significant benefits to our investors," GoldenTree partner and head of business development Kathy Sutherland said in a statement.

Yale professor joins Ariel Investments board

Yale School of Management professor Heather Tookes has been elected to Ariel Investments' board of directors.

Professor Tookes has been on faculty at the Yale School of Management since 2004 and has held a variety of academic posts at the university including Associate Professor of Finance, and Assistant Professor of Finance.

Professor Tookes received her PhD in Finance from Cornell and her BA in Economics from Brown. She is a member of the FINRA Economic Advisory Committee.

"We are delighted to have Professor Tookes join our company board. We know Ariel will benefit greatly from her insights, research and deep knowledge of the financial markets," John Rogers, Jr., Founder, Chairman and CIO of Ariel Investments said in a statement.

Ultimus names VP of legal and compliance

Ultimus Fund Solutions appointed Dina Tantra, a former managing director at Foreside Financial, to vice president and director of fund administration and compliance as the company continues its drive forward and navigate an ever-changing regulatory arena, the firm said.

Tantra has over two decades of experience, with previous experience at Advisers Investment Trust and Beacon Hill Fund Services, according to her LinkedIn account. She will oversee Ultimus' fund administration, fund compliance, and corporate compliance teams.

"As we continue to grow, Dina will be instrumental in overseeing these aspects, along with cultivating a strategic outlook not only for the fund administration and compliance teams, but



Dina Tantra

for the firm as a whole," Ultimus managing director and COO Gary Tenkman said in a statement.

Tantra will report to Tenkman.

Starwood Retail Partners hires CEO

Industry veteran Michael Glimcher will succeed Starwood Retail Partners CEO Scott Wolstein at the head of the real estate investment firm. Wolstein is moving to a new role as senior advisor to Starwood Capital, the firm's parent company, according to Starwood.

"We are pleased to bring on an executive with Michael's deep expertise and high-caliber leadership ability to Starwood Retail Partners' team. His 27 years of comprehensive industry experience and far-reaching relationships position him to step seamlessly into this role," Starwood Capital CEO Barry Sternlicht said in a statement. **MME**

News Scan by Amanda Schiavo and Yueqi Yang

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whether the funds are suitable for their clients or platform given their complexity.

'PRESSURE ON FEES'

"In the years to come, an increasingly crossed and competitive landscape will put pressure on fees," Johnson said. "It remains to be seen whether incumbents' fees will face pressure from competitors."

Goldman Sachs' asset management unit has cut fees to its Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF (GSLC), a multifactor fund launched in September 2015, to just nine basis points for a portfolio of exposure to a basket of large-cap stocks.

That is cheaper than any comparable equal-weighted fund, including State Street's S&P 500 ETF Trust (SPY), set at 10 basis points, according to Bloomberg.

To put it into perspective, a similar \$13.5 billion ETF run by Guggenheim Partners has made cuts to 20 basis points, down from 40 basis points in June.

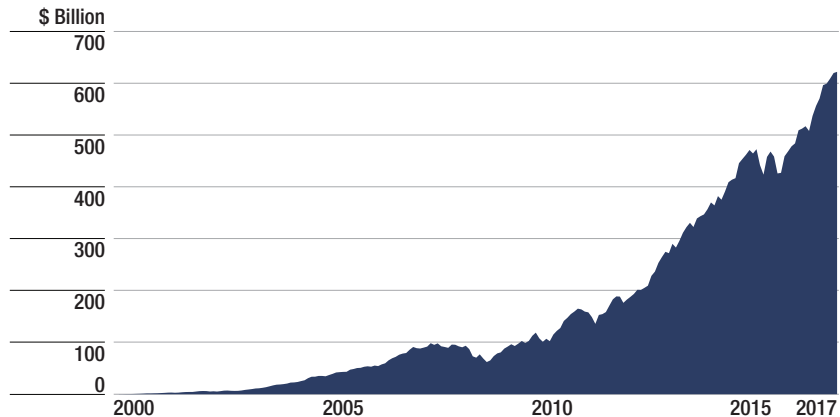
"It's becoming questionable whether or not the fees that many of these funds charge are justifiable," Johnson said. "In many cases, what you see is the fees these funds charge are a fraction of those charged by their median active peer, but they can be many multiples those charged by something that's much more mundane broad-based total market exposure."

Morningstar analysts noted that while merits of these funds are often "exaggerated," a large minority of the funds outperformed their replicating portfolios.

"Strategic-beta funds aren't as distinctive as they may first appear. It's possible to replicate most of their performance with size and value exposures that simple cap-weighted indexes can offer" said Alex Bryan, Morningstar's director of passive strategies research, North America.

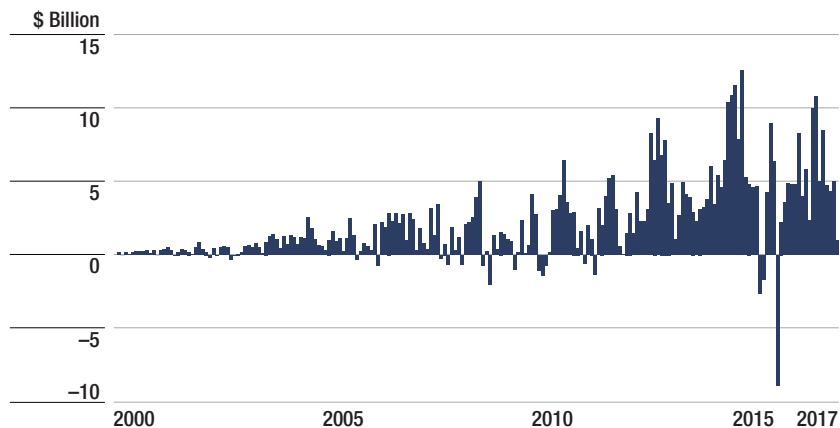
"Investors shouldn't pay significantly higher fees for these strategies than market-cap-weighted alternatives, which capture the same performance drivers and can replicate most of their returns," he added. [MMF](#)

U.S. strategic beta ETP assets climb



Source: Morningstar Direct. Data as of June 30.

U.S. strategic beta ETP flow growth



Source: Morningstar Direct. Data as of June 30.

ETP fees under the microscope

	Average	Combined (%)	Equity (%)	Fixed Income (%)	Commodities (%)	Alternative (%)	Allocation (%)
All ETPs	Weighted	0.23	0.22	0.21	0.47	0.98	0.72
	Simple	0.57	0.49	0.33	0.71	0.91	0.94
ETPs ex-Strategic Beta	Weighted	0.22	0.20	0.21	0.43	0.98	0.69
	Simple	0.61	0.53	0.33	0.69	0.92	0.89
Strategic Beta	Weighted	0.27	0.26	0.40	0.81	0.49	0.80
	Simple	0.48	0.45	0.31	0.73	0.73	1.14

Source: Morningstar Direct. Data as of June 30.

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of cutting senior staff, compensation and risk-weighted assets, could boost return on equity 1.5 percentage points over three years, the company said. Schwartz, one of CEO Lloyd Blankfein's top lieutenants, addressed investors demanding answers after trading suffered the worst first half of the CEO's 11-year tenure.

"We are somewhat skeptical," Keefe, Bruyette and Woods analysts wrote in a note. The strategy "is focused on penetrating new markets or client segments outside of the company's traditional strengths."

Fixed-income trading can bring in \$1 billion more in revenue over the next three years through a mix of adding talent, financing client trades and doing more with asset managers, banks and corporations, New York-based Goldman Sachs said. Enhancements across investment banking, investment management and equities trading could add \$2 billion in revenue.

CREDIT-CYCLE

The emphasis on lending dominated the revenue projections, and JMP Securities analyst Devin Ryan called it "the best detail yet" on the strategy. Schwartz, 53, touted the opportunity even as he acknowledged that it's late in the credit cycle and the market is mispricing some types of loans. Wells Fargo said Tuesday it's making fewer auto loans and avoiding some types of commercial and real estate lending because the environment is becoming overheated. "It's certainly not lost on us, where we may be in the credit cycle," Schwartz said.

"We are a bank now and we can provide value opportunities across the private wealth platform, corporate clients and now the consumer," Schwartz said in a Bloomberg Television interview after the presentation. "We will not take our eye off the risk side of this."

Among the areas Schwartz highlighted for the next three years was an estimated \$12 billion in growth from the firm's Marcus lending platform, which will

originate about \$2 billion in loans by the end of 2017. The bank said it will make \$5 billion in loans in sectors such as middle market, real estate, alternative energy and structured credit. And lending to wealthy individuals would mean an additional \$11 billion in loan growth.

In August, Goldman Sachs said it plans to start a digital-only deposit-taking business next year in the U.K.

REVENUE ASSUMPTIONS

The new revenue figures shouldn't be viewed as targets, and don't assume any improvement in the market, economic or policy-making environment, Schwartz

More than half of the people have been added in the Europe, Middle East and Africa region.

The firm said it sees opportunities in providing corporate customers more commodities and currencies products, as well as making inroads with the roughly 600 clients at hedge funds, insurance companies, asset managers and banks for which Goldman Sachs isn't among the top three trading partners. That's "not only unacceptable, it's also a great opportunity," he said.

The bank has lost ground to rivals including JPMorgan Chase and Citigroup, which have larger lending footprints. In



"If operating conditions improve, I have no doubt we can exceed the revenue potential presented today."

Goldman Sachs CEO Lloyd Blankfein

said during the presentation. If conditions worsen, the bank will adjust, he said.

"If operating conditions improve, I have no doubt we can exceed the revenue potential presented today," Blankfein, 62, said in a voicemail message to employees Tuesday.

Shares of the company advanced 2.6% to \$226.90 at 11:46 a.m. in New York, the third-best performance in the 67-company S&P 500 Financials Index.

Schwartz expressed optimism that the trading environment would eventually improve, though he said that's unlikely in the third quarter. The fixed-income business remains "pretty challenging," with this quarter's activity much the same as during the first half of the year, he said.

Goldman Sachs has already taken steps to enact some of the changes, doubling lateral hires in its fixed-income, currencies and commodities business in the first six months of 2017. Salespeople make up 43% of the new additions, with market-making roles accounting for 30%.

prior presentations and interviews over recent months, executives have preached improving cooperation among trading desks, relieving clients from some fees and reducing a reliance on hedge funds as keys to boosting performance.

Pablo Salame, the firm's co-head of trading, has implored traders this year to look for ways to reward favorite customers with free add-ons, coining the slogan "Just Add Butter" in a nod to restaurant-industry practice. Too often, top clients are confronted with a tangle of fees from disparate desks that don't work together, or they're snubbed by a misguided trader who may think a transaction is too small, he told employees in April.

"Our relative performance, in the long run, is totally within our control," Blankfein said in the voicemail message to employees Tuesday. "We have the people, the client franchise and the drive and I'm excited to show our shareholders and our clients what we're capable of." —

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cused funds.

"I think if we have consumers that understand the strategies better and how they work, we all win," says Anthony B. Davidow, Schwab's vice president of alternative beta and asset allocation strategist.

Davidow and Heather Fischer, vice president of ETF platform management at Schwab, discussed the annual report with *Money Management Executive* at the Morningstar conference.

An edited transcript of the conversation follows.

What were you most surprised to see in this year's findings?

Fischer: I think there are three major themes that really stood out to me. One is the continued high level enthusiasm for ETFs. Two is the emphasis with millennials, specifically. If overall investors are enthusiastic, they are jumping up and down. Third are the interesting findings that we saw in socially responsible investing. While there are not a lot of assets in that space yet, we're seeing a lot of interest with the investors that we surveyed. It's an area to watch going forward.

Davidow: I would just say that, maybe it's not a surprise at all, which is a good thing, and that is the continuation of the positive trends, right?

Five or six years ago, when we first started doing these surveys, it was a very different picture than today. I think the level of understanding of the consumers is much farther along than it was. In particular, smart beta.

I think in the early days we would ask questions about what smart beta is and we got a lot of answers that reflected the fact that people didn't really understand what they were and how to use them. Now we're getting more sophisticated sorts of responses like, "I need to better understand how they're different?" and, "I need to better understand how to use them in the portfolio." We've continued that trend of getting better and providing better education and at the end of the day, I think if we have consumers that understand the strat-

egies better and how they work, we all win.

How are clients becoming savvier?

Fischer: I think there are a couple of factors at play here in terms of why are ETFs growing, why we continue to see a trajectory upwards with ETFs. Education is certainly one of them. Brokerage firms like Schwab play a role in helping clients get smarter about their ETF investing; absolutely asset managers and money managers do, as well, and advisors, too.

We see that in the numbers that we've been tracking in this survey for the past several years. When we first started it five or six years ago, the number of people who

we start to focus on things like smart beta, that we need to continue. All of the providers understand that we all win if clients understand what they're getting into and how the strategies are different, as opposed to selling something based on the clever back test.

We're all in this together. I think it's a very unique industry in the sense that we all win by educating and I think many of the organizations have done a good job of doing that.

Is the 20% shift in clients' perceived competence in ETFs a sign that maybe they are overly confident?



"All of the providers understand that we all win if clients understand what they're getting into and how the strategies are different, as opposed to selling something based on the clever back test."

Anthony B. Davidow, vice president of alternative beta, Schwab

self-described themselves as a beginner was around 46%, that's dropped to 27% this year. It's a pretty dramatic shift.

Conversely, the number who describe themselves as experienced was 6% at the start and it's now 21%. Intermediate still hovers about the same but you're seeing some shifts in terms of peoples' knowledge and their confidence about that knowledge, which I think has had a role in some of the trends that Tony just mentioned as well, and in that overall growth, in general in ETF assets. They're getting smarter.

Davidow: At the Schwab Center for Financial Research where I work, our sole focus is to help inform advisors. We write and we speak to help answer those questions. A lot of what we've been writing over the past couple of years comes directly from questions that we were getting from clients.

As an industry we've done a really good job. I think there is still work to be done. I think one of the things in the survey is there is still more education, especially as

Fischer: I think the level of knowledge has certainly increased, and the level of confidence, and that's probably because of all the things that Tony just mentioned, in terms of the efforts in the industry. The amount of information available and just a growing familiarity with ETFs as an investment vehicle which is frankly much more mainstream now than it used to be.

But the bar keeps getting higher so we cannot rest on our laurels. I think we have to continue to develop education, develop content and develop resources for the spaces that are new or for the vehicles and approaches and strategies that are newer to an investor.

Socially responsible investing is a good example, as well as smart beta and they're telling us, "Yeah, I don't have that much in it, yet," but 46% say, "Hey, I'd be interested in that. It's important to me." About half of investors that we studied said, "I would invest more if I had more education."

They are really leaning into it and they know they need it, which I think is a posi-

tive thing. But we do have to be thoughtful and say, “Hey, this has evolved, this is new, and this is different.”

What are some of the methods of education Schwab is using?

Davidow: We look at everything that’s available and the papers really resonating with advisors today are about how to distinguish amongst the strategies. We actually take a few of the more popular strategies and strip them down layer-by-layer so the advisors understand.

Then a second paper that I think is critical to advisors when they understand it is about how they build portfolios.

We have a core point of view that market cap and fundamentals serve as a complement to one another. It doesn’t mean it’s the only point of view, but as we go through and lay out the logic of how an advisor thinks about building a portfolio and what the outcomes they expect for each one of the underlying strategies, it gives them a roadmap. If they wanted to change the components they could do that, but I think it’s important to have a point of view. So that’s for the RIA community.

For the individual investor community, realizing that some of this is very tactical in nature, what we try to do is we try to take some of those concepts and break them down into bite size articles with better visuals. A lot of those visuals are picking up on the same sort of points — how should they think about fundamental relative to momentum relative to low vol?

So we do articles, we do videos, we do info-graphics; all really designed to educate. There is nothing that we produce that is selling a product, but just to help people have better informed decisions.

Can you explain why socially responsible investing has become a trend?

Fischer: It definitely popped up as a trend in the investor survey. As we mentioned earlier, it’s not big in terms of asset yet. Only 10% of our respondents said that they had some sort of socially responsible investment themselves, but the number who are interested is pretty high — 46% say, “Hey, this is important to me to invest

in alignment with my values,” and 47% say, “Yeah, I think investing in a socially responsible way can help me reach my goals.”

So there’s receptivity and an interest there. And again, higher with millennials than with some of the other segments, but we’re seeing it grow — we’re seeing that trend there. And what’s missing, as before, what we want to focus on and continue to invest in is building the education and the guidance and the asset allocation models to help clients make decisions about the products that are available.

There is a product need. I don’t think anybody would argue with that. We’re

talked about earlier and then the asset allocation piece, too.

Fifty eight percent of our respondents said that they think an index-based scale-type solution could work for them.

I think there’s more we could do and I don’t know if it’s robo advisor or other packaging, but I think there’s more we could do as an investment industry to just help build one-click solutions that will get people invested in a way that is in alignment with their values. So there is more to come.

Is this space becoming oversaturated?

Davidow: We would argue that there is



“There’s more we could do as an investment industry to just help build one-click solutions that will get people invested in a way that is in alignment with their values.”

Heather Fischer, vice president of ETF platform management, Schwab

not probably anywhere near along the curve as we are with regular investing, or mainstream investing. We certainly could use more. But I think as those things start to converge, the development of product, the development of the education tools and resources, and that growing need, we’ll hit a tipping point for socially responsible investing. That hopefully will come soon.

Is that what’s next: education around SRI and how that is different from other investments?

Fischer: Yes. There’s a number of terms and definitions out there in the industry and I don’t think we, as an industry, have aligned on what’s right. That’s almost as bad, if not worse than smart beta, strategic beta, and that challenge a while ago.

There’s certainly a need for alignment and education on kind of what it even is. I think it is education on products and what your investing needs are and how they fit in. I also think there’s a product role as we

still a lot of room for product innovation. I think the good thing is product innovation has to be designed well and we have to think through the implementation.

At the end of the day there’s a lot more that can be done. There are areas like fixed income that really haven’t seen a lot of development over the years. They’ve been talking about smart beta and the fixed income for years and every one of these conferences that I come to people say have we saturated the market or that there’s too much.

There’s a lot of areas of improvement in commodities and alternative SRI, so I would argue that the market by demand will tell us what we need and the consumers will say, “Does this make sense for what I am solving for or not?”

I would argue that we’re so relatively young, as an industry, that there’s still room for growth. I don’t know that we need a lot more vanilla, but we need a lot more chocolate, strawberry and maybe some sprinkles on top. **MME**

Mutual funds and ETFs with highest insurance sector exposure

The insurance business has been a solid investment lately, nearly matching the S&P 500 step-for-step over the past three and five years.

Among the funds with the highest exposure to the insurance sector, the average one-year gain has been 17.9%, with an average three-year return of 9.52%. In the near future, the property and casualty segment of the sector will be looking at major payouts in the aftermath of hurricanes Harvey and Irma, which amount to a combined \$140 billion in damages (including in the Caribbean).

The following mutual funds and ETFs had an exposure to the insurance industry of 20% or higher and are ranked by three-year returns. **MME**

	Ticker	Insurance Sector Exposure	1-Yr. Returns	3-Yr. Returns	5-Yr. Returns	Net Expense Ratio	Net Assets (millions)
PowerShares KBW Prpty & Casualty Ins ETF	KBWP	100.11%	10.60%	14.81%	16.60%	0.35%	\$89
SPDR S&P Insurance ETF	KIE	99.89%	16.79%	12.06%	17.14%	0.35%	\$867
Fidelity Select Insurance Port	FSPCX	88.19%	17.17%	11.19%	16.36%	0.79%	\$489
Guggenheim S&P 500 Eq Weight Fincl ETF	RYF	34.19%	22.17%	10.72%	16.15%	0.40%	\$315
Fidelity MSCI Financials ETF	FNCL	20.64%	21.98%	10.64%	N/A	0.12%	\$888
Vanguard Financials ETF	VFH	21.02%	21.93%	10.60%	15.16%	0.10%	\$6,645
iShares US Insurance ETF	IAK	98.42%	16.91%	10.17%	15.62%	0.44%	\$171
Global X China Financials ETF	CHIX	26.79%	18.81%	9.96%	12.39%	0.65%	\$49
Davis Financial A	RFIGX	24.05%	17.03%	9.72%	14.17%	0.92%	\$1,195
First Trust Financials AlphaDEX ETF	FXO	23.28%	16.53%	9.64%	14.98%	0.64%	\$1,101
T. Rowe Price Financial Services	PRISX	21.45%	22.01%	9.39%	14.43%	0.88%	\$717
Franklin Mutual Financial Services Z	TEFAX	34.44%	17.95%	9.26%	13.36%	1.13%	\$695
Oppenheimer Financials Sect Revenue ETF	RWW	31.13%	23.06%	8.96%	16.19%	0.49%	\$33
Fidelity Advisor Financial Services I	FFSIX	21.12%	19.26%	7.27%	13.00%	0.84%	\$373
Fidelity Select Financial Services Port	FIDSX	21.35%	19.21%	7.15%	12.83%	0.76%	\$1,070
iShares Global Financials ETF	IXG	21.06%	23.28%	5.38%	11.35%	0.48%	\$451
Putnam Global Financial Y	PGFYX	28.69%	19.56%	4.21%	10.31%	1.03%	\$24
Mount Lucas US Focused Eq I	BMLEX	27.32%	19.32%	3.75%	13.07%	0.95%	\$11
PowerShares DWA Financial Momentum ETF	PFI	25.80%	0.60%	3.51%	10.08%	0.60%	\$71
First Trust STOXX European Sel Div ETF	FDD	20.88%	13.00%	2.41%	6.20%	0.60%	\$509

Data as of Sept. 8. Source: Morningstar Direct

Mutual fund flows

(\$ millions)

Date	Equity										
	Domestic								World		
	Total long term	Total equity	Total domestic	Large-cap	Mid-cap	Small-cap	Municipal multi-cap	Other	Total world	Developed markets	Emerging markets
Estimated weekly net new cash flow											
9/6/2017	558	-2,735	-4,280	-1,749	-438	-596	-1,057	-439	1,545	1,639	-94
8/30/2017	191	-2,199	-3,606	-951	-512	-506	-1,016	-621	1,407	616	791
8/23/2017	1,422	-1,060	-2,730	-247	-445	-519	-1,098	-421	1,670	1,343	327
8/16/2017	-5,997	-8,505	-9,894	-4,836	-994	-530	-2,713	-822	1,389	1,475	-85
8/9/2017	3,745	-2,665	-5,137	-563	-637	-570	-2,350	-1,017	2,472	1,889	584
8/2/2017	-1,939	-4,904	-6,358	-1,413	-1,328	-773	-2,811	-34	1,455	1,822	-367
Monthly net new cash flow											
7/31/2017	3,762	-13,892	-25,404	-10,071	-4,283	-2,209	-7,615	-1,227	11,512	10,793	719
6/30/2017	7,430	-9,539	-18,556	-13,228	-3,209	-2,267	1,893	-1,746	9,017	7,437	1,580
5/31/2017	26,758	2,614	-9,299	2,766	-2,369	-2,182	-5,287	-2,227	11,913	8,341	3,572
4/30/2017	871	-11,933	-19,648	-5,056	-4,129	-2,006	-7,082	-1,375	7,715	5,848	1,867
3/31/2017	11,806	-14,849	-13,912	-1,715	-1,040	-1,086	-7,656	-2,415	-936	-819	-117
2/28/2017	26,712	3,661	-2,765	-1,235	491	699	-2,094	-626	6,425	5,520	905
1/31/2017	10,613	-8,298	-11,051	778	-886	983	-10,611	-1,314	2,753	1,693	1,060
12/31/2016	-56,061	-33,606	-26,962	-10,891	-975	-816	-12,196	-2,085	-6,643	-5,819	-824
11/30/2016	-52,595	-28,475	-26,087	-8,244	-1,853	-291	-11,078	-4,621	-2,388	-1,241	-1,147
10/31/2016	-32,973	-38,068	-31,450	-8,576	-5,330	-2,538	-12,213	-2,793	-6,619	-6,400	-219
9/30/2016	-9,013	-22,382	-15,275	-152	-1,653	-1,086	-10,118	-2,264	-7,108	-6,201	-907
8/31/2016	-9,939	-32,418	-24,807	-5,504	-3,373	-1,726	-12,747	-1,458	-7,611	-7,383	-228
7/31/2016	-15,322	-37,875	-31,402	-11,922	-5,177	-3,381	-9,035	-1,887	-6,473	-6,281	-192
6/30/2016	-14,516	-18,967	-14,678	1,099	-4,404	-1,576	-7,777	-2,020	-4,289	-4,292	3
5/31/2016	-5,863	-17,643	-17,550	-4,178	-3,538	-1,188	-7,131	-1,516	-93	-1,284	1,191
4/30/2016	-4,673	-23,921	-19,388	-5,800	-3,334	-2,405	-7,307	-542	-4,533	-3,633	-899
3/31/2016	14,663	-9,851	-9,701	-5,468	-1,321	93	-2,667	-338	-149	1,274	-1,423
2/29/2016	8,129	8,417	-2,374	2,072	-2,878	-367	-544	-657	10,791	10,189	602
1/31/2016	-20,767	-4,966	-15,479	5,587	-5,919	-2,888	-7,306	-4,952	10,514	10,753	-239
12/31/2015	-76,124	-36,806	-25,416	-5,347	-5,169	-4,121	-8,240	-2,539	-11,390	-7,233	-4,157
11/30/2015	-30,057	-20,575	-19,537	-6,164	-3,542	-3,591	-5,978	-262	-1,038	813	-1,850
10/31/2015	-7,669	-9,877	-11,881	-7,227	-725	-1,977	-2,958	1,006	2,003	3,132	-1,129
9/30/2015	-34,455	-9,401	-14,898	-5,318	-1,007	-1,976	-3,541	-3,055	5,497	7,749	-2,251
8/31/2015	-39,250	-9,347	-17,562	-3,927	-2,773	-1,425	-6,122	-3,315	8,215	11,440	-3,225
7/31/2015	-19,131	-9,547	-27,907	-14,811	-2,613	-986	-9,431	-66	18,361	18,857	-497
6/30/2015	5,290	-2,984	-16,597	-8,620	-1,026	-771	-5,858	-322	13,613	13,218	395
5/31/2015	3,012	-3,815	-16,725	-5,933	-416	-1,912	-8,096	-368	12,911	12,565	345
4/30/2015	5,589	-1,436	-19,649	-9,967	-2,082	-735	-6,992	128	18,212	15,497	2,715
3/31/2015	14,764	5,077	-8,599	-1,372	-501	-1,013	-6,753	1,041	13,676	10,264	3,412
2/28/2015	29,530	8,951	1,759	2,356	586	-997	-3,123	2,937	7,192	5,902	1,290
01/31/2015	25,706	13,060	6,647	9,751	-1,390	-1,794	-4,227	4,306	6,412	5,425	987

Note: Weekly cash flows are estimates based on reporting covering 98% of industry assets.

Source: Investment Company Institute

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