



Investnet Institute

On Campus



Annual Report 2017

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Our Mission

Investnet Institute On Campus (EIOC) is a program designed to develop a collaborative relationship between academia and industry-leading firms in the wealth and asset management space. Its purpose is to provide a mechanism by which motivated students are offered a training regimen specifically designed to bridge the gap between the knowledge presented in academia and the application of this knowledge in the world of wealth and asset management. Additionally, the program aims to create an ecosystem in which industry hiring managers are able to identify potential employees who are well qualified for a career in the financial services industry.

A Letter from the Program Director



Dear Friends,

We are pleased to present our first Annual Report of Envestnet Institute On Campus (EIOC). The program has made very strong progress to date. Since inception in the Spring of 2015, we have been taking aim at the well-documented problem of the talent gap in the asset and wealth management industry. Many financial services companies are struggling to attract and retain top talent, hindering their growth potential. In fact, 70% of financial services CEOs see the limited availability of skills as a real threat to growth, according to a recent PwC study¹. Our intent in preparing this report is to present statistics and clear measurements of our success as the industry attempts to address this issue. Resolution of this problem will require a collective coordinated effort from industry participants and sponsors.

What I see as the future drivers of success in securing the best and brightest young employees for our industry as we move forward include having CEOs and human resource executives in our industry learning about and communicating the effectiveness of the program. A graduate of EIOC provides a workforce-ready candidate that reduces the cost of onboarding. Webinars are scheduled for early 2018 to increase awareness of our program in the industry.

The asset and wealth management industry must harness our collective resources to make a major impact in solving the talent gap issue. We continue to see silos of initiatives with minor measurable impact. We believe collaboration backed by measurable results will lead to success.

Following is a brief summary of last year's achievements:

One of the highlights of the year, EIOC was the recipient of the 2017 Money Management Institute/Barron's Industry Doing Good Award.

This award was presented to the program that supports a deserving cause or gives back to the industry we serve.

We have found that the no-cost-to-the-student-or-university model has proven to be the most effective way to have structured the EIOC initiative and the program continues to build acceptance at the college and university level. Two of our 23 universities have given the students one credit for completion. Two university professors have made the course mandatory.

Many investment club presidents have invited us on campus for speaking engagements and have managed all logistics around our visits. This has proven to be a key driver of success for the on-campus visits, whereby designated students are responsible for marketing and administrating EIOC.

We are now seeing the benefits of our Women In Wealth Management initiative with Fiserv, as reflected in the 34% women participation rate. This is a statistic of which we are particularly proud and will work to increase in future semesters.

Looking forward, in 2018, EIOC will obtain nonprofit status, allowing us to seek grants and other resources to achieve our objectives. Additionally, EIOC will continue to seek the support of major sponsors, such as Fiserv, who currently contribute both financially and with personnel resources.

Sincerely,

Jim Seuffert
Managing Director, Envestnet

¹ 19th Annual Global CEO Survey: Key Talent Findings in the Financial Services Industry. PwC, 2016

The Challenge Facing Our Industry

Industry Statistics

- + A Deloitte survey, “Talent Edge 2020: Blueprints for the New Normal,” found that nearly half of surveyed financial services executives say that competition for global talent continues to be their most pressing concern.
- + According to a Cerulli 2014 and a Pershing 2013 study, there are roughly 285,000 wealth advisors in the United States; fewer than 6% are under 30 years old. Additionally, 45% of advisors in the industry are over 55 years of age.
- + While 95% of students have heard of financial advisors, only 7% are actually interested in pursuing it as a career, according to a 2014 Cerulli study and a 2014 Advisors Ahead LLC study.
- + Women represent over half the population but only 26% of the financial services industry, according to a November 2014 study from the Bureau of Labor Statistics.
- + Minorities, including African Americans, Hispanics and Asian Americans make up only 8% of financial services employees according to a 2014 Securities Industry and Financial Markets Association report.

Addressing the Issues:

- + EIOC just completed its sixth semester since its inception in Spring 2015. **More than 1,100 students have completed the program.** Our objective is to train more than 6,000 students by year-end 2021.
- + **The rate of completion since inception is 77%.** Student feedback shows graduates enjoy the multiple learning styles available in the program, inclusive of class notes, ability to retake a test, glossary of terms, and highlighted terms and definitions.
- + **Starting with four schools in 2015, the program has grown to 23 participating schools as of the Fall 2017 semester.** University and college growth remains steady, with a goal of adding 10 to 12 new schools per year. We are currently targeting opportunities in the Midwest, Southeast, and West for greater geographic diversity, as well as universities with diverse student populations.
- + Fiserv joined us as our first partner and is the driving force behind our **Women in Wealth Management Initiative.**
- + **EIOC has begun providing job and internship placements** throughout its partnership with DAKdirect in November of 2016.
- + Firms in our industry will begin to practice intentional hiring for the next generation of industry talent. EIOC will have the largest pool of talent available that the industry has ever had.
- + The independent RIA market has an opportunity to utilize EIOC for its current and future diversified employee base. Our pool of candidates will allow them to meet the challenge of finding the next generation of personnel.

Strategic Goals

Target Goals Through Year-End 2021:

- + Have 70% of graduates enter the industry. **Since inception, 74% of EIOC graduates have entered the industry.**
- + Have 20% direct placements of EIOC graduates into full-time employment. To date, **EIOC/DAK has been directly responsible for 3% of graduate placements.** DAK became an EIOC partner in November 2016.
- + To directly place 20% of undergraduates who have earned EIOC certificates in industry internships. To date, **EIOC/DAK has been directly responsible for placing 3% of graduates in industry internships.**
- + Have 40% women participants. **Currently, 34% of EIOC participants are women.**
- + Have 40% minority participants. **Currently, 32% of EIOC participants are minorities.**
- + Have 6,000 students complete the program. **We are currently on track to reach this goal.**
- + Have 50 participating colleges and universities. **At the current rate of growth, we are on track to meet this goal.**



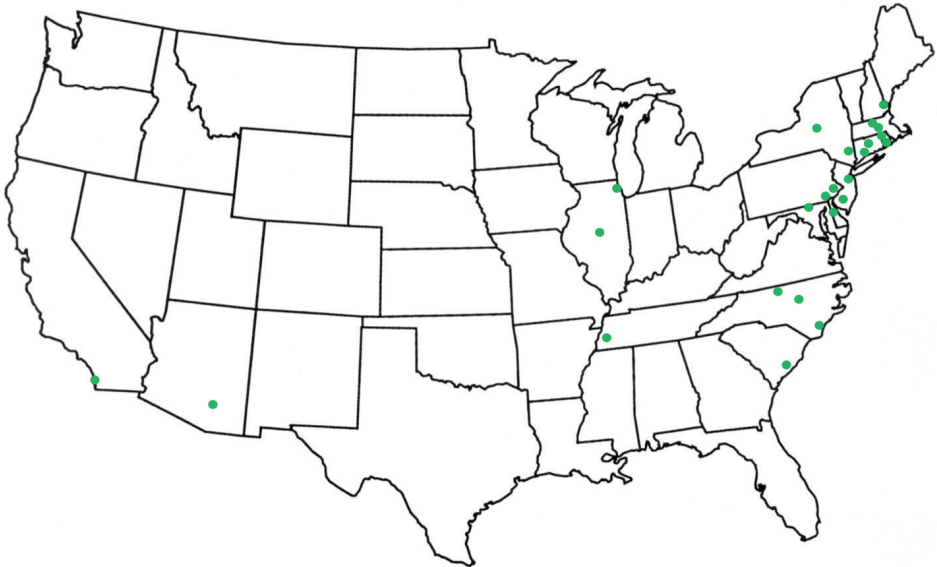
“We need young talent, we need greater diversity, and we need better understanding about how the world is changing and the speed at which it’s changing.”

— Bill Crager, President, Envestnet

Current Metrics of Investnet Institute On Campus

Overall Program and Employment

As of 2017, EIOC has 23 universities across the country participating in the program.



List of Participating Universities

(as of 2017)

- + Bryant University
- + Colgate University
- + College of Charleston
- + Elon University
- + Fairfield University
- + Fordham University
- + High Point University
- + Illinois State University
- + Lake Forest College
- + Mount Saint Mary's University
- + Rowan University
- + Rutgers University
- + Tufts University
- + University of Arizona
- + University of Delaware
- + University of Hartford
- + University of Memphis
- + University of New Hampshire
- + University of North Carolina Wilmington
- + University of Rhode Island
- + University of San Diego
- + Villanova University
- + Widener University

By the Numbers

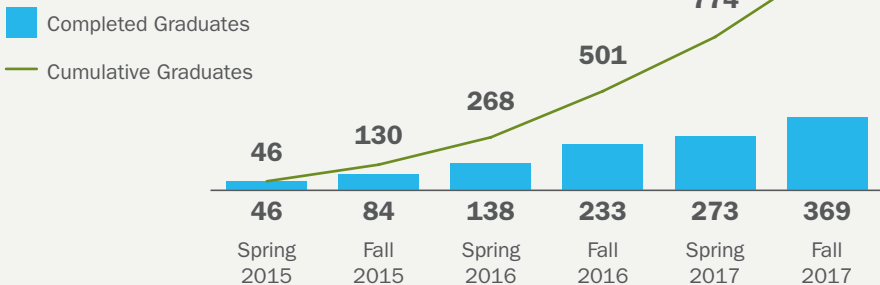
EIOC continues to bring in more colleges and universities to the program.

Number of Participating Universities



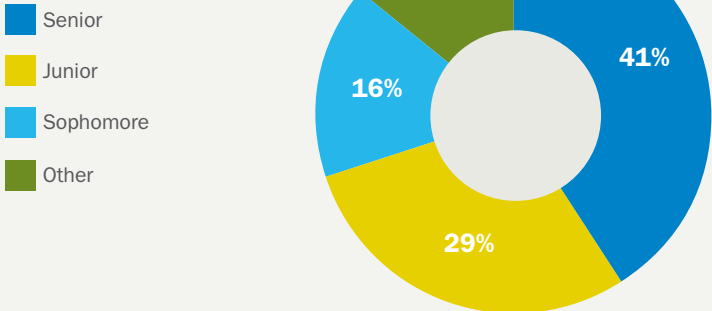
EIOC exceeded its stated goal of 1,000 students by the end of 2017.

Student Participation Growing Rapidly



Most EIOC students participate in their Senior or Junior year of college.

Breakdown of Student Grade Level



Jobs in Our Industry

74%

Have obtained jobs within the financial services industry.²

Upon graduation, 74% of employed graduates have obtained jobs specifically within the financial services industry.² Of these, 32% are women and 25% are minorities.

Over 30%

of program graduates are employed among the top 10 firms including³:

- + JPMorgan
- + Vanguard
- + Morgan Stanley
- + Liberty Mutual Insurance
- + EY
- + Merrill Lynch
- + Fidelity Investments
- + BlackRock
- + UBS
- + Accenture
- + Northwestern Mutual



“EIOC has been a terrific introduction to wealth management for our students at the UNCW. Members of our Economics & Finance Advisory Board, many of whom are wealth managers, hold your certification in high regard as they interview students for internships.”

— Nivine Richie, Ph. D., Department Chair, University of North Carolina Wilmington

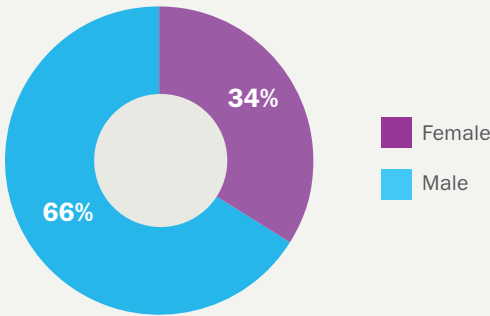
² Number only include firms in the industry, not positions that may have relevant skill sets

³ Some employers are recruiting on campuses which may result in higher student employment

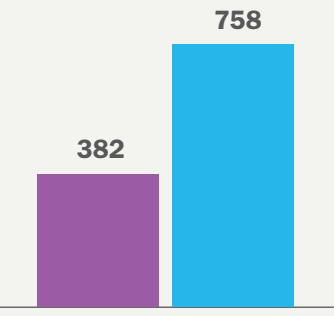
Demographics⁴

Women have steadily comprised one-third of session totals

% of Totals Men vs Women

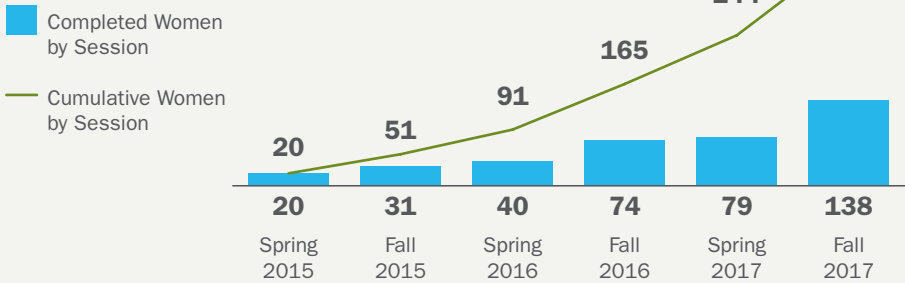


Number of Men and Women Completed Program



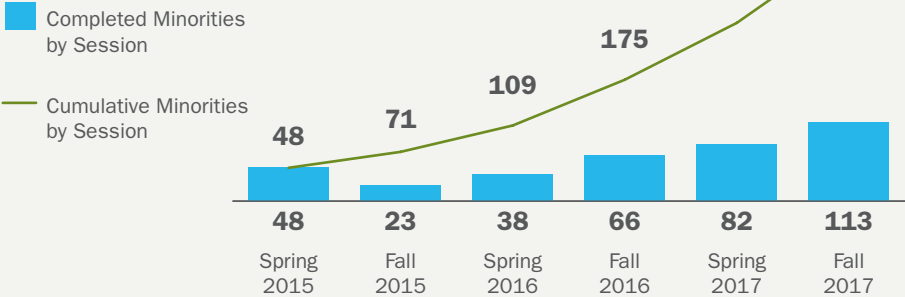
At the completion of the Fall 2017 semester, 382 women have completed all EIOC requirements and earned certificates.

Number of Women Completing Program Rising Steadily



Additionally, 370 minorities (including international students) have earned EIOC certificates.⁵

Number of Minorities Completing Program Increasing Since inception



⁴ We track the demographic distributions of EIOC participants through the use of student surveys and research of individuals on LinkedIn. Not all students can be located on LinkedIn.

⁵ Minority: defined as African American, Latino, Asian, Indian, and International Students



Women in Wealth Management (WIWM)

Cheryl Nash, President of Investment Services, Fiserv, is leading our initiative to inspire, educate and engage women with dedicated content through digital channels and experiential programs.

Cheryl Nash is joined by a talented group of women leaders in our industry.

- Noreen Beaman, Brinker Capital
- Nancy Camarata, Neuberger Berman
- Lori Hardwick, Advisor Innovation Labs
- Jean Hempel, Envestnet
- Estee Jimerson, Envestnet
- Robyn Pollack, Trellis Consulting Group
- Tricia Rothschild, Morningstar
- Jill Steinberg, Beacon Pointe Advisors
- Jocelyn Wright, The American College of Financial Services

The WIWM initiative offers young women:

- Access to our Leadership Team
- Private LinkedIn Group
- Mentorship program
- Topical Videos
- Whitepapers

A Road Map for College Women Pursuing a Career in Wealth Management

A Road Map for College Women Pursuing a Career in Wealth Management
By Cheryl Nash, President, Investment Services, Fiserv

College grad women seeking career options in wealth management can gain an edge by fully understanding today's investor landscape. Let's first acknowledge the "old cliché" "great wealth transfer" now underway and the many challenges on the horizon.

During their earlier years, Gen Yers were recognized as the "great wealth transfer" generation. But as retirement, education and healthcare costs rise, many are realizing that the "great wealth transfer" may not be as straightforward as it once seemed. The need is apparent. The reality is that many Gen Yers are not prepared to take on the financial challenges ahead. Many from both generations are still paying off student loans and other debt.

Women should be part of that story in wealth management. However, the new 2014 Gap Markets by Gender report by Morningstar found that fewer than 10 percent of all U.S. fund managers are women, with only about 2 percent running the industry's largest and most successful funds.

According to a 2014 survey by the Investment Company Institute (ICI), 65 percent of all U.S. fund managers are men, with only 35 percent women. The survey also found that 70 percent of all U.S. fund managers are men, with only 30 percent women.

Advisory Board



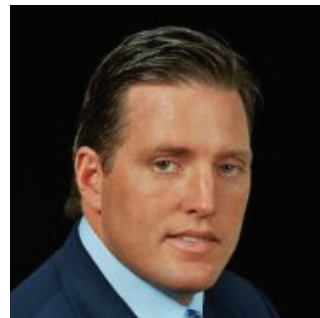
Jim Seuffert
Program Director
Envestnet



Cheryl Nash
Board Member & Sponsor
Fiserv



Jim Patrick
Board Member & Sponsor
Envestnet



Steven Clark
Board Member & Partner
DAK Associates

“As a non-finance major, this course was not only very interesting, but it pushed me to pursue a job in the wealth management industry.”

— Maria Mattucci, recent EIOC graduate and Envestnet hire

Sponsors & Partners



Special thanks to Margo Cook, Nuveen for sharing her presentation on Women Working in our industry.

To Learn More:

- + [Video: Addressing The Talent Challenge](#)
- + [Download: Program Overview PDF](#)
- + [Resume & Internship Hub](#)
- + [Case Study: Hezekiah Ross](#)
- + [Video: Careers In Wealth Management](#)
- + [White Paper: Women In Wealth Management](#)

About the Program

Investnet Institute On Campus aims to build a bridge between colleges/universities and investment management by training talented young individuals and positioning them for employment across various areas of the industry. The program is made possible through a collaboration between Investnet, Fiserv and DAKdirect.

For more information on the Investnet Institute On Campus, the Women in Wealth Management Initiative and the Resume and Internship Hub, visit www.investnetinstituteoncampus.com.

“As a graduate of the program, I am excited to see its growth. I credit much of my success in the wealth management industry to this amazing program. Thank you all for the work you do!”

— An EIOC Student Participant



Investnet Institute

On Campus

Taking ownership of the future of our industry.

www.investnetinstituteoncampus.com

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