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EPISODE 146:

Manager Research in Focus with CW Advisors



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 industry leaders to 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 our website at dakota.com. 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 supervised persons by Dakota.

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Well, I am very excited to introduce our next guest, Evan Butler, Investment Analyst, with CW Advisors, an SEC-registered investment management firm that develops innovative wealth solution for high-net-worth individuals, families, foundations, and endowments. It's not the first time you've heard CW's name. We've had their Chief Investment Officer, Jen DeSisto, on the show before. So we're very excited to introduce another member of the team to really fill out the due diligence process at the shop. Evan plays a key role in CW Advisors' alternative investment research and third-party manager due diligence efforts, helping clients navigate complex investment landscapes through thoughtful analysis and disciplined execution.

His work spans across private markets and traditional strategies, where he contributes to portfolio construction and the evaluation of differentiated managers. A graduate of Bryant University, Evan earned his degree in marketing in 2019 and began his career in client service and data analytics before moving into investment research. Prior to joining CW Advisors, he served as a Data Analyst at Anchor Capital Advisors, where he supported a discretionary portfolio model, lead manager research and contributed to firmwide reporting and strategic capital allocation. CW Advisors, formerly Congress Wealth Management, provides a fully integrated approach to wealth management, combining financial planning,

investment consulting, and specialty services to meet the unique needs of each client. Their collaborative process brings together seasoned professionals focused on protecting and growing assets through objective advice, innovative solutions, and a commitment to exceptional client service. Please join me in welcoming Evan Butler of CW Advisors. Evan, welcome to the show. Thank you for being here.

Evan Butler: It's great to be here, Rob. Thanks for having me on and looking forward to the conversation.

Robert Morier: Well, we're at a special venue. We're in Newport, Rhode Island. We're at the Havener Capital Conference. It's an interesting conference as well. It's like an accelerator where we're getting an opportunity to hear from emerging managers. How are you finding the conference so far?

Evan Butler: It's been awesome. It's very much like a Y Combinator, but for emerging managers. I was excited. It's not all just like large-cap growth managers. There's a very diverse set of managers here that are very, very interesting. And Havener does a really great job of preparing these managers to go out and meet with allocators like myself. So it's been great so far.

Robert Morier: Do you have to do conferences often, or is it something that you'll do a little less frequently? How do you approach the conference circuit?

Evan Butler: CW attends a lot of conferences, a lot of industry events. It's a great way for us to meet new managers that may not be on our radar. It's also a great opportunity for us to network with other colleagues in the wealth industry to share notes, hear what other folks are up to, learn some best practices.

Robert Morier: What makes a good conference from your perspective? So when you think about your role and responsibilities, you go into a conference, it's day one, what are you hoping to get out of it? What makes a good one?

Evan Butler: I was just at the CAIS Summit in LA. There's 1,200 advisors there, 25 managers. It's very chaotic. It's an awesome event, by the way. They do it up phenomenally. But I tend to prefer smaller, more intimate settings like this here at Havener where it's relaxed. I've got a chance to mingle.

Robert Morier: Thanks, Evan. That makes a lot of sense. I agree around the intimacy. I always had a lot of trouble with the bigger conferences. I think there's a lot of value in them, and I think some do it exceptionally well. But I tend to hide in my room during coffee hours. So I like the idea that you can go outside and be part of the environment here, as well as part of the conference.

Evan Butler: Yeah, and this has been a great conference because on day one, it's pretty small. Within first hour, I've already met everybody. And day 2, it's like, oh, I know all these people.

And it just makes for a better experience when I'm not meeting people for three days straight and having a nice small group that you get to know and by the end of the conference, walk away best friends with everybody. So I really enjoy the smaller settings.

Robert Morier: That's great. All right, so take me back. We're sitting in a college classroom at Bryant. You're studying marketing. What were you thinking about in terms of career at that point?

Evan Butler: In college, I took a lot of night classes. I was working at Schneider Electric for a couple of years while I was in school. I really liked taking night classes because those professors were not career academics. They had real 9-to-5 day jobs, and they were teaching night school because they wanted to. Really liked my marketing professors my freshman year and picked that as a major because I love building relationships. Building relationships has always been something that came easy to me. And at the time, I didn't quite feel like I had the confidence in my math skills to pursue finance. I've been buying stocks since a very young age, very interested in investments, but didn't quite have the confidence to pursue it in college. So I chose marketing, loved the psychology aspect of it, trying to influence decisions, loved the relationship aspect of sales and ultimately pursued that.

Robert Morier: With marketing, you went into data analytics though, so how did you make that jump? If you were sitting across from a student studying marketing today, who wants to do the same thing that you did, what type of advice would you give them?

Evan Butler: Every investment decision is usually backed by data. So understanding how to take a messy data set and clean it up so it's actionable and usable is an invaluable skill. And for students in the classroom today, it's never been easier to do that with all the tools that artificial intelligence is enabling students to get better insights. And I'm dating myself a little bit, but when I was in college, we didn't have any AI. My first few jobs, we didn't have any AI. So college students who can understand how to leverage artificial intelligence to walk away with more actual insights is an invaluable skill.

Robert Morier: So when you think about the job today, what does that look like in terms of your manager research framework? Could you take us through what idea generation looks like, so when you're sitting down with Jen, formulating ideas based on clients through the approved list? Even just some of the steps along the way would be very helpful.

Evan Butler: Sure, we source managers, and we generate ideas through multiple channels. I think we do a really great job of putting fabulous niche investments in front of clients. We met a manager at iConnections in Miami. And they operate in the power generation space. That was a thesis we have where everybody... this story is so played out. Everybody knows that data centers are exploding. We need power. We haven't invested in our grid. And so we knew we wanted to give clients exposure to that tide sea change. But we weren't quite sure how. But we met a manager, stayed connected with them for a number of years. And when the timing was right, we started diligence on them. But the way Jen and I really think about our curated list is simply giving accredited clients and qualified purchasers a menu option for every asset class to really allow advisors to build a bespoke portfolio for that client that, in our view, gives clients access to the best-in-class managers that maybe another advisor across the street isn't putting in front of clients.

Robert Morier: What does that collaboration look like between your team, you and Jen, and the advisors? How does that day to day operate?

Evan Butler: Jen is really setting our high-level idea generation. She's working with managers. She's sourcing managers. She's really doing a lot of the intro meetings and vetting managers that we want to pursue. As we go through diligence, she and I will underwrite the manager, take them through diligence, take them to the investment committee. We get a manager approved; we put them on the menu.

After we approve a manager on our platform, I'll train the advisors on how to use the manager, how the product fits into the portfolio. I'll often work with the advisors and get on calls with their clients to walk them through the investment, allow the clients to ask me nitty-gritty questions that maybe the advisor isn't quite comfortable handling on their own. So they'll bring me in as a subject matter expert on private investments. And oftentimes, just keeping it super high level, walking the client through our full menu of options. Or sometimes a client is interested in private credit, and I'm walking them through one or two private credit options, super in depth. And I'm answering all kinds of questions that the client may have. And really, my goal is to make them feel comfortable in what they're investing in. Oftentimes, I'll meet with a client two or three times, really enjoy getting to know clients. It goes back to my background of building relationships. That's really one of the reasons I got into this business was to serve clients and marry that client service background with my passion for investments.

Robert Morier: I'm curious about that menu. How specialized does the menu get? So when you're thinking about it from an advisor's perspective, we have a client who's interested in private credit. But private credit, there are a lot of iterations of private credit. And you've talked about power generation at a conference. So clearly you are thinking more

bespoke. But how does that translate on the menu, the managers who are generalists in an asset class versus the specialists?

Evan Butler: For our accredited bucket, accredited investors with a million in investable assets outside of their primary residence, we have one large manager that we use, super low minimums. It's perpetually offered, very easy to talk about with clients. And then for our qualified purchasers, we tend to have more nichey managers that are really good at one thing, and they do it really well. And they've been doing it for a long time. And typically that may be a manager that somebody hasn't really heard of before because they're typically managing institutional money, and they're just now breaking into the wealth channel. And CW has the type of platform where managers want to get on. And CW can typically get an allocation to the type of institutional quality manager that a lot of other firms can't get access to. And that's something we take a lot of pride in.

Robert Morier: That's great. Do fund to funds have a place on that menu?

Evan Butler: We do have a fund to fund that we rolled out a few years ago. It's a venture fund to fund. It's a fairly small offering. It's a QP only fund. And it's really meant for a QP who wants to cut one reasonably small check and get diversification. Now, we do have on our roadmap building a CW fund to fund, so stay tuned for that. You may see a CW fund to fund at some point in the future. It's something we would love to offer to clients. We're sort of just figuring out the plumbing and some of the legal challenges around that. But CW does not have any outside fund to funds on our platform.

Robert Morier: And early-stage venture in venture capital is one area where we hear it a little bit more consistently, I should say, where there might be a fund-to-fund solution, particularly with those managers that are small by design and staying small by design so you get the diversification, but you're not swamping an allocation or a manager.

Evan Butler: For CW, part of the benefit of a fund to fund is making it multi-asset and really a spot for our clients to buy into our best ideas. And it makes it easier for the advisors where we don't need to allocate to single funds over and over again. We can make this easy for the clients, get them to buy into our program, and get them to buy into our best ideas fund and get them on a program where they're re-ing up every vintage and staying with the program as we continue to source institutional quality, niche investments that would really fit into a fund-to-fund model.

Robert Morier: How many new emails do you have in your inbox every day?

Evan Butler: Fine. My email is on the website, so I'm very accessible.

Robert Morier: Too accessible?

Evan Butler: I get probably 15 to 20 cold emails a day from managers I've never spoken to. I love this job. I love manager meetings, Rob, I wish I had time in the day to talk to everybody and give every manager a shot and selfishly continue to learn about different products, different strategies in the industry. I just don't have the time in the day considering my research and client calls and advisor trainings. So I try to be pretty defensive with my calendar, and I don't always get a chance to respond to every cold email from a manager.

Robert Morier: Is there something that stands out though? So you get all these emails. And it must be hard. And I understand that feeling, especially if you're someone who's just generally curious. You're curious. I've never heard of them before, and it's no secret that institutional managers are starting to call on RIAs and wealth managers who are allocating a bit more actively, let's say, arguably, to the traditional institutions. So how do you maintain the discipline? And then what do you look for maybe in those emails that stand out?

Evan Butler: I like an email when it's not just, hey, can we talk about my private credit strategy. I like getting a deck so I can figure out if taking a meeting will be worth my time. I like seeing a little bit of performance right off the bat just to get a feel, even though we don't necessarily hang our hat on performance, even though that's a massively important component. We're really driven by relationships, and we like partnering with managers that we know will be good long-term partners for our clients.

Robert Morier: As a marketing major, somebody who studied marketing for your undergraduate degree, it was interesting, a previous guest was talking about how one of their biases is storytelling. They get hooked on a good story. So how do you navigate through a good story versus a good strategy, and how do you balance that?

Evan Butler: You need both is the short answer. You need to have a good story or I'm not quite sure what you do or how you differentiate yourself versus someone with very similar performance. A good story is important, but if you don't have the performance number or the track record to back it up, it's sort of hard to move that through diligence and feel comfortable presenting that to our investment committee.

Robert Morier: What are some of the questions that you have found over the course of your years working with Jen that have yielded the most results? So more often than not, we're getting... asset managers, I should say, get lots of questions from manager research and due diligence professionals. There are some

consistencies around competitive edge and those types of questions. But for you and Jen personally, what are some of the questions that you find that really can capture, at times, the essence of what a manager is looking to do?

Evan Butler: Private credit has gotten very attractive the last couple of years. We all that. It seems like everyone's coming out with a private credit strategy. Private equity firms think they're good at private equity, and maybe they are. And then they think let's also add a credit strategy. Something I learned from Jen that we always ask is, what is your history with a workout? It's great to have the ability to raise capital and deploy it, but have you ever had to work out a non-performing loan? What's your experience with foreclosures? And having experience working out non-performing loans is probably the most important question to ask a credit manager. And Jen just has a wealth of knowledge through her vast experience. I learn something new every day working with her.

Robert Morier: How do you learn about a firm's culture?

Evan Butler: Asking about culture is important especially in the private space. You're going to be in bed with these managers for a long time, so you need to be comfortable with the firm, with the people, especially the people. We ask managers what their comp structures are for their investment folks. Something that's really important to us is a read on their ability to service clients. We get a lot of questions from advisors. We get a lot of questions from clients. I don't have all the answers. I can't get all the answers from their DDQ or their deck. So it's really important for us to work with managers that we feel comfortable will be able to service our clients and be there for us when questions come up from clients and advisors. We need to feel comfortable that our relationship is valued. And our best relationships are with managers that have a strong culture of client service.

Robert Morier: So when you think about your role in due diligence, what do you think are some of the more underappreciated aspects of the role?

Evan Butler: In a due diligence role, one of the most important jobs is picking investments that will not blow up and ruin an adviser's reputation with that client or our firm's reputation with that client. Looking at track record and experience is really underappreciated. We had a client who came to us over the summer looking to do a crypto fund with very little track record and very little experience. And we told the client we weren't comfortable putting our name on this, and we sourced them an option that we felt very comfortable with, that we've worked with in the past. And one of the proudest moments of my career was getting an email from that client a few months later saying their first fund went down 80%, blew up in the firm, closed their doors. Thank you so much for not letting me invest in their next vintage. That's what's really important is to help clients make informed decisions.

Clients don't always what they want. They think what they want, but they don't always what they want. And sometimes bringing that institutional due diligence is an invaluable resource for clients.

Robert Morier: Yeah, I agree. I think about the due diligence role a lot. I teach it at Drexel University. I don't teach it personally. I bring in experts who do it. And consistently what I hear is that art of distilling all of that information that's coming to your clients. It's coming to you as well. But you're listening to asset managers distill a lot of complicated information, a lot of complex ideas into a portfolio. And then your clients are receiving all of this information about crypto, and AI, and the Mag Seven, and the next credit crisis, and let alone that the government's not currently operating. And they have to distill it. So I think what happens more often than not is your role really becomes this kind of distilling agent. You're looking at all of this information and deciding what to present and then probably as importantly what to say no to. How do you say no?

Evan Butler: I'm such a curious person that most investments look very interesting to me. And I always go back to how experienced the manager is in that given asset class, how comfortable I am with that manager showing up to their clients. What's the vibe I get in an in-person meeting? And all of these little details come together. And usually, it becomes very obvious to us rather quickly if this is a manager that we could see ourselves working with. Now, that doesn't mean that we meet somebody, we like them, we feel comfortable with them, we immediately put them through diligence. Quite the opposite. We do a lot of management meetings. And when we meet somebody, we like somebody, we'll often keep the conversation going. And we may circle back and follow up and bring them through diligence. Or we may just like somebody and want to keep tabs on them and check in every quarter and just keep that relationship developing.

Robert Morier: What's it like working with Jen DeSisto? So we've had her on the show twice. I've known her for a long time, so I am very biased. But that being said, I guess what I'm trying to ask is when you think about being earlier in your career, working with someone much more experienced, I think something that gets lost in the industry often is that it's like an apprenticeship. There's no book, guidebook. You're learning from someone. What's that working with Jen?

Evan Butler: Jen's awesome. She is insanely experienced. She has a extremely deep network and is super well connected. Jen hired me to help her with diligence and getting advisors comfortable with private investments. She also really believes in mentorship. And that's been an invaluable gift to me is her mentorship. I learn so much from her on a day-to-day basis. One thing I've learned from Jen is she's very busy, so she needs somebody on her team that understands how she thinks and can make her life easier and proxy for her when needed and not need to get her stamp of approval on every little decision and accept the trust that she's given me

to be on her team and make decisions and execute quickly and confidently. Jen makes a lot of decisions every day. And Jen replies over email very fast. She's able to make disciplined and thoughtful decisions very quickly. And so because she executes so fast, she gets a lot done every day. And that's something I've learned from her is to act very quickly but also thoughtfully. And that's easier said than done. It takes a lot of practice, but that's probably one of the most important things I've learned through her mentorship.

Robert Morier: How did you find the job at Anchor?

Evan Butler: I got the job at Anchor through a recruiter, Nick Cabral. He was at Boston Investment Staffing at the time. He's now at Landing Point. But that was one of my first finance jobs. And I was really impressed with Anchor. I'm sort of a value-minded person. And so there's a lot of alignment there. The culture at Anchor was really impressive. I really liked the people there. I liked the story. I liked the heritage. And when I got the job there, I initially started in a reporting job, striking our AUM every month, every quarter, figuring out inflows and outflows at all the different platforms we were on. Break it up by asset class. Make it digestible for our CFO and our board. And I did that for a couple of years. And as you may know, Anchor is a value-picking SMA manager. Jen ran the all cap and the balanced estimator there but also built out the multi-manager strategy there. And we ran a couple hundred million dollars in that. And eventually, I had the opportunity to be her analyst on that strategy. And that was really my first taste into major research. And I immediately fell in love with the role.

Robert Morier: So is it manager research 24 hours a day? What do you do at the end of the day to shut down?

Evan Butler: I don't shut down, Rob.

Robert Morier: No.

Evan Butler: No, no because I love this so much. When I'm not working at CW Advisors 9 to 5, I'm online. I'm reading about investments. I'm reading about credit. I'm reading about private equity. I'm reading about venture and infrastructure in public markets. I'm reading about currency. I'm on Bloomberg, I'm reading The Wall Street Journal, I'm reading the Financial Times. That's really what I do, like nearly 24/7. And that's why this role is such a good fit for me because knowing what's going on in the world is a really underappreciated skill set in manager research. Being a generalist analyst, I talk to managers in every asset class every day. So I need to have an understanding of how the world works. And I need to understand what's going on in every asset class across the world 24/7. So that's what I really do for fun is I'm really reading and trying to digest information and see what's going on in the world.

Robert Morier: So to my students who are in the classroom, they're trying to figure out what to do next, they're going to listen to this podcast because they're required to, it's part of the curriculum, what advice would you give them sitting in the classroom today? In addition to what I think is excellent advice, really understanding the world around them beyond the specifics of what they're learning in the classroom, what other advice would you give them as they're going out into the world?

Evan Butler: I'll give you two pieces. This was some advice a professor gave me in college, and he said, read The Wall Street Journal every day, even if you're just skimming. But subscribe to The Journal. Know what's going on in the world. Read a couple articles. Get used to doing that every day because that's what investment professionals do. And then networking is such an underappreciated skill. I don't have the most target institutional background. I'm really good at my job, but somebody wouldn't necessarily look at my resume and say, this is a picture-perfect investment analyst. But I've gotten to where I am through a deep network of relationships that I am really proud of for curating over my career. And it's really important to have the confidence to put yourself out there and really flex that networking muscle. And don't be afraid to reach out to more senior experienced folks with deep networks that likely got to where they are through networking and mentorship. And a lot of folks like myself, like Jen, like a lot of other successful people I know want to give back to younger folks entering the industry. And many of us are really excited to do that.

Robert Morier: Evan, thank you so much for being here. Thank you for answering our questions. We wish you nothing but continued success. We have no doubt that you'll continue to have it. So thank you for being here today.

Evan Butler: Thank you for the invite, Rob. This was really great. Really enjoyed the conversation.

Robert Morier: If you'd like to learn more about Evan and CW Advisors, please visit their website at cwadvisorsgroup.com. You can find this episode and past episodes on [Spotify](#), [Apple](#), or your favorite podcast platform. We're also available on [YouTube](#) if you prefer to watch while you listen. And for more content, please visit our website at www.dakota.com Evan, thank you again for being here. And to our audience, thank you for investing your time with Dakota.