



2016 MMI FALL SOLUTIONS CONFERENCE

BUILDING BETTER TOMORROWS

2016 MMI Fall Solutions Conference

The Westin Copley Place

October 18 – 19, 2016

DRAFT AGENDA 10/10/16

Building Better Tomorrows

A host of rapidly converging forces are redefining the delivery of financial advice and how we seek to provide better outcomes for clients. These same dynamics are simultaneously bringing about fundamental changes in key relationships up and down the value delivery chain – asset manager/distributor, firm/financial advisor, and, ultimately, advisor/client. All of these connections are being reshaped by unprecedented changes in technology, the regulatory environment, and investor needs and expectations. Old rules and paradigms no longer apply, and enabling increased collaboration between all stakeholders is critical to achieving improved results and building better tomorrows for all parties.

Join us **October 18-19** in Boston as we explore the transformational changes under way, discuss how to embrace the opportunities they present, and focus on more efficient, mutually beneficial ways to work together.

Tuesday, October 18, 2016

11:30AM – 12:45PM

Registration and Credential Pickup

12:45PM – 1:15PM

Welcome and Opening Remarks

John Sweeney, Chairman of the Board of Governors, Money Management Institute

Craig Pfeiffer, President & CEO, Money Management Institute

Fall Solutions Co-Chairs

Patty Loepker, Head of Research Directed Advisory Programs, Wells Fargo Advisors

Jill Mavro, Head of Strategic Relationship Group, State Street Global Advisors

1:15PM – 2:00PM

Opening Keynote Presentation: Time Is Not on Our Side: Closing the Retirement Savings Coverage Gap

In this session, the conference theme of *Building Better Tomorrows* really hits home as SSGA President and CEO Ron O’Hanley takes on the looming retirement savings crisis. The backdrop for his presentation is the combination of lower-for-longer returns and lengthening lifespans that is creating a new urgency around getting Americans to start saving early. With nearly half of all American workers – and, in particular, those employed by small businesses – having no retirement coverage, Mr. O’Hanley will lay out a pragmatic solution for expanding access to workplace-based retirement savings programs. The national framework he describes builds on

the best practices of existing defined contribution savings plans and offers a workable path forward.

Ronald O’Hanley, President & CEO, State Street Global Advisors

2:00PM – 3:00PM

The Future of Advice: How Coming Revenue and Asset Shifts Will Challenge the U.S. Wealth Management Industry

The wealth management industry is undergoing seismic shifts – the wave of retiring baby boomers, an immense generational wealth transfer, the impact of changing regulations, and the growing independence of advisors – and all are contributing to the massive industry transition under way. Senior A.T. Kearney executives will discuss the impact of these drivers on assets and revenues using the firm’s proprietary quantification model and share the results of its survey of 3,500 U.S. consumers. The session will focus on the implications for industry participants and how they are reacting.

Presenters:

Uday Singh, Partner, A.T. Kearney

Peter Chiang, Principal, A.T. Kearney

3:00PM – 3:30PM

Solutions Spotlight

In this fast-paced session, two of our Fall Solutions sponsors will offer quick-hitting “TED Talk”-style presentations that focus on timely topics pertinent to our conference theme. Prepare to be engaged and entertained.

3:30PM – 4:00PM

Refreshment and Networking Break with Exhibitors

4:00PM – 5:15PM

Concurrent Break-Out Sessions (choose one of three)

➤ **A: FinTech...The New Driver of Change: Where Does It Fit in Your Firm?**

FinTech – the economic community of firms employing technology to make financial services more efficient – has in recent years developed into a full-fledged segment of the financial services industry. Growth in this new sector is expected to accelerate as the pace of investment in technology startups with cutting edge ideas continues to ramp up. This panel will focus on creating a better understanding of FinTech and how it could impact wealth management, financial services, and the overall economy. Instead of being a technology-focused discussion, this session will center on business and management applications, their potential impact, and understanding how the integration of FinTech into strategic planning can be important to your organization’s future success. Topics will include such key drivers of change as:

- regulatory challenges,
- changing market demands,
- technology and innovation,
- peer-to-peer lending,

- peer-to-peer payments/digital currencies,
- mobile banking/payments,
- robo-advice, and
- advanced analytics.

Moderator:

Gary Jones, Principal, Jones & Jones Consulting LLC

Panelists:

Chris Chen, Senior Vice President and General Manager, API Team, Envestnet | Yodlee

Jennifer Peve, Executive Director, Office of FinTech Strategy, DTCC

Charles Smith, Executive Director, Advisory Services, Ernst & Young, LLP

➤ **B: DOL Rule Update: Countdown to Implementation**

With the effective date of the DOL fiduciary rule less than seven months away, firms are starting to slowly reveal their plans to comply with its provisions, mitigate potential negative consequences, and position themselves for emerging opportunities. This session will focus on the different steps and approaches that firms are taking as the implementation deadline looms as well as some of the rule's likely outcomes. Among the topics to be covered:

- how firms are positioning the fiduciary rule both internally and externally,
- how they are preparing to determine, demonstrate and document that their recommendations are in the client's best interest,
- the secondary impact of the rule on taxable accounts,
- how sponsor firms, asset managers, and financial advisors will redefine their advice value proposition,
- the likelihood that wealth management firms will overhaul their product offerings and whether they will use more third-party investment management services,
- which asset and product types will be most affected, the likely revenue impact, and the potential for compression in operating margins,
- the rule's impact on RIAs, especially as it relates to substantiating IRA rollovers, and
- the many yet-to-be-answered questions about the rule itself.

Moderator:

Craig Pfeiffer, President & CEO, Money Management Institute

Panelists:

James W. Lumberg, Co-Founder & Executive Vice President, Envestnet

Arjun Saxena, Principal, PWC

Jeff Schwartz, Head of Advisor and Wealth Management Solutions, North America, Morningstar, Inc.

➤ **C: Trends in Product Usage and Development**

Research by Strategic Insight has identified specific trends that have emerged in the mutual fund, AI, ETF and SMA arenas.

- Upwards of 80%-85% of mutual fund sales through intermediary channels are into fee-based advisory accounts. The DOL rule and the evolving need for advice will accelerate that trend and have a far-reaching impact on share class design, product development, and advisor support.
- Despite outflows for liquid alternative funds since 2014, the asset class continues to mature as a component of advisor portfolios. Liquid alternatives now represent approximately 4.5% of mutual fund assets held by wirehouse advisors – more than double their share in 2012 – but still well below many recommended portfolio allocation levels, providing opportunities for fund managers with the appropriate capabilities.
- The secular trend of employing ETFs as a component of advisor portfolio construction is undeniable. Index ETFs now make up 37% of U.S. Equity fund assets in wirehouses and 36% in the RIA channel. The next stage is being marked by development of “bridge” products like active ETFs and fundamental index (“smart beta”) ETFs.
- The SMA landscape continues to evolve within the context of next generation fee-based programs. Nearly 50% of SMA assets are now in fixed-income strategies. The asset class grew by 14.4% in 2015, and continues to outpace other investment styles in 2016.

Join our expert panel of MMI product committee co-chairs as they offer perspective on these trends and insights on product development focus, how advisors are using selected products, and where asset managers and distributors are placing their bets.

Moderator: Dennis Bowden, Managing Director, U.S. Mutual Fund Research, Strategic Insight

Panelists:

Robert Geppner, Executive Vice President, Head of National Sales-US, Franklin Templeton Investments

Michelle Mikos, Director of ETF Retail Business Development, INVESCO

Kirk Strawn, National Director of Intermediary Sales, Altegris

Mark Thomas, Head of Managed Accounts, PIMCO

5:15PM – 6:30PM

Reception and Networking with Exhibitors

Wednesday, October 19, 2016

7:00AM – 8:00AM

Breakfast and Networking with Exhibitors

8:15AM – 8:45AM

Solutions Spotlight

Two more “Ted Talk”-type presentations will kick off Day Two. First, MMI’s senior staff will share key findings from our recent MMI Value-Provided survey and discuss initiatives that align with the elements members told us they value most. Next up, another insightful presentation from one of our Fall Solutions sponsors.

8:45AM – 9:30AM

Keynote Presentation: The 2016 Political Landscape: What Can We Expect?

Joseph Wall will share his perspective on the upcoming US presidential election and the dynamics that will shape the race. Joe will provide an analysis of the macro political environment, the shifting demographic composition of the US electorate and the battleground

states that will be pivotal in November. He will also discuss the US House and Senate landscape, and how the election results will shape the policymaking climate in 2017.

Joseph Wall, Vice President, Office of Government Affairs, Goldman Sachs

9:30AM – 10:30AM

Can You Hear Me Now?: Best Practices in Client Communications

On average, experts say, people need to hear a message five to seven times in order for it to sink in. But it's not just how many times you say something, it's also the words you select and the manner in which you choose to communicate. In today's world of ever-shortening attention spans, it's critical to understand the difference between language that connects with investors and language that confuses them. In this session, you'll hear and learn from an industry leader in client satisfaction and an expert in client communication strategies.

This conversation will help you understand:

- how clients really feel about their communications with investment professionals,
- specific words and phrases to use to build confidence and trust (and ones to lose), and
- how to cut jargon out of your vocabulary, simplify your message, and build stronger relationships.

Moderator: Brendan Clark, President, Clark Capital Management Group

Panelists:

Gary DeMoss, Director, Invesco Consulting

Michael Foy, Director, Wealth Management Practice, JD Power

10:30AM – 11:00AM

Refreshment and Networking Break with Exhibitors

11:00AM – 11:30AM

Solutions Spotlight

Round 3 of our "TED Talk"-style presentations with two more thought-provoking takes on topics that relate to our conference theme of "Building Better Tomorrows."

11:30AM – 12:30PM

The Shifting Landscape of Product Development in an Outcomes-Oriented World

As technology, regulation, competition, and focusing on doing what is best for the client reshape how advice is delivered, the nature of relationships within the industry is also changing. This session will examine the shifts taking place with respect to how products are developed, sold, delivered, and consumed. Our panelists will drill down for an up-close look at the ways in which the landscape of product development, distribution, and manufacturing is being reshaped.

Topics to be explored include:

- What is driving change?
- How are distributors thinking through the changes?
- How are manufacturers developing products to meet the needs of clients?
- What is next?

Moderator:

Tom Morelli, Vice President, Head of Broker-Dealer, T. Rowe Price Group

Panelists:

Tim Clift, Executive Vice President- Chief Investment Strategist, Envestnet

Roger Paradiso, Head of Alternative Distribution Strategies, Legg Mason

Warren Terry, Managing Director, FA Platform, Wells Fargo Advisors

12:30PM – 1:30PM

General Session with Luncheon

The Long View: How the Media, Internal and External Analysts See the Advisory Solutions Industry

For all the far-reaching change that we see touching virtually every aspect of our businesses, has anyone outside the industry really taken notice? And what do they think of the advice business and the larger financial services industry? This panel, which includes a well-known journalist, an equity research analyst, and an industry consultant, compares and contrasts external and internal perceptions of the industry's development and progress.

Moderator:

Mike Keenan, Senior Managing Director, National Accounts, MFS Investment Management

Panelists:

Brennan Hawken, Senior Equity Research Analyst, UBS Investment Bank

Jason Schwarz, President, Wilshire Funds Management

Bailey McCann, Financial Journalist and Author

1:30PM

Closing Remarks and Adjournment