



Research
Education
Dialogue

Coping with COVID-19

How Work Is Evolving for Investment Managers
3rd Edition – March 2021

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Executive Summary

Survey Overview

Following our 2nd edition of the *Coping with COVID-19* survey published in September, Callan once again reached out to investment managers to assess any changes firms are making to business protocol. In this 3rd edition, Callan surveyed 88 investment managers regarding how their firms are handling office closures and reopenings, work-from-home approaches, business travel, and meetings. Additional questions on live events and vaccinations were included in this latest edition. Respondents varied by location, employee size, assets under management, and ownership structure. The purpose of the survey is to better understand how investment managers are navigating the pandemic as both Callan and the investment industry would benefit from learning what actions and policies firms are implementing in these uncertain and frequently changing times. Survey responses are as of March 1, 2021.

Key Findings

- Offices remained closed for 82% of the respondents, approximately the same as the 2nd edition conducted in August (81%) and down from 84% in our first survey published in June.
- 48% of respondents had a specified reopening date, down from 56% in August.
- 49% of respondents conducted all of their meetings via video conference call; Zoom was the most widely used platform.
- 21% of respondents said they would send representatives to live events in 2021. In contrast, only 3% of managers that host live events plan to do so in 2021.
- 34% of respondents made changes to their employee benefits package in direct response to the pandemic.
- Only 3% of firms said they require vaccinations for those returning to the office in the near future.

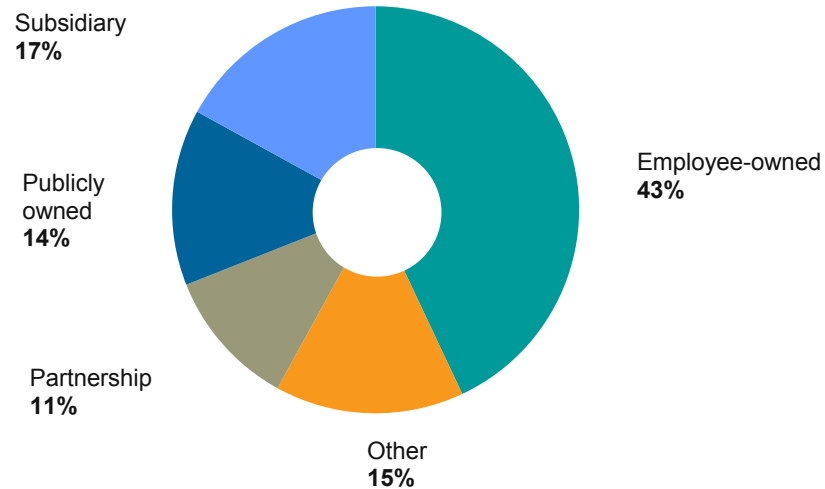
Respondent Demographics

88 investment managers responded to the survey.

43% were employee-owned, representing the largest percentage of respondents.

30% were “medium-sized” with \$50 billion to \$300 billion* in assets under management—the largest share of respondents by AUM.

Respondents by Ownership Structure



Respondents by AUM



*As of most recent quarter available

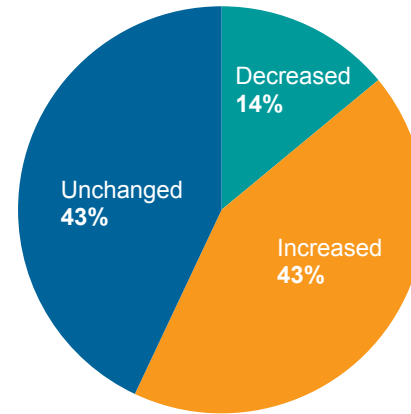
Meeting Frequency and Format

Number of Meetings Compared to One Year Ago

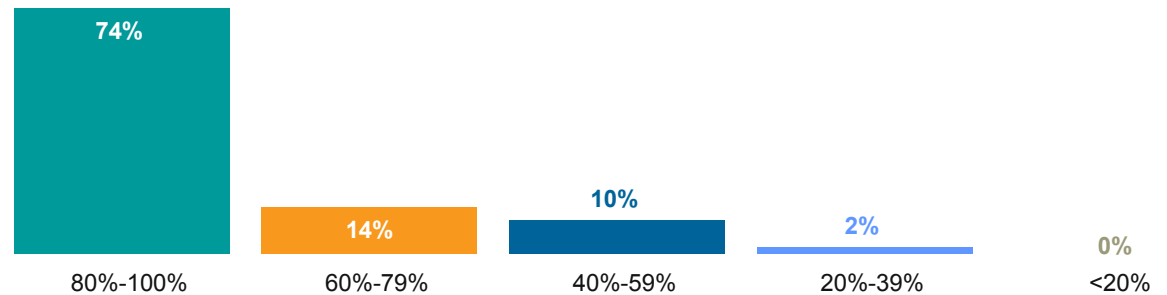
86% of respondents said the number of meetings they had either increased or stayed the same compared to 12 months before, up from 74% in August.

49% of respondents conducted 100% of interactions with clients and consultants via video conference call in February.

74% of firms conducted at least 80% of their interactions via video conference call versus 58% in August.



Percent of Meetings with Clients/Consultants via Video



Virtual Communications

51% of respondents' primary platform choice was Zoom. Zoom was also the most popular secondary choice of respondents that used an alternative platform as their primary.

16% of respondents that chose a primary platform used a secondary and/or tertiary platform as well. This is down from 21% in August 2020.

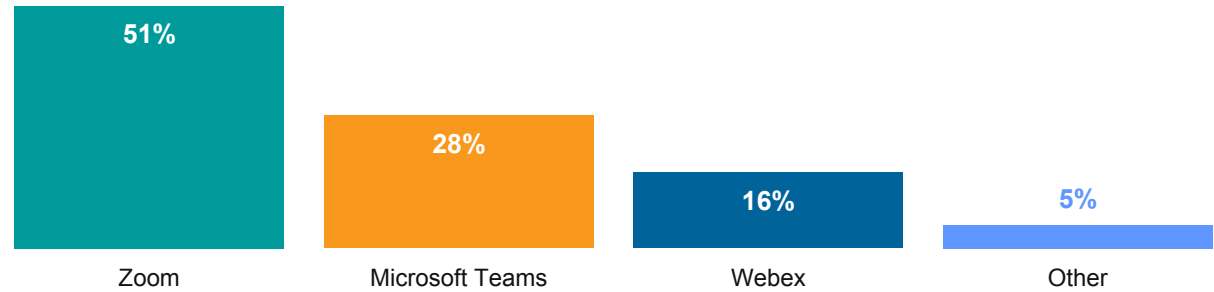
62% of smaller firms (<\$15 bn AUM) chose Zoom as their primary platform for virtual communication. This is up from 54% in August 2020.

Almost half the respondents provided employee training in an effort to make virtual presentations more successful.

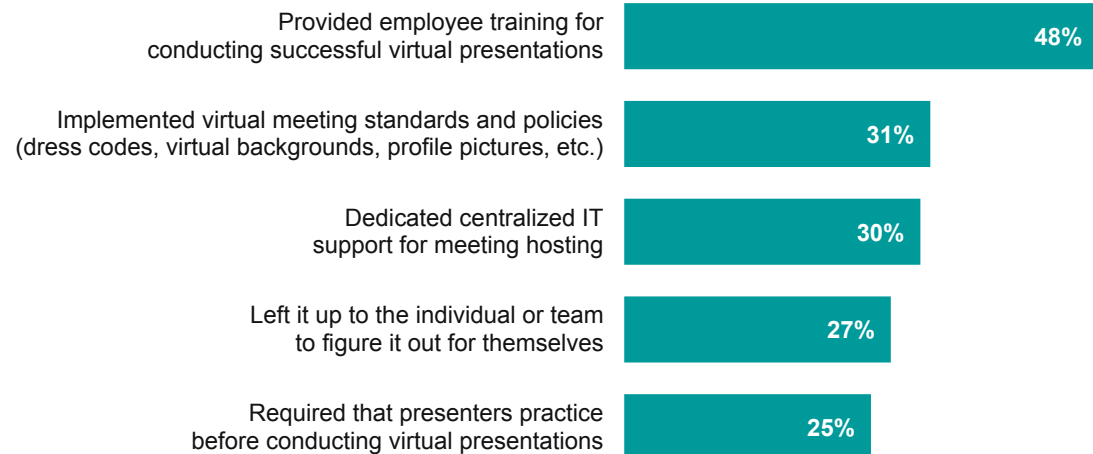
Respondent Perspective

"The firm periodically offers an online workshop, dedicated to equipping employees with tools for facilitating success online."

Primary Platform Used for Virtual Communication



Steps Taken to Improve Virtual Presentation and Meeting Quality*



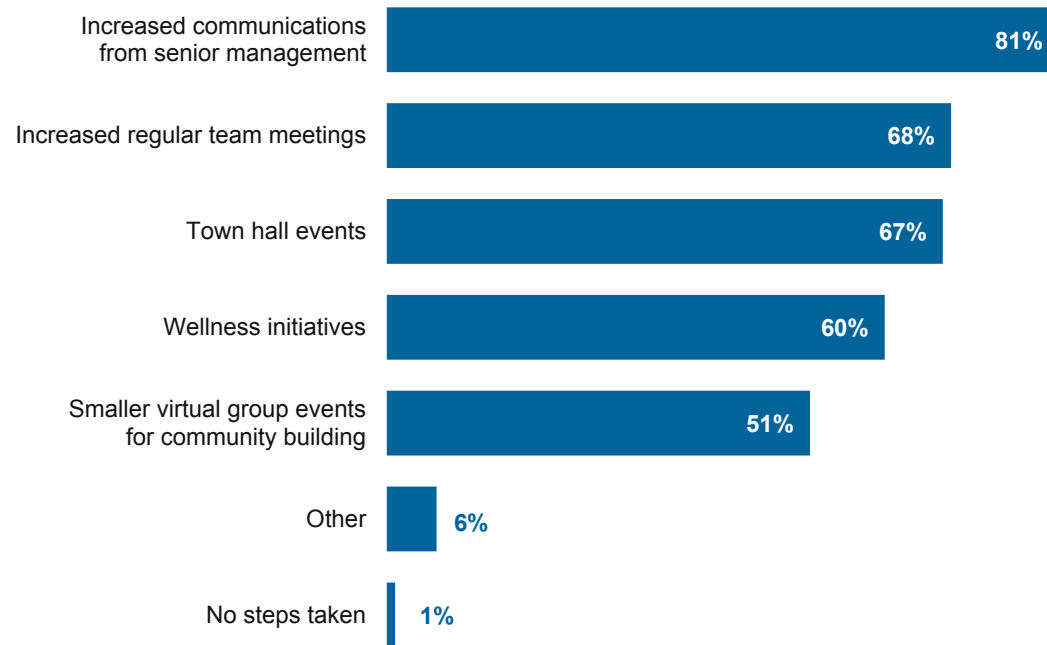
*Multiple responses allowed

Internal Communications

81% of respondents increased the amount of communication from senior management compared to before the pandemic and subsequent quarantine in an effort to enhance employee engagement while offices are closed.

82% of larger firms (>\$300 bn AUM) instituted wellness initiatives, more than twice the rate of their smaller counterparts (32%).

Steps Taken to Enhance Employee Engagement*



Respondent Perspective

'Other' steps taken

"Gift bags and gift cards distributed to employees on an ad hoc basis to show we are thinking of them."

*Multiple responses allowed

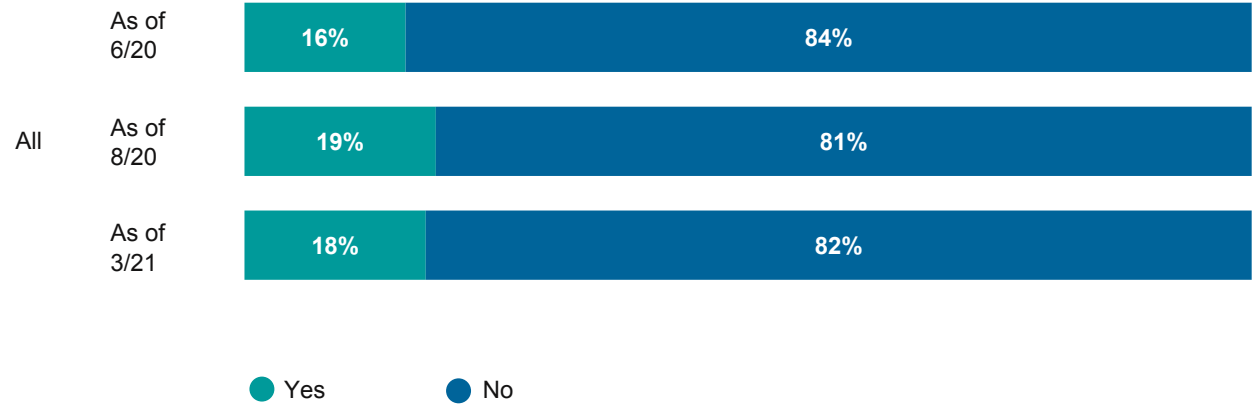
Office Closures

82% reported offices remained closed, approximately the same as the 2nd edition conducted in August (81%) and down from 84% in our first survey published in June.

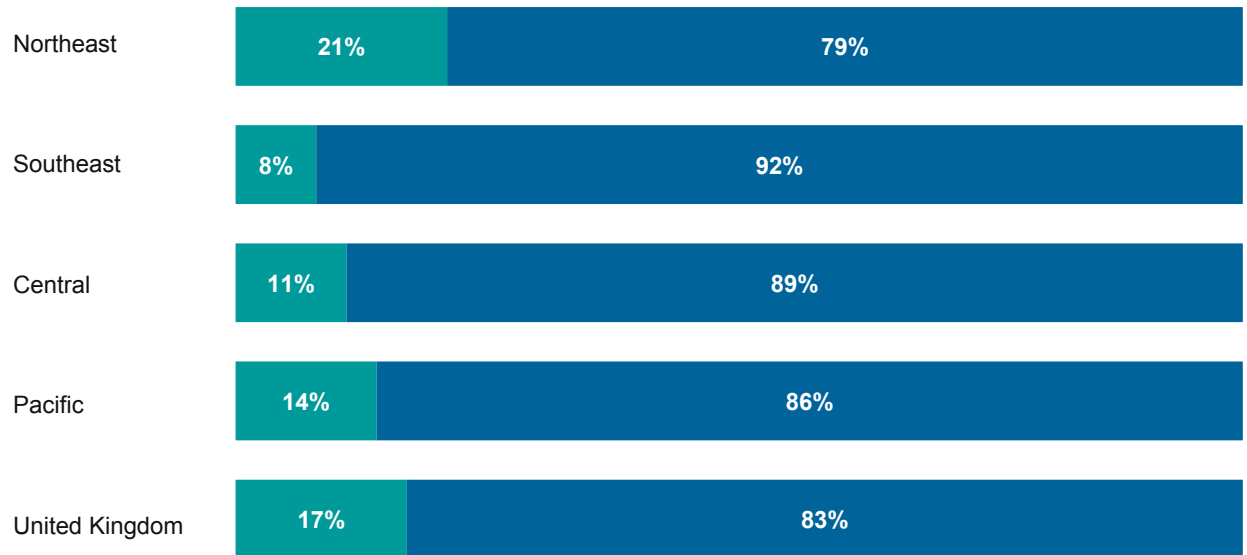
Managers whose primary office is located in the Northeast region of the U.S. surprisingly had the highest percentage of offices currently open (21%), compared to 12% in August. In stark contrast, their Southeast counterparts had the lowest percentage of offices open (8%), down from 38% in August.

Offices remained open for the greatest percentage of mid-sized firms (17%) with \$50 bn to \$300 bn in assets. This is down from 30% in August.

Are Your Offices Open?



By Region, as of 3/21



* Only one manager represented the Mountain region and its offices are currently closed.

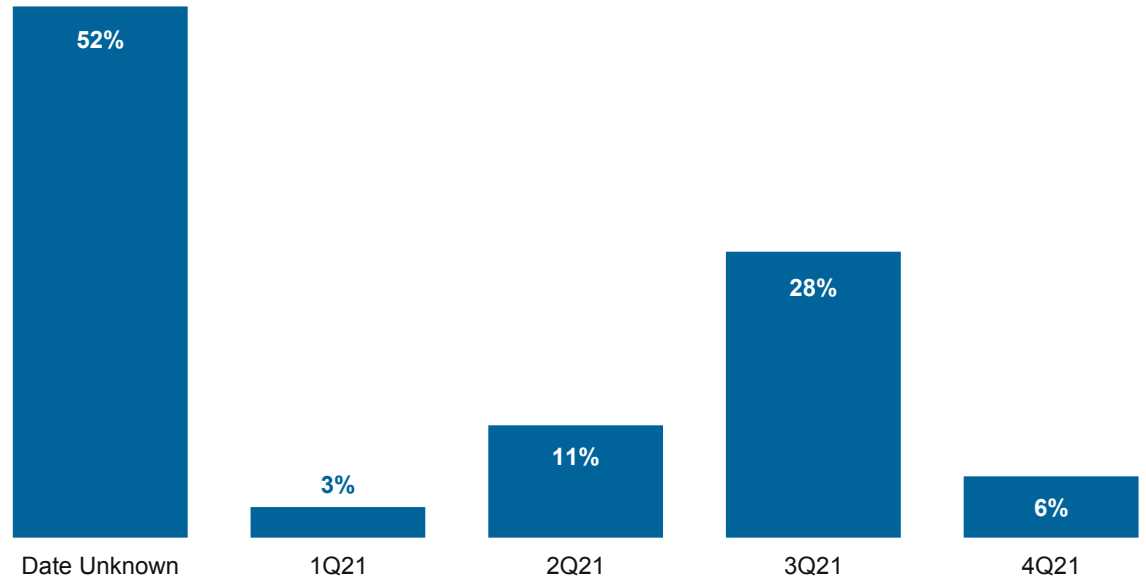
Projected Office Reopenings

52% of respondents were uncertain as to the timing of their office reopening while 48% had a specified reopening target. 22% of respondents expected to reopen offices by this coming summer (June, July, or August).

44% of small firms (<\$15 bn) that gave an estimated date of reopening expect this to happen in July 2021.

35% of respondents located in the Northeast that gave an estimated date of reopening were planning on doing so in September 2021.

Target Date for Office Reopening



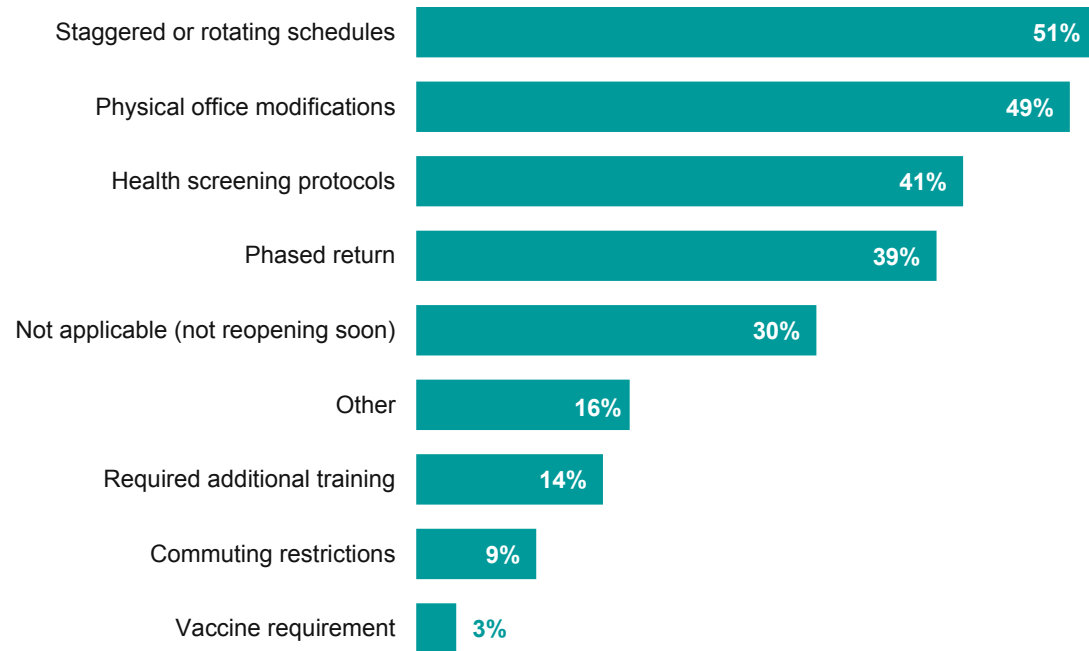
In-Office Policies

61% of respondents said they planned a staggered or rotating schedule.

71% of large respondents whose offices are open or opening soon made physical office modifications, such as installing screens, reorganizing floor plans, or adding floor stickers.

Only 3% of respondents said that vaccination would be a requirement for employees returning to the office, citing the need for more time and information before setting such a policy.

Policies Employed in Open Offices or Those Opening Soon*



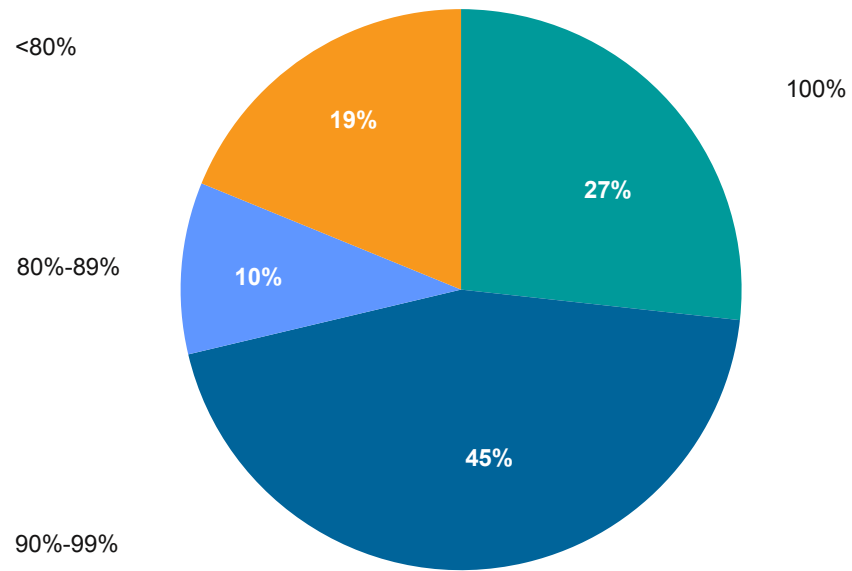
*Multiple responses allowed

Remote Work Policies

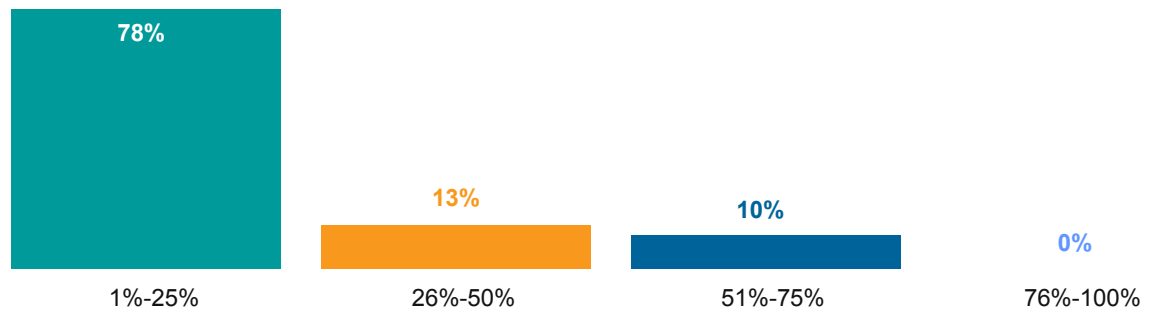
72% of those surveyed said that a minimum of 90% of employees were working from home. Only 8% of respondents said that half or less of their employees were currently working remotely.

78% of managers expect that 25% or less of their workforce will permanently work from home. This is unchanged as compared to results collected in August 2020.

Percent of Employees Working Remotely



Percent of Employees Expected to Permanently Work Remotely



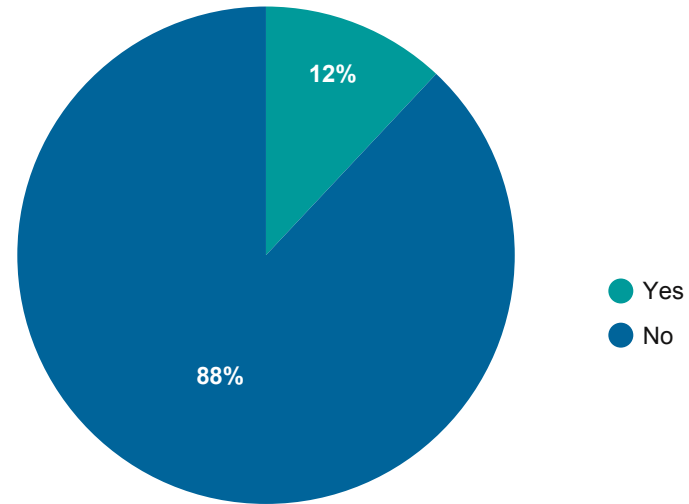
Visitor Guidelines

Are Visitors Permitted into Your Offices?

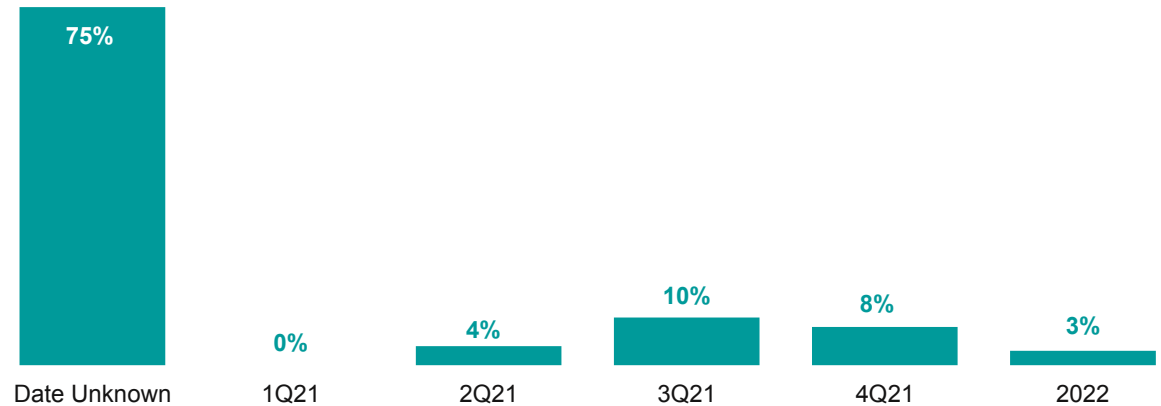
88% of respondents continued to ban outside visitors, down from 93% in August and 97% in the June publication. 100% of managers located in the Pacific region were not allowing outside visitors to their offices. This was the only region with a 100% rate, the same as seen in August.

42% of respondents that gave a specific date for allowing outside visitors to their offices expected this to take place in 4Q21 or beyond (2022).

0% of respondents said they would require outside visitors to be vaccinated for COVID-19.



When Respondents Anticipate Office Visitors Will Be Permitted



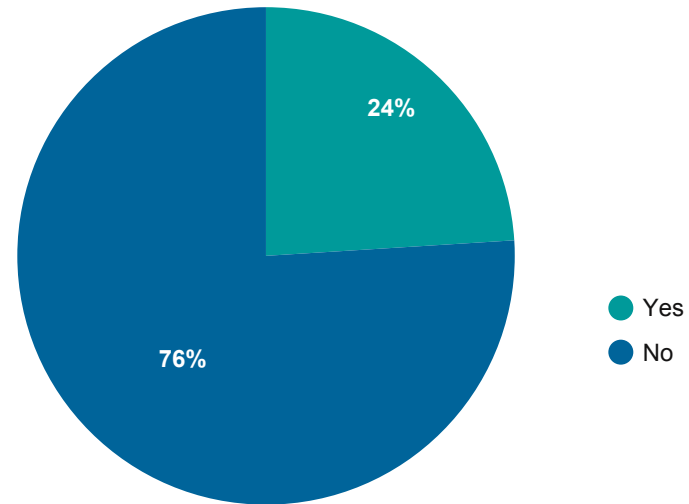
Business Travel Resumption

Is Business Travel Permitted?

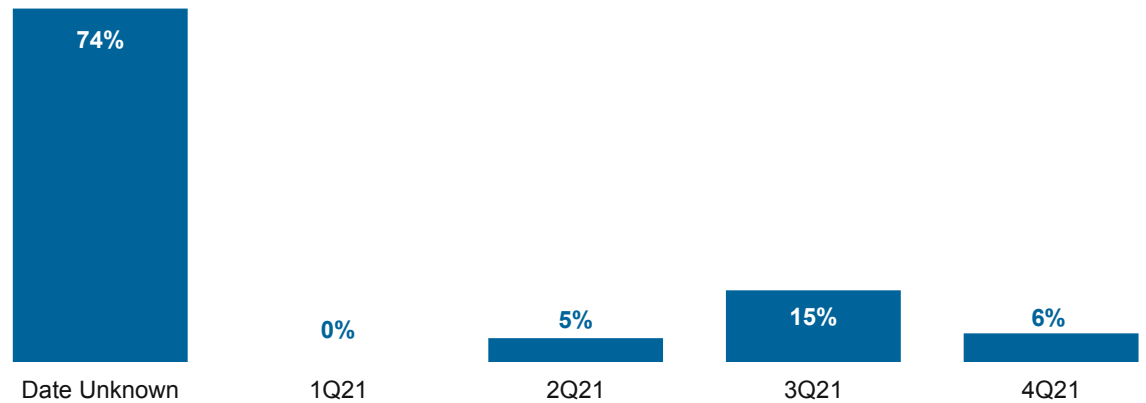
24% of firms allowed business travel in the March survey, more than doubling from the 10% reported in August.

50% of respondents in the Central region allowed business travel, the highest percentage of any region. In comparison, the highest percentage allowing business travel in August was 15% (Southeast).

74% of respondents could not provide an anticipated date for resumption of travel.



When Respondents Predict Business Travel Will Resume



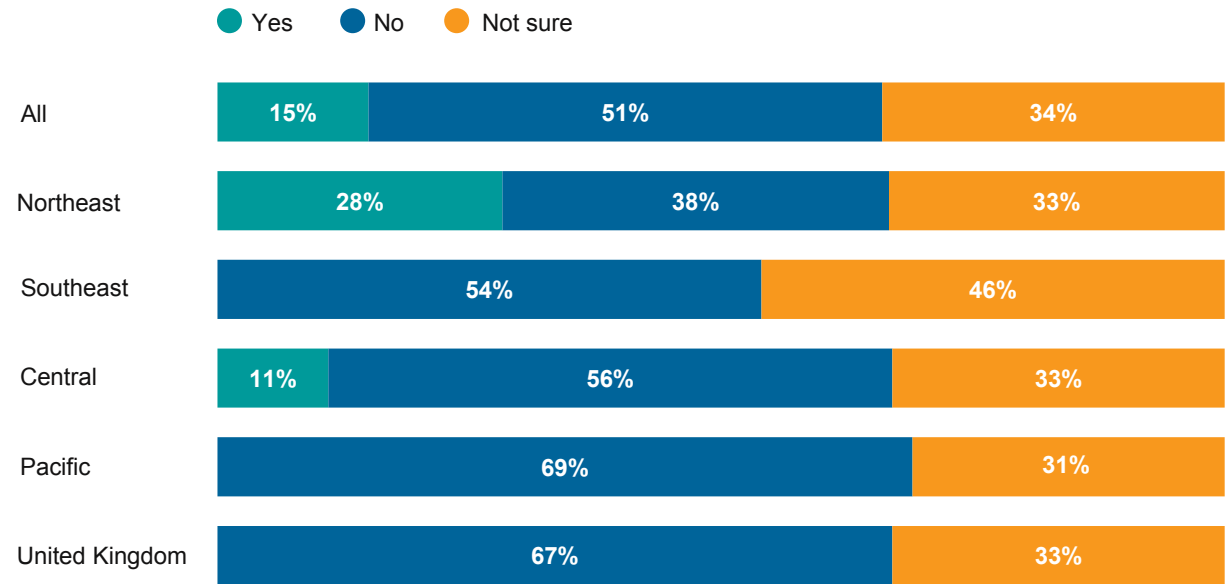
Office Space

64% of managers that expected to reduce their office footprint planned to do so by 11%-25%.

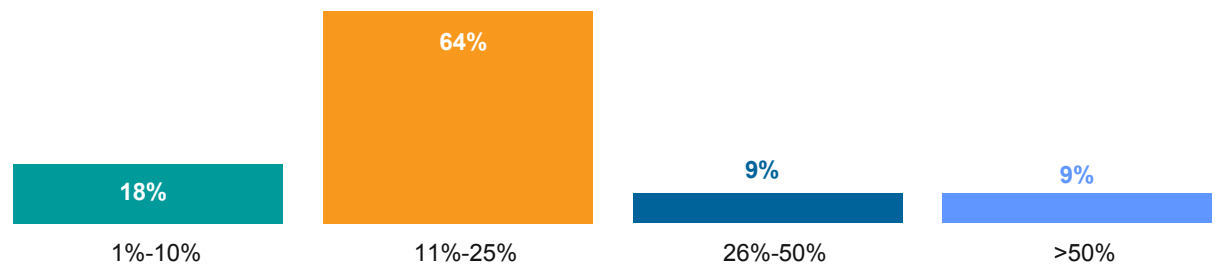
28% of managers in the Northeast region expected to decrease their office footprint, the highest in any region.

85% of managers had no plans or weren't sure if there were future plans to reduce their office footprint.

Do You Plan on Decreasing Your Office Space Footprint?



Percent of Anticipated Office Space Reduction



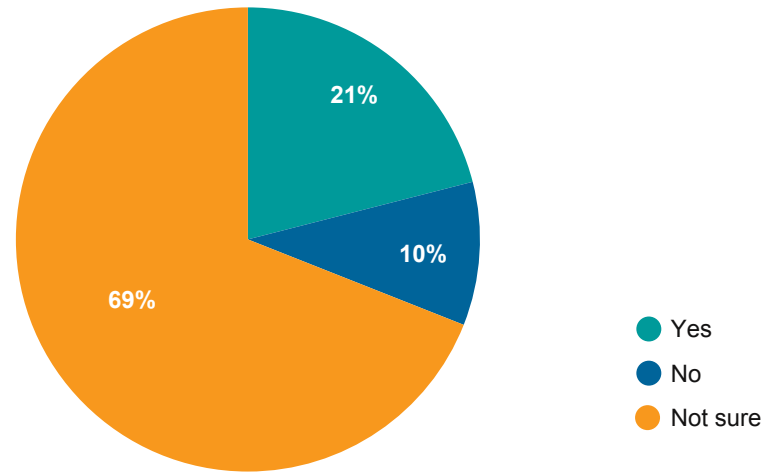
* Only one manager represented the Mountain region and it does not plan on decreasing its office footprint.

In-Person Events

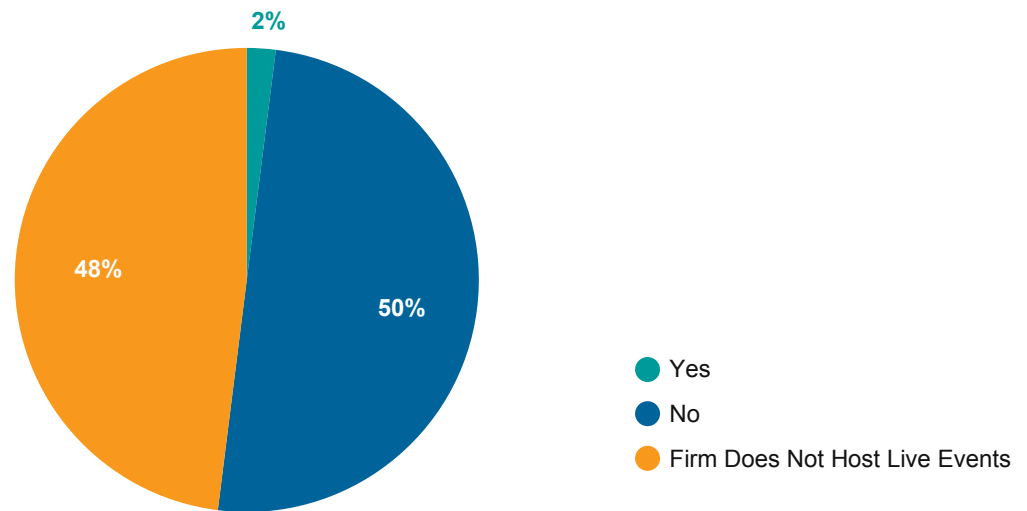
Will Your Firm Send Representatives to In-Person (Live) Events in 2021?

79% of respondents will not send or weren't sure if they would send representatives to in-person (live) events in 2021.

96% of respondents that host large-scale events will not host any such events this year.



Will Your Firm Host Large-Scale Live Events in 2021?



Benefits Packages

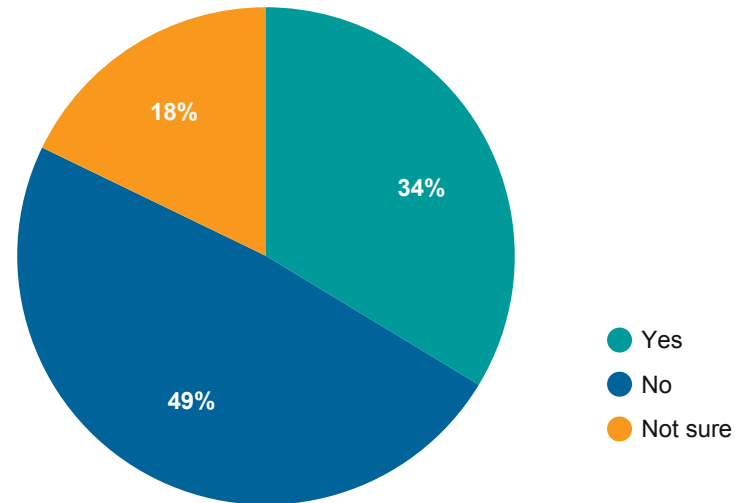
More than one-third of manager respondents made changes to employee benefits packages as a direct response to the pandemic.

Almost half of manager respondent firms did not make any changes to employee benefits packages as a direct response to the pandemic.

Respondent Perspective

“The following additions have been made to employee benefits packages: COVID-days (a certain number of extra vacation days to be taken during this work-from-home period); enhanced back up caregiving benefits; employee stipends to purchase home office equipment; enhanced telehealth and virtual counseling; enhanced wellness offerings such as virtual yoga and firm-sponsored access to Calm.com.”

Have Changes Been Made to Employee Benefits Packages as a Direct Response to the Pandemic?*



* Total does not equal 100% due to rounding

About the Authors



Gregory C. Allen, chief executive officer and chief research officer, oversees the firm's fund sponsor consulting, trust advisory, database, client report services, operations, and all research and education groups, including the Callan Institute.

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About Callan

Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional clients with creative, customized investment solutions that are backed by proprietary research, exclusive data, and ongoing education. Today, Callan advises on more than \$2 trillion in total fund sponsor assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisors, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit www.callan.com.

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The Callan Institute, established in 1980, is a source of continuing education for those in the institutional investment community. The Institute conducts conferences and workshops and provides published research, surveys and newsletters. The Institute strives to present the most timely and relevant research and education available so our clients and our associates stay abreast of important trends in the investments industry.

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