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EPISODE 140:

After the Exit: Teaching the Next Generation of Investors with Chris Cesare



Robert Morier: Welcome to the Dakota Live Podcast. I'm your host, Robert Morier. The goal of this podcast is to help you better the people behind investment decisions. We introduce you to Chief Investment Officers, manager research professionals, and other important players in the industry, who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and our Dakota Live content, please check out dakota.com to learn more about our services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker, who is not affiliated with Dakota. Not a solicitation, testimonial, or endorsement by Dakota or its affiliates, nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its or supervised persons by Dakota.

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Robert Morier: Well, I'm very excited to be bringing you this special episode today. It is August. The summer is coming to a close, but we are still talking to experts in our industry who help us sell in between the lines and better understand the allocation mindset and what is happening in the industry today. So, we are joined by Chris Cesare. Chris is a proven leader in investment management who's built firms from the ground up. He has led through major acquisitions and now channels his expertise into teaching, mentoring, and exploring new ideas in wealth management. Chris, welcome to the show.

Chris Cesare: Great Thank you for having me here today.

Robert Morier: Thank you for being here. Thanks for taking the train down. I think it was about three hours or so.

Chris Cesare: Just about three hours.

Robert Morier: Probably a lot hotter when you got out. I hope you didn't walk here.

Chris Cesare: It was very hot and humid. And I did choose to take an Uber over to the office.

Robert Morier: Good, smart move. Well, thank you for being here. We have another special guest on the desk today, actually, someone you know very well. This was an interesting episode for another reason and special is that our interns this summer were charged with doing a capstone episode. So, we asked our interns, 12 Pounds Productions, that produces the Dakota Live Podcast, to find someone who fit the profile of the type of guest that we like to speak to here at the Dakota Live Podcast. And Kiera Liesinger, who is here with us today, who is a rising senior at the University of Connecticut, and one of our interns, found you. So, Kiera, how did you land on Chris?

Kiera Liesinger: Well, at the University of Connecticut, I actually took his class, Institutional Investment Strategies. It was good. I mean, check it out.

Chris Cesare: Well, thank you. Thank you for those kind words.

Robert Morier: Chris, obviously, has a long track record in asset allocation and manager research, which we were also very excited about. We're going to be talking to you about that today. We're going to talk about your experiences and what you teach in the classroom to students like Kiera, and what you're thinking about in terms of the industry and where you're hoping to add value for asset managers and allocators alike.

Chris Cesare: Terrific.

Robert Morier: Well, wonderful. So, before we get started, I'm going to read your biography for the audience. In 2002, Chris co-founded Rocaton Investment Advisors, building the firm from no clients into one of the preeminent institutional consultants in the country. Rocaton grew to serve 90 institutional clients with over \$600 billion in assets under advisement and management. He was deeply involved in every aspect of the firm's management and growth, from culture and talent development to client relationships and investment management. Rocaton was acquired by Goldman-Sachs in 2019, where Chris led institutional client relationships and investment strategy execution. Earlier in his career, he held senior roles at BARRA RogersCasey after beginning his investment journey at UPS, where he gained foundational experience in institutional portfolio oversight. In addition to his professional roles, Chris is passionate about mentoring and coaching. He focuses on identifying untapped potential and helping people clarify and achieve their goals, whether they are students preparing to launch their careers or experienced professionals seeking their next chapter. Chris earned his Bachelor of Science from the University of Connecticut and an MBA from Emory University. He serves on the board of directors of the Melville Charitable Trust and

is an adjunct professor at both the University of Connecticut and Fairfield University, where he teaches institutional investment management and bridges academic theory with real world practice. Chris, thank you for joining us today. Congratulations on all your success. We very much look forward to this conversation.

Chris Cesare: Thank you. I do as well.

Robert Morier: Well, as I mentioned before, this is a capstone episode. So, you know this very well, when your students are in the classroom, as you get towards the end of their time in your class, they have to deliver a project. This is Kiera's project. So, she's working very closely with me on this conversation. You guys have known each other as part of the classroom experience. And we're happy to have you here on the desk.

Kiera Liesinger: Thank you so much again for making the trip out. Now, as a current UConn student speaking to an alum, I am curious, what was it at the University of Connecticut that led you towards the asset management industry?

Chris Cesare: Yeah, so as I reflect back on my career, I graduated University of Connecticut in 1989, that was a period of time, many might recall or may not recall was, in many cases, the dawn of Wall Street in terms of the investment management industry, the stock market crash in 1987. There were a lot of different factors coming to play in the late 1980s. The movie Wall Street had been released back in 1986 or '87 or so. So, there's just a lot of different data points or interesting points in the 1980s. I was fortunate, while at UConn, to be one of the co-founders of the Investment Club on campus. And that drew me closer and closer to the markets. But I think all things considered, the opportunity at UConn to learn new things, learn different things was great. And I was just attracted to the investment markets. I found them particularly interesting. I was always interested in how markets worked, how wealth was created. And through that process, I graduated from UConn with a degree in finance and quite interested in pursuing my career.

Kiera Liesinger: Yeah, I mean, that makes sense. We certainly have a lot going on in the markets now that's sort of brought my attention into the field. Now, you've had a long career, spanning institutional consulting, asset management, and now wealth mentoring. Can you walk us through your professional journey from your early days at UPS to Rocaton and now mentoring and coaching?

Chris Cesare: As I reflect on the arc of my career, which, to me, seems like much older than I really am, but the arc of my career, as I mentioned, I graduated from UConn in 1989, May of 1989, all ready and poised to take a job on Wall Street. The overall environment in New York City at the time wasn't really conducive to finding a job. But nonetheless, I tried and persevered. And I ended up that summer

of 1989 painting houses, again, with the goal of getting into the investment industry. And as I was thinking about, I was working with a recruiter at the time. So I was right out of school. I was working with a recruiter. And I remember her calling me up and saying, hey, I got a great opportunity for you at UPS. I paused and said, UPS? She goes, yes. I said the delivery company or otherwise. Goes, no, the delivery company, United Parcel Service. And it's in Greenwich, Connecticut. So, I was thinking to myself, what wasn't-- where didn't we connect on this particular goal that I had in mind? But she encouraged me and promised me it would be a very good opportunity. I interviewed. I was fortunate to get the position and the job. And what I didn't realize at the time it was within a small group that was managing their pension fund and endowment portfolio, so a couple billion dollars or so of assets at that point in time. And it put me on that side of the table, where I was able to learn from a lot of different investment managers. I was able to learn from the team at UPS. And so, the career started UPS. And that was a great opportunity for me, and one, perhaps, that I did not fully appreciate my first day walking in there. But I was sure glad to have spent about seven years at UPS on the plan sponsor side of the table. And that whole experience really provided a great introduction to the industry. And was able to meet a lot of different people. And then as Rob was saying, I moved to a consulting position at RogersCasey, which then became RogersCasey. And that just more fully immersed me into the investment world, the investment industry. And that really launched the latter part of my career at Rocaton and then with Goldman.

Robert Morier: So, Chris, I'm curious, were you in Greenwich Office Park on Putnam Road? So not too far away from Greenwich Associates.

Chris Cesare: Correct.

Robert Morier: I was at Greenwich Associates early in my career, so it was a good area. I remember when UPS were in those offices. And I remember when Greenwich Associates were in those offices as well.

Chris Cesare: Yeah, so we were there until 1991-ish. I was married in May of 1991. And UPS announced the move to Atlanta a couple weeks before the wedding ceremony. And we decided to go. And it was a great experience in Atlanta.

Robert Morier: What were some of those attributes like working within an investment office? So, when you think about, you're right out of school, you co-founded the investment club, you're going into an investment office for the first time. What did you see that you recognized? I know I saw a lot of things. I didn't recognize anything. But what did you recognize in the very beginning?

Chris Cesare: Particularly at UPS, which was a company that had a very, very strong culture, and I would say in working there, I learned a lot about the markets, a lot about the industry, but I also learned a lot about culture and management practices. So, I was fortunate in that area. But I think the couple, the immediate things that sort of jumped at me in joining UPS was it gave me sort of a good background in terms of the process of decision making. So, there's a whole formal process that we all know about going through asset allocation, and then manager search, and selection. So that was something that I was immediately brought right into at UPS and that overall process. We didn't use a consultant, a formal consultant at that point in time. And what was I? 23 years or so out of-- 23 years old, and I'm thrown into this wonderful opportunity. And I sometimes laugh in that here I am, six months out of school, and I'm sitting on this side of the table. And some of the legendary investors that I had read about are sitting on the other side of the table and looking to get our business. So, it was just a-- in hindsight and reflecting back on it, what a wonderful time for me to get exposed to it. The grounding that I had at UPS in terms of decision making and how things happen in the plan sponsoring side was very, very significant. And I think it really served me well when I moved on to the consulting side in terms of being able to advise and work with plan sponsors on investment decision making.

Robert Morier: You're out of the game now. So, I think I can ask you this. How did you keep that from going to your head? Because that is a lot of responsibility, especially at a young age. So, you're 23 to 30 years old, luminaries in the industry are looking for your money, which means you're in charge. So how do you think about those early years? When you look at someone like Kiera, who's starting her career very soon, and may have the same responsibilities as you, what kind of advice would you give? What did you learn from those days when you had-- you were behind the register?

Chris Cesare: That's right. That's right. I think embracing the opportunity to learn, embracing the opportunity to network, and really being very, very conscious of how things are done was very helpful for me. So yes, the opportunity to sit across from industry luminaries was great. And I think at the end of the day, that really helped me quite a bit in terms of ultimately interviewing managers subsequently in my career. But just the flow of people looking to do business with United Parcel Service was quite long.

Kiera Liesinger: So, it sounds like your time at UPS was pretty foundational for building the rest of your career. What specifically did you take away from that that helped you later on as you moved to other institutions?

Chris Cesare: The whole idea of commitment, managing by commitment, and integrity, and owning the product within which you-- or the work product that you put together were very basic or very instrumental for me at United Parcel Service.

So, there's this idea of management by commitment, where it's this whole apparatus around management, where if I commit to do something by a certain point in time, it needs to get done, or there's a discussion that needs to be had. So, to me, that really created one of the foundation pieces of my career is putting forward what I want to do, and how I'm going to do it. And so, UPS had a tremendous management development program, a lot of different parts of it, strong culture, strong focus on commitments and how to keep commitments. There was this story within UPS that was often repeated, where-- it's referred to as the Heinz story. It's pretty well known out there, but it really served as a management tool or as an instructive tool for people like me and others. When you're asked to do something, you should not only do that one task but seek to think about what other questions might be coming after that. So, to me, that was one of the more pivotal moments of my management development there. I think it also, my experience at UPS, it also, I was thinking about this and having taught the course now, Kiera, that you were part of, what's been very interesting to me, and I think about just general asset allocation, the selection of stocks, US stocks, US bonds, international markets, and things like that. Well, back in the early 1990s, the quantitative decision making around that, efficient frontier modeling, the process literally took hours to produce an efficient frontier. And you compare that to today where a couple of clicks of a button, you'll have an efficient frontier. So, the speed has definitely changed. But as I look back on my early experiences at UPS, yes, it took a while, but it forced a tremendous amount of discipline on the assumptions that you're using. Being very thoughtful about what type of modeling you want to do, because if you didn't get it right the first time, it's another couple hour to produce an efficient frontier. So, as I look back, not having the benefit of strong quantitative models, because they weren't built, it just really enforced this discipline on what we're doing and how we're doing it.

Kiera Liesinger: Yes, well, I do remember the Heinz story being brought into our classroom. And it was something that I tried to keep at the forefront of my mind for this internship. So, after six years or seven now with UPS, what sort of motivated you to make the switch?

Chris Cesare: Sure. Well, there's a personal side of it as well as professional side of it. As I mentioned, we had relocated to Atlanta back in 1991, 1992. I'd gone to business school, graduate school at Emory University, received my MBA. And alongside of that, we had our first child, our daughter. And UPS was a great company. I learned a lot. But the path forward within UPS, at that point in time, at least, was the way to move ahead or move up in the organization was to take on other non-investment responsibilities. So, upon reflection of the personal side, and the career, and my own professional aspirations, led me to rethink exactly how I want to pursue a career. And I had a great opportunity to join, at the time, it was RogersCasey. BARRA bought RogersCasey soon after I joined there. But going from the plan sponsor side to the

investment consulting side, sort of same kind of work. Except on the consulting side, instead of working for one company, like I did at UPS, I'm working with a bunch of different companies and corporations, which I found very, very exciting.

Kiera Liesinger: That's very interesting. So, after you spent some time on the plan sponsor side and then moved to the investment consulting side, after that, you kind of took another branch and co-founded Rocaton. Can you tell us about what inspired you to take that entrepreneurial leap?

Chris Cesare: Yeah, so there's a couple parts of that. So, I was with RogersCasey, BARRA RogersCasey for about six years. And at RogersCasey, I was part of the senior team on the consulting side and investment consulting, client relationship side. And then there was a transaction that occurred with RogersCasey with another entity. And as a result of that, there was a group of us, 16 of us, that departed and started what had become Rocaton Investment Advisors, which started on April 1 of 2002.

So that was an opportunity for us to create, at Rocaton, the type of consulting practice that we wanted, and the type of consulting practice that was relevant or relevant to that point in time. So, we were very focused on creating an investment consulting practice that was built, at that point in time, using the best practices in technology out there.

Robert Morier: How did you go about raising clients?

Chris Cesare: Well, a large part of the asset management industry and consulting industry, of course, is client relationships. And I had the benefit, as did many of us, of having had a long-standing number of client relationships. And we worked hard in terms of reestablishing those connections and building the business. So, one of the things I sought to stress while teaching at UConn was this whole idea of network, and maintaining relationships, and building networks, and things like that. I think that's a tool that all of us have. And many need to probably do a little bit more of that. But to me, the overall world sort of centers around client relationships and personal relationships. So, we carried that on to Rocaton.

Robert Morier: I'm curious, I'm sorry to say, 23 years ago-- so 23 years ago, I was starting Julius Baer 23 years ago as well. So, it's hard to say those numbers out loud. But when you think back those years ago, you had a whiteboard, which was really interesting. So, you had a whiteboard in terms of how you could think about the type of manager that you would want to allocate to on behalf of your clients. So, some of those clients, I'm sure, were part of your network. So that you've known them for a long time. You knew their type. But others were new. So, you got to get to build their type. So, what were some of those attributes that you looked for?

Chris Cesare: On the manager side?

Robert Morier: On the manager side.

Chris Cesare: Sure. Well, there was always things that our research team, manager research team focused on, people, process, philosophy, and pricing, which we had a great team doing manager due diligence and manager research for us. When I would work with clients in terms of identifying a manager that might fit best with them, I was always going through a process of making sure that the manager fit nicely with the client and that could cover a couple of different points. But I was also very focused on the client understanding who the manager is, how they managed money or managed assets and investment performance. Because a lot of times, we'll go through these searches with clients. And fairly regularly, the top performing manager tends to get selected. And always wanted to make sure the client understood the ebbs and flows of active management. But more importantly, why they have outperformed or why they have underperformed. And once you get to that level of understanding, I think it just creates a stronger client relationship. So, on the manager side, the investment manager side, I've always been attracted to those that can communicate their strategy in the simplest way. I've been in, hundreds and hundreds or thousands of manager presentations where you leave the 45-minute discussion not honestly knowing exactly what they were trying to sell. And I think that's another overlooked part of the industry. And something I try and encourage with students is you got to boil it down to the most basic elements. And if you can't do that, it's hard to see that being a long-term success.

Robert Morier: I hear an asset manager in the back of my head saying, but I'm not basic. This is a very complex product. Especially some of the portfolio managers have been doing this for so long, they've built this model, or they have this proprietary edge that they believe separates them from others. So, when you're giving that advice, less is more, be more efficient with your use of language, how do you deliver that news? I think that would be great advice because you're doing it right now with students. So, to the asset managers listening in, particularly the portfolio managers, and there are probably more than would like to admit that are listening in, because they're also looking for some tips from folks like you.

Chris Cesare: Just going back to my UPS days, there's a story that still sticks with me. And I might have mentioned it at UConn. This is probably early '90s, and this was a period of time where we were exploring new asset classes. And one of them was emerging markets equity. And in early 1990s, this was a fairly new area. It's more common today, of course, but new area. So, we'd gone through a search process and narrowed it down to a couple of different managers. And we had one manager in particular that we were very excited about the team. And we were going through the committee presentation at UPS. And we invited the manager or

the company into the final's presentation. So, the day comes. And I knew that one person was coming in from a different city from the portfolio manager. So, the business development person, his flight ended up being delayed and didn't arrive in time for the start of the meeting. So, the portfolio manager was present. The presentation books were with the business development person. So, here I am, a little bit anxious about putting this manager in front of the committee. And it's not going to go well. It's not going to flow. Well, 30 years later, let's say, and hundreds of presentations after, this one presentation still sticks in my mind as being one of the best presentations I've seen or heard. Why was that? The portfolio manager sat there for 45 minutes and went through their background, their process, their strategy, how they pick stocks without the benefit of any presentation materials. But he showed passion. He showed structure. And he was very persuasive. And the business development person showed up pretty much after the decision was made. Of course, it wasn't formally made yet. But it was a very, very solid presentation. And just one of the takeaways for me was just being comfortable with the material, making sure that you're able to deliver the presentation in a very crisp and succinct way. And 30 years later, that was a great experience.

Robert Morier: That's great advice and a good example of sometimes just leaving the book in the bag. Leave the business development home. The business development person can come to the meeting.

Chris Cesare: We used to encourage ourselves at Rocaton, preparing for a business presentation, a business presentation, let's do it without the books. Yeah, I think that was good training and really forced you, as a presenter, to really think about the story and what you're trying to communicate as opposed to being beholden to bullet points on a page. Oftentimes, the presentation books are used as crutches. And so many times, I've seen people just literally read. And it's always interesting to see-- I'll contrast the experience I just talked about with this portfolio manager with another, perhaps, where they had literally typed out notes. And they were reading those notes verbatim. And that might be more comfortable for that person, but it certainly doesn't communicate to the client a level of comfort and excitement that that person might have towards investing. So, I've seen it both ways. I always encourage, like I said, students to really take the time to understand what you're presenting and go through that kind of, OK, what other types of questions might I be asked here? And preparing for that third or fourth type of question, I think, just strengthens builds the confidence that we're talking about here in being successful as a presenter.

Robert Morier: Thank you.

Kiera Liesinger: Yeah, I mean, it seems like that leaving the book in the bag can be very well applied to presentations that I'm doing in class and definitely something I need to do a little more work on. Now, it sounds like the manager

roles, or the manager research roles you were doing at Rocaton were just one of many hats. What were some of the other positions you held there? And what else did you work on?

Chris Cesare: Rocaton, as was discussed earlier, we started with no clients and built it over time on a client-by-client basis. It was very much organic growth. And it was really an opportunity for us to be in the marketplace with a strong differentiator compared to others. And the differentiators were focused on, the experience of the individuals, the ownership model, partnership model, the fact that we're all in one office and working together, very selective about the types of clients we would work with or the number of clients that we would work with. So much like UPS, in a different way, just created this platform for growth for me personally and for the team. I always took an interest in the client relationship side. I took an interest in finding the right investment strategy to try and solve a particular client objective. But then beyond that, the business side of Rocaton always was interesting to me, the branding and the marketing of Rocaton, the positioning in the marketplace was always of interest to me. And I was involved in a lot of the different senior rolls around business development, management style involvement, compensation committee, board of managers, and things like that. And then towards the latter half-- later end of Rocaton, before the transaction with Goldman, we at Rocaton created an OCIO business, Outsourced Chief Investment Officer business. And I was involved in the growth of that. And that was very interesting to me. So, the ability, within this type of organization, to just pursue the things that you find interest, as long as the rest of the work gets done, was always attractive to me. And that was one of the things, as a partnership, that we tried to promote is really allowing people to find the areas that they are interested in.

Robert Morier: The OCIO model preceded Rocaton. But the modern-day application of it really started around that time. So, when you think about discretionary management, you're doing something quite different, particularly in the United States. It was going on in the UK and other markets. I remember sitting over in a London office and being like, what? What do you mean discretionary? I've got to talk to two people and that might select this strategy. What was that decision process like? And how have you-- just your thoughts on the evolution of it. Because the two sides of the business have gone the complete opposite way. Advisory consultant is now less than, I think, 50 or 60 businesses. But there are more than 150 OCIOs. Where it was the other way back when you were starting it. So, I would love to hear your thoughts on that.

Chris Cesare: So, we approached the discretionary business, OCIO business very carefully. We were very much focused on decision making. So, when you move from an advisory business, consulting, investment advisory, non-discretionary kind of business, very simplistically, we would make the recommendations, and the client would make the decision. And that's the way in which the consulting industry

worked for forever. The growth of the discretionary business or the OCIO business happened, as you were saying, Rob, over a period of time in the United States. And to us, that created a whole different risk profile. So instead of making the recommendations, we're making the decisions. And so, we wanted to build the right processes inside of Rocaton to make sure that those decisions were made in the appropriate way, and we had the right infrastructure, compliance, and investment committees, and things like that. I think it was our recognition that that's sort of where the marketplace was going in terms of OCIO. And we needed to provide a service in that particular space for our clients. And the way in which we pursued OCIO, or discretionary, varied. It wasn't a full OCIO in many cases. It was partial OCIO.

But really, it was our approach to adapting to the marketplace and what the marketplace or clients needed. And a large part of Goldman and where we were at within Goldman was in their discretionary multi-assets group. So that evolution or that continuum continues within the industry.

Robert Morier: Thank you for sharing that.

Kiera Liesinger: Now, in terms of adapting to the market and seeing where it's going, what was it at the time that led you to eventually deciding to sell Rocaton to Goldman?

Chris Cesare: Yeah, that was a process that we went through that, was filled with a lot of discussion and a lot of debate. If I were to peel it back and look, having the benefit now of six years past, I think, candidly, there's, in many cases, a life cycle to private partnerships. So Rocaton was founded in 2002, private company LLC. There were a group of us that owned the entity. 17 years go by, 16, 17 years go by, it was a great growth trajectory. But we see this in so many cases in the industry, where OK, what does the next generation look like within the firm? And so, there's this transition that needs to happen, ultimately, with many private firms, not everyone, but a lot of the private firms. And we were going through a process and thinking about where do we go from here, so to speak? We had a very successful business. But what do the next 5 to 10 years look like for us? And so, we were going through that process. And Goldman approached us and was interested in talking to us. Candidly, that was, on one hand, very exciting discussion. But on the other hand, when you billed yourself as an independent, objective third party, being part of Goldman Sachs, at least initially, was something that I think many of us thought was going to be different.

Kiera Liesinger: So, you spent 17 years building up to eventually 90 institutional clients. And then being acquired by Goldman you'd quintuple that, if even. So, with scaling overnight, what was that process like for you?

Chris Cesare: Joining Goldman Sachs Asset Management and the group that we were in was very much a transition period. As I mentioned, we were coming as a private partnership with the resources within basically one floor to now Goldman Sachs having tremendous resources available on pretty much anything that a client could ever ask about. The challenge for many of us, or for me, was OK, the answer is out there somewhere within Goldman. And it's just navigating to find that right answer. So, the ability to bring that kind of research and analysis to a client was very, very attractive. I mean, it was very exciting. Because in our industry, we're always trying to differentiate ourselves from others in the consulting space or-- and now having the ability to bring that Goldman research to the table was very exciting and really allowed us to reframe how we approach client discussions and how we approach investment portfolios and asset allocation. When we did move into Goldman, our clients came over and I continued to work with the clients that I had worked with and sought opportunities to take on new relationships. But Goldman was very focused on the client relationships and maintaining-- not disrupting but rather maintaining and enhancing those client relationships.

Kiera Liesinger: Now you mentioned that you brought your clients over and continued your relationship with them. Did the Goldman acquisition change your role in any other type of way?

Chris Cesare: Senior management within Rocaton involved in a lot of different things that were of interest to me. Within Goldman, the focus became more and more directly on client relationships, building client relationships, sourcing new client relationships. A lot of the things that I had been involved in, where there were teams of people within Goldman that were taking care of OCIO business and teams of people taking care of business development and things like that. So, it really allowed for me to solely focus on investment consulting, lead portfolio manager kind of roles for different things. Excuse me, and so the job became more of that as opposed to more expansive.

Kiera Liesinger: You're saying it's sort of narrowed your scope in on the client relationships?

Chris Cesare: Yes, exactly. And having the benefit of the broader Goldman research platform, again, I always try-- and I think I mentioned this in class, always try and solve the problem or solve problems, and focus on identifying the issue or the challenge, and then figuring out the right resources to bring to that challenge. So, to me, as a client relationship person, having that breadth of information and research made it exciting.

Robert Morier: I remember when I joined Goldman, somebody said, you go from being the pilot to the compass. And it's a very different role. Compass is incredibly important, which it sounds like it was maybe similar to you. Is that you're leading

that relationship day to day, and you're still leading it, but in a different way. Directionally, but maybe not transactionally.

Chris Cesare: It's a different environment, and with many positive attributes.

Robert Morier: Hey, Chris, thanks for sharing all that. We both teach. I teach venture capital. So, as I was listening to your story over the last 40 minutes or so, I kept hearing the traditional founder's story. You co-founded a business-- you had an idea, co-founded a business, you scaled it very successfully, and then you exited. So, after the exit, you spend a few years with a new company, but you leave, you retire. And you think about something new. And a lot of founders who exit successfully look back on their prior success and say, what do I want to do again? Or who can I help that helped me in a similar way? What were you thinking as you were kind of stepping out of the industry, for lack of better words?

Chris Cesare: Yeah, so I'd like to say, perfect game plan in place, I knew where I wanted to go, but wasn't sure exactly the route I wanted to use to get there. I remember my last day at Goldman, I believe was on a Thursday, 24/7 kind of environment, treadmill, active treadmill, always going, going, going. Retired. And a couple days later, it was a Monday. And there's no emails. There are no phone calls. It's a completely different environment, which I expected, but maybe it was a little bit too abrupt than I was fully expecting. So, what I tried to do here is think about, OK, having the opportunity to benefit of 35 years or so things, things I liked, things that I didn't like, really, the opportunity to put those to work. So, what I've been focused on here is certainly the teaching side. I always enjoy the opportunity to coach and to mentor new hires within Rocaton. I always tried to take the time to think about how each person can grow and develop. And that was one of the parts of my wants in this phase is to help coach the next generation of leaders or industry individuals. And then I always found that-- and I believe I said this in the first class at UConn-- this is institutional investment management, I could make this a math class. But if you came here for math today, it's not what I plan to teach. Math is certainly part of it. But what I really want to focus on is taking the theory into the practical side. And I think that is very important, because I think a lot of-- I've seen this over my career, a lot of people join, very, very, very successful academic career. But then it just takes a little bit of time to ramp that person into the practical side. So, I've always thought, Jesus, is there a way to accelerate that process?

Kiera Liesinger: Yes, I actually do remember that and wanted to touch on it because I'm curious how you go about teaching these softer skills in an industry that is so technically based.

Chris Cesare: That only comes about by me having had the experience that I have had. If I think back about working with committees and boards, client

investment committees, client boards, many of them are very successful in their own parts of it, but they come together in the form of decision making. And myself, just being able to communicate and work with these different individuals, I think, created a very nice investment environment. So, as I look to a classroom exercise and have the opportunity to reflect back on those skills that I thought were very important, just trying to find a way, in the classroom, through my experience and the storytelling, how those can come to life is where I try to do things.

Robert Morier: I'm curious. I was brought on by a business ethics professor. So, I was thinking a lot about ethics when I came into the classroom. She wanted me to think a lot about ethics as well because of what Kiera just asked. How do you teach these soft skills? And I was thinking about it from our industry's perspective. How do you teach things like integrity? And how do you teach things like character, and forgiveness, responsibility, the things that I don't want to say get overlooked in the industry, but I haven't seen a feel-good movie about the finance industry yet. When one comes out, let me know. I've seen one about law. I've seen one about some other industries that get tough reputations, that have tough reputations. So how did you go about thinking in terms of teaching people to be better people?

Chris Cesare: It's certainly, the investment industry, the finance industry has many stories of people not being great people. I mentioned earlier, the movie Wall Street, of course, was very interesting and exciting. But there was a lot of bad things of that movie. So, what I've sought to do, and this applies to my children, as well as the classroom, and as well as people that I've worked with, and mentored, and coached, is just very simple. Just do the right thing. And I think you'll have that intuition about what the right thing is or the wrong thing pretty quickly. And when in doubt, ask. I was at an event at UConn back this spring. And it was a very active event. And one of the students came up to me and said, what are the couple of things that I should focus on sort of building my career. Fairly standard kind of question, what are the key skills? Key things I should think about? And I believe I started off with integrity. As a person starting out in the industry, there's a lot of things you can recover from. But breaching that confidence, breaching that integrity is very hard to recover from. So, I think that's a lesson for many students is just do the right thing.

Robert Morier: Interesting, just to push back a little bit to get us all thinking about it, because Kiera and I are both lifeguards. So, we lifeguard in the summer. And one of the reasons that we met is that I did a relatively extensive study on young people who sit on these lifeguard stands for the first time. And the number one cause of anxiety or source of anxiety for a young lifeguard is sitting alone. So, the first time that they have to sit alone on a stand and they've got that responsibility, they don't have the second person sitting next to them to say, does that person look like they're in trouble? Or should I be blowing them in right

now? Are they out too far? All those kinds of things. The second source of anxiety is when the guard sitting next to them doesn't follow the rules. And then they have to figure out how to do the right thing, because they just went through 6, 8, 12 weeks of extensive training to do exactly that, follow the rules, rule by rule by rule. And I completely agree with you, always do the right thing. But what do you do when the person next to you isn't? And it's so challenging. And truth be told, the research is still ongoing, because I think that what makes a lot of these jobs very difficult is that you have been trained to do the right thing. And your parents have told you the right thing. And your coaches have told you the right thing. But the person who is managing you, or the person who's responsible for your paycheck, or the person who sits next to you every day that you're going to have to deal with for the rest of the summer, let's that game continue to--

Chris Cesare: Yeah, it's oftentimes that students and employees are put in that type of position. That's probably more common than I would think it-- would have thought it would be. I've always counseled and not moving away from do the right thing, I think you have to do the right thing, even if the person next to you isn't doing the right thing. And of course, judgment might come into play here. But one of the greatest tools that employees and students have been finding mentors, someone that you can speak to. And there might be a natural mentor. But I think also, over time, building that cadre of mentors around what you're doing is very important. It allows you to have this discussion about, well, this person's not doing what I think she should be doing. And it's just having that kind of discussion. I think what it allows you to do is keep things in perspective and to create that level of balance. So, I think finding the mentor in the organization is critical.

Kiera Liesinger: Now, you've started teaching, what's the experience been like for you so far?

Chris Cesare: Well, I've been fortunate. I've had great students. You probably noticed this. But the first day of class, and I had never formally taught at a university before, but the first day of class, I didn't really know what to expect. I'd been in the seats, of course. And I was always interested in professors who were interesting, or who just didn't do the textbook. So, I had that in my mind as I was sort of walking into the classroom. Let's make it interesting. And maybe the students will find it interesting or not. But let's at least try to do that. And I think so that's been in the back of my mind. And so, with upcoming class in finance, seek ways to make it interesting, find ways to make it engage. But I have thoroughly enjoyed-- I thoroughly enjoyed the semester at UConn. We had a great class, a very curious class. And I think curiosity is one of the things that is very important for people and for students. And I was very excited about the class that we had. You were very active in the class, which was great. And we had; I just thought a really good discussion. And it allowed me to bring all these stories that I've been sharing here in this discussion forward. And I think that's the way my view is.

That's the way a lot of people learn. That's how I learned is through the storytelling. And that's what I've sought to do.

Robert Morier: Kiera, I won't ask you to rate your professor in front of your professor. But when you think about all the teachers that you've had at UConn, you've been there for three full years, what makes a good teacher? So, when you think about-- obviously, Chris stood out for you. It stayed with you, which is why we're very grateful that he's here with us today. But as you think about what makes a good teacher, what are some of the attributes that really stay with you?

Kiera Liesinger: You were saying before, the leaving the textbook behind. I mean, we read a lot of Howard Marks and Swenson as well. And I can remember verbatim things that we talked about in class significantly more than any textbook that I've picked up or read. So, I think just a teacher that's willing to engage, and then similar to the pitch book, when instead of just reading off the slide, it's like the slide is there as a guide. And instead, we're talking about things. And going over examples is something that I really appreciate.

Robert Morier: It's interesting, I'm speaking to a lot of students the last three years. I think something that you touched on when you were talking about the speed of things, things can come at you very quickly, but you can also process things very quickly now. A lot of times, the students are so fast at responding. They're so fast at getting the assignment done. And the thing that worries me is that they're not processing it. They're not digesting it. The expediency is-- I've never seen anything like it. But slowing down, and I think stories help.

Chris Cesare: Stories are important for sure.

Robert Morier: Yeah, they help digest it.

Chris Cesare: One of the things I've been thinking about in coaching and working with different folks is we used to hire what we would call investment analysts. And they'd be right out of school. The title was investment analyst. They would come into the office. And I think there's really three parts of that job. One was sort of finding the data, making sure the data were correct, producing a report, and the third is, well, if you have time, the analysis side. But it sure is-- you needed to do the data collection, you needed to do the report, and deliver it to me or to another consultant, so that we can use it with a client. But there was little time for analysis. And we used to encourage analysts to analyze. But we don't have time because the data and because the reporting. So, I think there's been this shift, and there will be more of a shift towards the data collection, data quality is pretty commoditized now, I would say. The reporting technology has only gotten better. So, I think the analyst of the future, in a positive way, will have greater time to analyze. But the question then becomes, are they trained? Do they have the skills to truly analyze

the information that's in front of them? Do they know what's important? Do they the story that's being told there? So, as I look out over the next couple of years and think about college graduates taking on these kinds of positions, I do think, building the skills around that analyst position analyzing are going to be a differentiator.

Robert Morier: What does the asset manager of the future look like?

Chris Cesare: In so many ways, the asset manager has basically turned into a business. And if you think back, if I go way back, asset management was more about performance and identifying a talented portfolio manager, engaging with he or she to deliver that book or that strategy. It was less about the business. And now, certainly, it's all about the business. I've been interested in this whole movement within alts. You see some press out there on defined contribution plans, 401(k) plans, the administration allowing alternatives into the defined contribution plan space. And I think that a lot of that is motivated by asset managers. And interested to see how that actually comes to be in terms of the take up rate within the defined contribution plan space for alts. But I think the answer, to be more direct around your question, I think the asset manager of the future, there's the operational side in terms of doing things much more efficiently, but there's the client experience side. And it goes back to some of the things we were talking about earlier is really understanding the client, taking the time, and really understanding what issue or problem they're trying to solve is so key. I used to have managers who would call up and say, hey, I see-- why didn't you think about us for that particular assignment? Well, your strategy doesn't fit. And they didn't really understand what the client was looking for. So, I think there's got to be a greater attention paid towards solving the client issue as opposed to selling a product.

Robert Morier: Do you think that's where boutique asset managers still have a rightful place at the table?

Chris Cesare: I do. That's the differentiator for a boutique shop. There are challenges, perhaps, around operations, and technology, and spend there. But I do think the next three to five years could be very interesting for boutique manager.

Kiera Liesinger: So, thinking about the analyst and the allocator of the future, there's definitely no denying that AI is going to play a role in that. How do you see students going about AI in the classroom, and how are you trying to manage their use of it?

Chris Cesare: Unquestionably, AI has become more and more prevalent in the classroom. And I reflect back on the technology discussion I had earlier about asset allocation models and how quick things can be done. AI, there are a number of really, really positive things associated with AI. And I've become involved in a lot

of different parts of AI. And I've been very impressed with the information that you're able to get. We could talk about data quality and things like that. But at its core, there's, I think, two parts of it. One is sort of getting the information, getting the job done, perhaps a student can go through a semester based on AI, but is he or she really learning? And they might be able to get through it. But I don't hold much hope for that person being successful post-graduation, because that's where you're going to have to know it, and understand it, and communicate it. So, I think it might be this classic short-term solution, but long-term challenge. So, I think for students, it's just very important to understand as opposed to just get the job done by benefit of AI. And I think using AI as a co-pilot, I guess that's one of the products out there, I think that's great. And knowing how to use it is great. I think myself, growing up, the differentiator was Microsoft Excel, and PowerPoint, and things like that. Today, it's understanding AI and how you can get the most out of AI to fill a particular need. I honestly would be curious, because you're on the other side, in terms of being a student, how AI might have changed how you approach schoolwork and the college experience.

Kiera Liesinger: Absolutely, I mean, in terms of AI, it is sort of a wrangle of, we talked about earlier, what's the other person doing? If the person next to you is using AI, should you be using AI? I try and think of it more as it's very powerful at answering specific questions I have, and if I don't understand something, it will reword it in a way that I understand. I don't want it to become the point, for myself, at least, where I'm using AI as a brain extension. I'm not trying to make it do my brainstorming for me. I don't want it to write my emails because I think a lot is lost in critical thinking. Because I could certainly ask a robot how to do a question, but I don't think that I'm going to understand that unless I've thoroughly thought out the question myself. I mean, for our class specifically, I used AI for test idea generation or test questions. It got a lot of my notes and say, oh, what are 25 questions on this topic? And it would do a good job of testing my ability to understand the material.

Robert Morier: I think what a lot of professors are doing is they're trying to lean in more into this, more conversations, more team-based work in order to avoid the uncertainty of whether or not a student is using it for more than a co-pilot. So, I think that's been interesting for me, personally, just watching students within teams. Where it used to be just the one student showed up in the last presentation and clearly didn't do anything. But what's interesting is now they do show up, but they show up with a lot. They show up with a lot of information. And someone like Kiera will have to say, well, this is great, but we haven't seen you in nine weeks. And I mean, this looks all right, but what do we do with it? And that, to me, was really interesting. Because I wanted them to participate, but then they're participating in someone else's voice.

Chris Cesare: As I said, it's taking perhaps a shortcut. And you're fulfilling the task, but are you really setting yourself up for the future? We'll see.

Robert Morier: Chris, when you think about the last course you taught in the context of the next course you'd like to teach, based on what you learned from Kiera and some of the other students, what do you think the next course looks like? What would you like to teach that you didn't have the time to teach this go around?

Chris Cesare: Certainly, the course I have taught was a great experience. And I think there's a lot of parts of that are interesting. If I were to break it down, I am going to be teaching an introduction to finance this coming semester. So that's a different part of the finance or investment landscape. So, I'm looking forward to that. That'll give me a different feel for the material and working with students in that particular area. I think there's a few different parts of the investment world that would be very interesting to have classes in or work with students on. There's been a lot of developments in private markets, for sure. At UConn, the idea of private credit would be very interesting, as well as other universities, would be an interesting pathway, I think, for students. When I graduated, you had a little bit of time to figure out what you wanted to do. And it seems like now, I've got four children. And they've basically been through college. My youngest is a-- she'll be a junior. It just seems like the whole process needs to be accelerated. And you need to be looking for an internship probably in your freshman year. So, the more that a class can be offered that might appeal to a student like private credit, private markets, I think that would be on the list of things that I would like to teach. And I think there's a lot of validity to it.

I think wealth management, as I think about the tailwinds of wealth management, if you look at the statistics and there's been different research reports put out there, but there's going to be a need for a significant number of wealth management or wealth advisors in the marketplace. So, I think that would be a class that would be great to teach, and I think very much needed.

Robert Morier: One of the challenges that universities have right now, I was going to say problems, but I do think it's a problem, is that when I go to alumni events and different affiliated events with even Drexel, what I usually hear from outside of the university that gets into the hallways is you still need to teach investment banking. You've got to teach business consulting, management consulting. And I don't disagree with that. I do think it's very important. And they're very interesting careers. But it never ceases to amaze me how little wealth management, asset management, investments are taught. And if they were, they would have access to all of these careers and these jobs. And they usually tend to find them through operations first because they couldn't get into investment banking. So, they end up in an ops job at BlackRock, or Blackstone, or Goldman--

Kiera Liesinger: Or UPS.

Robert Morier: Yeah, or UPS. And then they do ultimately get there. And so, it's not that you need to be fast tracked, but I do think the education is even beyond the students, I think the institutions themselves. But it sounds like UConn and Fairfield are on the right track.

Chris Cesare: I'm optimistic.

Robert Morier: Well, we're happy you're here.

Kiera Liesinger: So, Chris, Rob, you're both teachers. I've had the pleasure of either speaking to your students or being one of them. And a consensus has somewhat been reached on the difficulty regarding achieving specific letter grades within the classroom environment. It makes me curious, what is it about institutional allocation professionals or former professionals, I should say, that makes them such easy graders?

Chris Cesare: Yeah, I tend to look at easy grader as being a great teacher. So, you're able to communicate. But no, seriously, one of the things at UConn that gave me quite a bit of anxiety, there was two things coming to mind now. The first quiz that we had, I remember giving the quiz, and there might have been 10 questions and a couple of written responses, giving the quiz, and collecting them, putting them in my bag. And I said you know what/ I'm going to wait on this because if these don't turn out well, it's a direct reflection on the way in which I've spoken or taught. But nonetheless, I did open them, and everyone-- I guess I was an easy grader. Then the other one, during the final exam that I found-- I planned on, so this probably fits this topic here quite nicely. The final exam, you probably remember it as well. I think we brokered a deal where there were 40 or 50 questions and multiple-choice questions. And I walked into the class, started at 5 o'clock, saying, OK, maybe an hour and a half, I'll be out of here kind of thing. And half hour in, the first exam comes in. By 5:45, everyone had finished except for two folks. And they were like; I just have to ask you a question. On one of the pages, it was a hand printed exam. Every answer on that page was B, as in Boy. I didn't structure it that way. But I think they thought it might have been sort of a test in terms of it can't be B on every page. But I think tests are important. And I think easy grade, hard grade, to me, it's important that you learn. And I think we had a great opportunity a number of different ways to learn. And class did well.

Robert Morier: I had two things going on. One, I went to the University of Vermont. And if I were to ask my professors, I had a tough time showing up. It was cold. It was gray. I like to ski. So, it was challenging. So, I think the first thing I wanted to do was make sure people came to class. But once I got past that and I started really interacting with students, this is at least Drexel University students, is that I could not get over how much was on their plates. They had so much on their

plates. They're taking a class. A lot of times, they're in a full-time co-op. So, they're working 40 hours a week. And they're taking this class. And some of them have jobs to pay for school. And I was listening to these stories. And I was like, well, I can't rake them over the coals over something that's a day late or not exactly what it should be. And I'm sure you know this, for being a semester system, but we're on a quarter system at Drexel, so it's a 10-week sprint. And by week 8, after now, three years of this, I mean, you can just see students, they haven't slept. I mean, I wouldn't say this to them to their face, but they look awful. They just look terrible. They're in this-- if they're there, you're like, oh, man. So, I had a really hard time being like, yeah, you have to stay up another hour, because most of the time, when I would get the submissions, it would be 4:00 in the morning, 5:00 in the morning. I don't know if you noticed that as well, but communication hours were not finance.

Kiera Liesinger: Now, you mentioned networking and mentors before. In terms of that, how did you go about finding your mentors? And who were some of them, if you don't mind.

Chris Cesare: Mentoring is something that's out there, to find a mentor, something that's out there, to really bolster your development, your career. I had the fortunate opportunity early on in my career to work with a couple of individuals that I think have been instrumental in a couple of the things I've chosen to pursue. Back when I was at UPS, I worked with a group led by someone who was very much no nonsense. Very much get the job done, living by your commitments. I don't think he was terribly well liked by others because of that. But I saw the positive and I took that away. And to the extent I had any questions, he was always there addressing those questions. And that was a great experience that I had. Later on, when I was with RogersCasey, one of the things my father used to say is, who has since passed, was always try and get to the office before your manager. That was something I always remember. And when I started at RogersCasey, I would show up at 8 o'clock, and he would be there. I would show up the next day at 7:30, and he would be there. I'd show up the next day at 7:00 AM, and he would be there. I'm like, this isn't going to work out. This is like-- so I wasn't able to do it until a couple of months later, a group of us had collected in the parking lot at 5:00 AM to go to a golf outing. And get there 5:00 AM, his car isn't there. However, upon pulling out, he was pulling in. So that was the one time I was able to do that. But again, that was an opportunity, aside from getting in early or not, strong work ethic, always put the client first, always there for questions. Feedback was critical as well. I think always seeking feedback from individuals is important. And then, of course, I was very lucky to grow up with the parents that I had, both of whom were deceased. But they really instilled in me this idea of there's so much out there, it's up to you to go get it, and do the right thing, and treat people the right way. Yeah, it's been very much a part of my career.

Kiera Liesinger: Of course. What advice would you have for young professionals looking to seek out a mentor or ask someone to be their mentor?

Chris Cesare: When I've talked to young individuals or students, I always try to encourage individuals to ask. I've noticed this occurs both in networking and in mentoring, a significant resistance for the individual to reach out and ask. Just being willing to ask, for example, I see all the great things that you do here. I'd love the opportunity to chat about what you do and the role that you have, and then just try and let that build naturally. And then networking, I think it's pretty straightforward. And I could think back to when I would go to conferences and stuff early on in my career, and I'd be a little bit hesitant to ask or to-- but what I've realized is people love talking about themselves. People love to help. And just having that nerve to ask that person to be a mentor or to network with them is, once you get over that, you'll find that it's open seas.

Kiera Liesinger: Thank you so much. That's great advice.

Chris Cesare: Chris, thank you so much for coming down to Philadelphia, having this conversation with us. We greatly enjoyed it. It's nice to have another teacher on the desk. I'm usually with allocators and other professionals, a lot of consultants. So, it's great to have you here. Kiera, thank you so much for arranging this wonderful interview. One of my favorites that I've had so far. We wish you the best of luck as you go into your senior year at the University of Connecticut. On the swim and dive team as well, so we wish you the best of luck during the season. And I want to thank you personally for being part of our business this summer. So, thank you.

Kiera Liesinger: Thank you, Rob, for the opportunity.

Robert Morier: If you want to learn more about Chris and what he's up to in and out of the classroom, we encourage you to find him on LinkedIn. You can find this episode and past episodes on Spotify, Apple, or your favorite podcast platform. We're also on YouTube if you prefer to watch while you listen. And for more content, please visit us at our website at dakota.com. Chris, once again, thank you for being here. Kiera, thank you for joining me on the desk. And to our audience, thank you for investing your time with Dakota.

[THEME SONG] Don't say goodbye