

ANALYTICS UPDATE: A Peek Inside an Arnerich Massena IC Meeting



Arnerich Massena's Investment Committee meets monthly to set the firm's Investment Policy and discuss portfolio construction. What do those meetings look like, and what data does the team re-view? Here, we give you a high-level view of what it's like to attend a regular monthly meeting of the Investment Committee — a peek into the inner workings of Arnerich Massena's investment process.

Setting the stage

IC meetings are generally scheduled for at least two hours, though advisors and analysts usually leave a little room on their calendars in case the discussion runs longer (which it often does). There is a prepared agenda and presentation, but frequently additional topics and ideas arise during the meeting that require consideration and conversation.

The first item is always a review and approval of the last meeting's minutes, and a look forward at the Investment Committee governance calendar and work plan. This level sets the team to ensure everyone is tracking together.

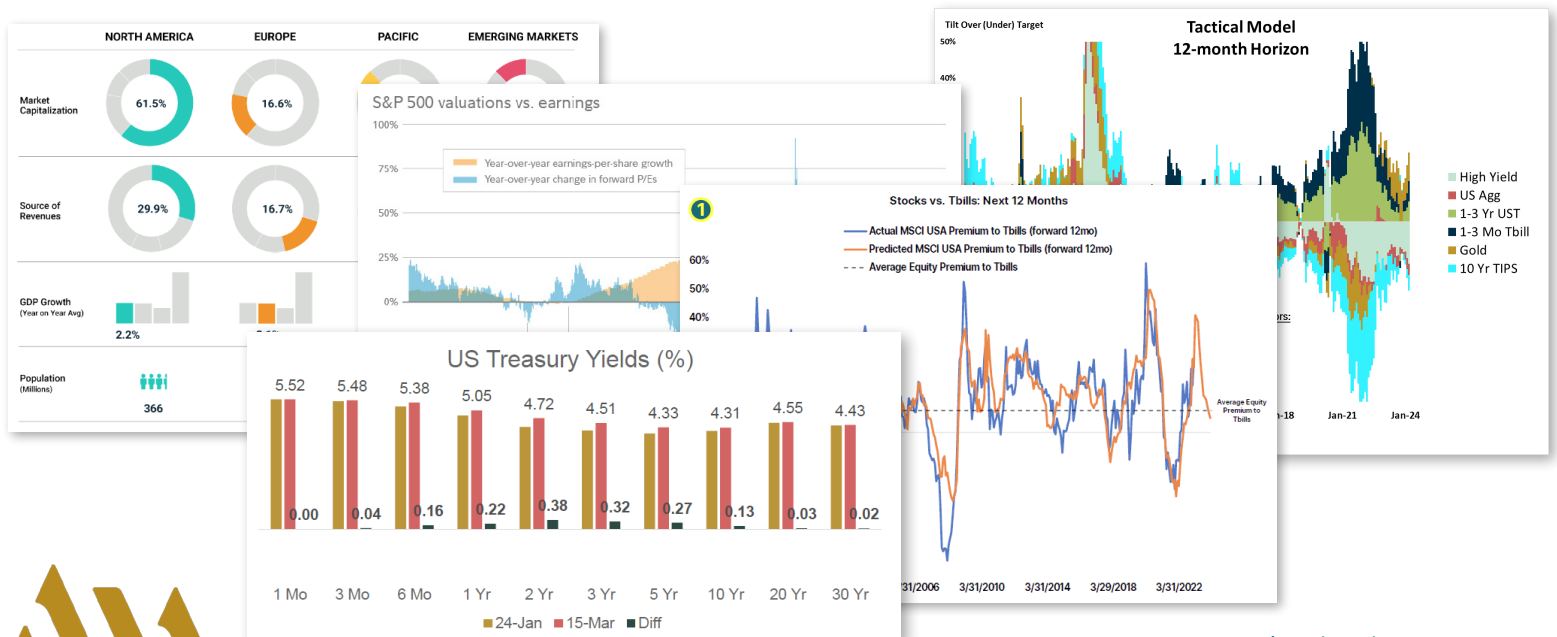
Market update

Once those orders of business are out of the way, Chief Investment Officer Bryan Shipley provides a thorough market update. He and his team of analysts have been

working for a couple of weeks to pull the most salient events and data points from the news, manager meetings, and other data sources to share with the team.

In any given IC meeting, the market update might include charts that illustrate inflation, interest rates, earnings reports, market sentiment measures, P/E ratios, valuations, sector breakdowns, and market analyses from various investment experts, as well as relevant news headlines. What is examined depends on what significant themes are emerging and what portfolio-related questions those issues bring up. IC members may submit particular data points or questions in advance for which they'd like the Research Team to provide more in-depth research.

The market update is more discussion than presentation, as advisors ask questions, explore the topics, and talk about how market activity might affect their clients' portfolios.



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Fixed income update

The overall market update is followed by a specific fixed income update to examine activity in fixed income markets. This presentation usually takes a deeper dive into interest rates and Fed activity, the credit cycle, bond yields, and other fixed income-related topics. During the fixed income update, we also review our tactical quantitative models that provide a multi-factor analysis of the relative attractiveness of asset classes and sub-asset classes.

Specific agenda items

There are typically one or more additional agenda items pertaining to specific questions or topics, or addressing internal workflows relating to investment research and portfolio construction. For example, the IC updates the firm’s capital market assumptions each year, and the IC meeting provides an opportunity to review and discuss. Or the team might review particular asset class questions.

Tactical views

In Arnerich Massena’s quarterly commentary and MarketCast, we provide a graphic that illustrates the firm’s tactical views for each broad asset class. In every Investment Committee meeting, the team reviews these tactical views to discuss whether they continue to be appropriate or require adjustments. This broad, asset class-level conversation forms the basis for the Portfolio Management Committee meeting, which always follows the IC meeting.

IC open forum

The end of the meeting is left open for any Investment Committee members to share information, bring up discussion points, or follow up on any questions or issues previously discussed. This portion of the meeting is an opportunity to socialize new ideas and tends to feature lively discussion.

Portfolio Management Committee and Product Committee

When the Investment Committee meeting comes to a close, it just means a five-minute break for the team. Each IC meeting is followed by a Portfolio Management Committee meeting, which is more focused on executing the Investment Committee’s broad guidance with specific portfolio recommendations. They’ll take the direction from the Investment Committee and discuss how to turn it into actionable steps in our portfolio management process.

The Product Committee may also touch base — this is a smaller group tasked with reviewing the Analytics Team’s research on specific products, evaluating current manager performance, and assessing potential managers recommended for approval.



**Arnerich Massena
Investment Committee**
CIO, SELECTED RESEARCH ANALYSTS AND
INVESTMENT ADVISORS

- Oversees investment governance process
- Sets firm investment philosophy
- Develops capital market assumptions, asset allocation methodologies
- Sets strategic asset allocation guidance
- Identifies special opportunities and investment themes
- Develops Investment Policy standards

**Portfolio Management
Committee**
CIO, SELECTED RESEARCH
ANALYSTS AND INVESTMENT ADVISORS

- Oversees implementation of IC guidance
- Determines fund implementation guidelines
- Determines asset class and fund tactical positioning
- Sets strategic asset allocation guidance
- Identifies special opportunities and investment themes

**Arnerich Massena
Product Committee**
CIO, SELECTED RESEARCH
ANALYSTS AND INVESTMENT ADVISORS

- Identifies approved investment products
- Upholds due diligence standards
- Determines benchmarks and peer groups for evaluation purposes
- Recommends managers for implementing IC positioning, special opportunities, and tactical asset class positioning