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EPISODE 111:

Growth, Innovation, and the Future of Private Markets

with Certy Partners



Robert Morier: Welcome to the Dakota Live! Podcast. I'm your host, Robert Morier. The goal of this podcast is to help you better know 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 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 an 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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Chris Burrows: Thanks, Robert, for having me. Looking forward to the discussion today.

Robert Morier: Yeah, we are as well. Thanks for joining us on the desk. Thank you for being in Dakota Studios. As always, Mr. Dolan, welcome to the show. Thanks, Tim.

Tim Dolan: Thank you. Thanks for having me.

Robert Morier: It's good to see you.

Tim Dolan: You as well.

Robert Morier: So, we'll get right into it. Before we do, though, I'm going to read your biography, Chris, for our audience. Chris Burrows is a partner in the New York office where he leads the firm's Private Markets Research team. With over two decades of experience, Chris is a key member of the firm's Investment Committee, specializing in curating private market investments for use in the firm's customized investment portfolios for high-net-worth individuals, multi-generational families, business owners, endowments, and foundations. Before joining Cerity Partners, Chris was a partner at a

multi-family office in Midtown, Manhattan. There, he spearheaded the Research team and Investment Committee, focusing on identifying, evaluating, recommending, and monitoring external managers to align with the firm's investment strategies. His earlier career includes roles in investment manager research at Neuberger Berman and Lehman Brothers. Chris's extensive experience in leadership and the investment field have made him a trusted advisor to his clients, helping them achieve their financial goals through tailored investment solutions. Most importantly, Chris calls New York home where he lives with his family only a block away from the elementary school.

Chris Burrows: That's right.

Robert Morier: And so, it's very nice to have you here. Thanks for being here again in Philadelphia, and congratulations on all your success.

Chris Burrows: No, thank you. Thanks for having me today and really looking forward to the conversation.

Robert Morier: Cool. Good. Well, we always like to start at the beginning. Can you take us back to Ann Arbor? I know you're from Michigan originally where you studied engineering for your undergraduate degree. How did you come to be introduced to the financial services industry?

Chris Burrows: Super fortunate to be raised in Farmington Hills, Michigan. And when you live 35 minutes from... hopefully this doesn't offend you too much, given your ties to Drexel. But when you live 35 minutes from the best university in the world—

Robert Morier: I do have final edit.

Chris Burrows: Yeah. You... you have to go there. And so that's what I did. And I come from a family of engineers, so going into the engineering school was just natural. And then as I was in the engineering school, I think I was in that period of time in college where you're trying to figure out, what are you going to do? What are you actually going to have your career in? And I think... I ran into financial engineering, which was a joint program between the engineering school and the business school. That just sparked my interest. I think I went to one of those first classes, and after seeing lots and lots of complex engineering equations, to see the simplicity of the power of compounding, and then have such a hard time understanding compounding on top of compounding on top of compounding I think was what got me hooked, right? The simplicity and just the power of it was what interested me.

Robert Morier: I'll think twice about whether we're going to include that Michigan comment in there. But it does make me think about Drexel University. And one of the

things that I teach and some of the research that I do is around nontraditional starts, particularly going into financial services. Before we dive deeper into your background, you shared a very unique and formative story from your early years. Would you mind sharing that with us?

Chris Burrows: As I get started here, you might think I'm a little crazy that this is a formative experience. But I take my cue as to whether it was my first job based on if I got a W-2, right? And so, my first W-2 job was at the Home Depot. I was actually the cart guy in the parking lot, picking up all the carts and taking them back to the store. And so, everybody I work with is tired of hearing me say, please take your carts back to the store. I have a little bit of consideration for everybody that works at the store. And I think when I started there, I expected this to be just a job, to be relatively a sweaty job, taking carts in and out of... and back to the store. And what I learned really quickly after meeting people in that store was that this was going to be an experience, right? And I got to know a lot of people. These people loved the Home Depot. And I think that was my first time where I experienced this idea that a company could have people that love it. As I got deeper and deeper into that specific store, I figured out, wow, this management team cares about its people. It is really driving this store forward. We used to have... Sunday mornings, you'd have a store-wide meeting. Reason why Home Depot opens at 8:00 AM on a Sunday and 6:00 AM all other days, they've got to have their store meeting right before 8:00 AM on a Sunday. And so I would drive... my first one, I'd drive to the store. And I'm thinking to myself, man, is it early. What are we doing? This is going to be a waste of time. And it was as close to a religious experience as you could experience inside the lumber department of a Home Depot. And I was sitting there scratching my head, like, what is going on? These people love this company. They love this store. And it wasn't one, two, three people. It was the entire workforce of that store. And I think what got me in the end is after that meeting, the leadership of the store, one by one, coming up to the cart guy and saying, that was pretty cool, right? This is a special place. Everybody's got a role in this store. There's work to be done, and you're part of it. And I remember thinking to myself, I'm the cart guy. What are these people talking about? And the deeper you go, the leadership was important. You learn... at least I learned at the time, many of the people in the store, because of Home Depot's ability to grant equity, you have cashiers that were millionaires. You have floor electricians that were multi-millionaires. And you learn that the importance of that entrepreneurial ownership mindset. And what I thought was going to be a simple get the carts, bring them back, don't worry about it, go home, turned into an experience. It was like, wow, that is what I want in a career. Not necessarily being the cart guy, but kind of that inspiration that the Home Depot had.

Robert Morier: Wonderful story and great experience. I appreciate it. Home Depot is a second church to my father, so I completely understand that background. I'm hoping you received a W-2 from Neuberger Berman and Lehman Brothers.

Chris Burrows: Yeah, I did.

Robert Morier: Good. Good. Well, how did those two experiences influence the early part of your career?

Chris Burrows: So, I joined Neuberger as an intern and then joined them full time coming out of school. The thing that I loved about it is that it reinforced a lot of the Home Depot experience at Neuberger. This was an entrepreneurial ownership culture where everybody was engaged in our day-to-day work and focused on, how are we going to get this done? Doesn't matter what it takes. Don't complain if you have to do something that you don't think you should be doing. Just keep going.

And at Neuberger, you didn't measure your time at the firm in years. It was decades. So, you'd ask somebody... you'd ask somebody there, how long have you been here?

Response is two decades. And I used... as an intern, I would look and I'd say, wow. That's loyalty, right? How do you inspire that loyalty in people? And I want to work at a place that is able to keep people engaged for decades. And I think Neuberger just had a knack for that and creating that excitement. And I think it was that entrepreneurial ownership. They used to talk about how old they were as a firm. So, I think when I was there, they were 85 years old, roughly. And they would always talk about their 100th anniversary. We're getting there. We're going to get to 100. Stay on this train. It's a good train, and we're going to be a 10-year-old firm. And that was inspiring. That was cool... cool to be a part of.

Robert Morier: What led you and your team then to join Cerity Partners?

Chris Burrows: We skipped Lehman. So, a group of us spun out of Lehman when everything happened at Lehman and formed a multi-family office in Midtown, Manhattan. That multi-family office grew to around \$3.5, \$4 billion of total assets. And I think what was happening at the time was just everybody experiencing the pressures of managing your own business, right? So, we were a group of advisors that loved advising clients. And then we found ourselves running HR, coding software in the background to make everything work together, trying to figure out how to make a reporting system work, answering each other's questions. How do you use the CRM? And I think what we found was we had gravitated away from being an advisor and had gotten stuck in the managing the business piece, which none of us really loved. We want to work with clients and advise clients. Truthfully, we had no intentions to get out of that business. If you asked me, we were going to remain independent for the rest of my career and all retire together and call it a day. But I think it's a good story to... or a good kind of learning to always be willing to talk to people, even when it's 6:30 and you're at the gym, because that's how we got introduced to Cerity. One of my partners was at the gym. It was 6:30 in the morning. And he's just... he was talking to one of his buddies there. And they were just going through, yeah, here are the pressures that we're experiencing as a business. I wish there was

something we could do about it. And that buddy turned to him and said, yeah, I know a guy that knows a guy, and I think you should talk to Cerity Partners. I think you're going to find that a lot of those pressures they could take away from you, and maybe you can get back to advising your clients like you want to. So, we went through that process. Everybody from the start was like, we're not doing this. As in every piece of change that happens in life, I'm not doing that at all. And I would say a couple months later, it was like, we got to the conclusion, how can we not do this? And I think that's how we got here. And everything that we had hoped would be true has and is true at this time. And I think just to see my partners enjoy coming to work again... not to say that anybody was miserable at the old family office. But to see them enjoy advising clients is really, really nice.

Robert Morier: It's nice to hear in a data-driven industry that we all work in that it's serendipity sometimes that really sparks a business idea, so thanks for sharing that.

Chris Burrows: No, absolutely.

Robert Morier: So, for our audience who are a little less familiar with Cerity Partners, would you mind giving us a brief overview of the business?

Chris Burrows: So, we're a registered investment advisor. Roughly... I'll give you some metrics now that we've just talked about how metrics aren't important. But we're roughly \$110 billion in total assets, 1,200 colleagues, and offices across the nation at this point. We have a few business units within the firm. I would say what binds them all together is advice. So, when I think about the different groups within the firm, we have a wealth advisory business focused on helping high-net-worth individuals in their financial planning, their estate planning, their tax advice, and their investment portfolio. We have a retirement plan advisory business, which focuses on helping oftentimes corporations or nonprofits with their 401(k) plans or other plans like that. We have an outsourced CIO business, which is just how it sounds. It is the outsourced chief investment officer for endowments and foundations that have determined that, you know what? It might be better to let somebody else lead this effort than ourselves. And then we have a venture advisory business, which is focused on providing advice primarily to corporations on how they should think about investing to stay on the leading edge of their businesses. So, if it's a food company, thinking about advice of how to invest within the food segment and what the trends are to keep that company on top of what's happening in their industry.

Tim Dolan: Well, Chris, I've had the fortune of being able to work with and call on Cerity Partners for the past 13 years.

Chris Burrows: I don't know if that's good or bad, but OK.

Tim Dolan: Well, seeing it go from the size 13 years ago, maybe a couple billion to \$120 billion today, I'm curious to get your thoughts. And you touch about your story with Home Depot and the culture. Touch on the culture that you and your team have created at Cerity Partners.

Chris Burrows: Yeah. I think when people see growth, I think sometimes... I don't think people appreciate how intentional that growth is. So, if you talk to the leadership of Cerity Partners and all of my partners, this growth is not by accident. We have all intended to grow in the manner that we're growing because as we've grown, we've seen significant value accrue primarily to our clients. And as that value accrues to your clients and with an advisor's heart in every one of us, I think the thing that we all think about is, is this good for my client? If it is, let's do it.

And that growth, I would argue, has accrued wonderfully to the benefits of the clients of our firm. And that's what keeps the culture strong. If we believe in what we're doing, it's good for our customer, keep doing it, right? And that growth is powerful.

Tim Dolan: Yeah. Obviously, having the end client in mind is of most importance, which is great to hear. And as you all have grown and scaled, anything of note really just given your current size? Maybe it's technologies or more reach, more access. Anything that you would call out now that Cerity Partners is \$120 billion? We see your name in the news quite often. Anything you would call out in that regards?

Chris Burrows: What strikes me as most important, and the thing that we've been able to provide to our colleagues and to our partners, is the ability to specialize in their highest best use on a daily basis. And when I think back to when we were at the multi-family office, we had all these hats on. Some days I walked in. I said... and I think to myself, I don't know what to do today. I've got 18 different things that I could possibly do. It's extremely challenging for me to prioritize which of these to focus on. What do I do? The beauty that I've seen as we've grown is allowing people to specialize in what they do best. And as that has occurred, that question of, what do I do today, goes away. And it becomes, I know exactly what I'm going to do today, and I know exactly how I'm going to make this better. And I think that has been really cool to see, watch my partners, my colleagues just gravitate towards what they do best and then watch them do it really, really well.

Tim Dolan: That's great to hear.

Robert Morier: In the spirit of that growth, the industry has also gone through a significant amount of growth. I would very much like to ask you about how you view the trend of consolidation in the industry over the last few years. And what do you think that means for businesses in terms of innovation, being able to provide that type of more nimble advice or strategy?

Chris Burrows: Sure, sure, sure. I feel like we're early. I feel like this is an industry that is highly fragmented. We have had some success in bringing some scale to the industry as we've brought together like-minded advisors into one firm. But when I look out at the industry and I think, are we done, I still see thousands of advisory practices. And I think to myself, wow. There is a lot more opportunity here to put people into their highest, best use. There's probably a lot of people out there that are still experiencing all of the pain that I experienced at the multi-family office. And it's almost like converting them and going and saying, look, you don't have to live this way. I can help you not live this way. Let me explain all of the cool stuff that you could do that doesn't involve HR and all this other stuff. And so, I think that is the short answer, is that it's really early, as I see it, in this trend. Where we're going, if I look forward, I feel like we're starting to develop a group of haves and a group of have-nots within the REA industry. And if I was back at the multi-family office, my level of anxiety would be rising as I watch the success of somebody like a Cerity Partners. And back at the family office, I'd be thinking to myself, whew. They must have more resources, more capability, more ability for their people to focus. They must have advisors that don't have to worry about their reporting stack and their technology and compliance, and all these other things that can service the client better. That would worry me. And I think as this continues on, this trend, that's going to get stronger and stronger and stronger. And so, I do expect that advisors that maybe don't feel the pressure today start to feel the pressure in the future to align with a firm like ours as this happens. I also think about it from the client perspective, because I think that's most important. And I think clients are starting to recognize the have and have-not within the REA industry as well. And as that occurs, right now you've got business management pressure and client pressure where clients are saying, you know what? I used to the idea that you were a \$5 billion boutique, but I've gotten to understand the fact that you can be a \$5 billion boutique, surrounded by all of the resources of somebody like a Cerity Partners, and that you could offer me more if you were part of that. And I'm going to consider somebody that is part of that as part of my evaluation. You may end up... I don't want to scare anybody. But I think that would be kind of where my anxiety lied as an advisor if I was considering where we are in this trend.

Robert Morier: This podcast is for mature audiences... So, you're fine. I don't think—

Chris Burrows: Nobody's going to get scared?

Robert Morier: I don't think so. Those are excellent insights, so thank you for sharing that.

Chris Burrows: No, of course.

Robert Morier: A lot to think about, for sure. In advance of the conversation, you had mentioned something that struck me. You said Cerity Partners scaled fiduciary approach. You just mentioned clients. How does that framework benefit both clients and advisors?

Chris Burrows: When you think about all the pieces of advice that I talked about earlier, there are groups that do that. And today, there's many that do it on a scaled basis, but they aren't a fiduciary. And when you look at those that are scaled and are fiduciaries, it is a very short list. And that scale, one, can provide a lot of the service benefits that we were just talking about where the advisor can actually focus on their clients. But two, we can get down to dollars and cents. And I've learned that clients appreciate dollars and cents. And the buying power of a scaled fiduciary like Cerity Partners, means that we can get access to things at a lower cost than our peers. And I think as that continues to occur, that clearly benefits the client if we can do that. And it just, again, creates this haves and have-nots.

Robert Morier: I can't help myself. I was a history major, so I tend to do a lot of research in advance of these conversations. And I found a quote that you said. I know education plays a lot of... it has a lot of importance in terms of how clients navigate private market investments. I saw you say that you can say the words private equity, but that could mean 18 different things to 18 different people. So how do you and your team approach educating clients to ensure they fully understand those risks, the strategies, the mechanics of those investments?

Chris Burrows: Well, first, I really want to agree with who said that.

Robert Morier: [LAUGHS] Good.

Chris Burrows: [LAUGHS] And I think it's true. Surprising I said it, and I still think it's true. And this is true, I think, throughout all of investing and all of the finance world. We have a very strong incentive to make things as complicated as they could possibly be, right? And if we make them complicated and confuse you, you'll have no idea what we're talking about. But don't worry, because the professionals are in the room, and we'll take care of it for you. Don't worry about it. And as I look across the industry, the number of acronyms and just crazy advanced things that people try to make even more complex frustrates me. And I think to myself, if I was a professor at a school, do you try to make a presentation to your students and actually complicate the situation, or are you trying to help them actually understand what we're talking about? I think the answer is the latter. And so, education is super important. I think from a simple definitional language is very important so that we're on the same page, talking about the same things. And then taking the acronyms out of the room and just saying the full words. And I can't tell you how many times I've been speaking to a client... and I've been guilty of it myself. I'm rifling through acronyms, just doo, doo, doo, doo, doo, doo, doo, doo. And in my head, it makes complete

sense, and there's no way that nobody could not understand what I'm saying, to only look back at the client and see complete confusion. And then I think to myself, well, I just messed up the last 10 minutes. Let's go back, talk through what all of these acronyms are, and really provide that education, right? In my opinion, that's what, as an advisor, we do. It's always important to remember, this is not our money. We are providing advice to other people on a whole host of financial decisions for them to get comfortable and make those decisions, I feel like we owe it to them to educate them on what we believe, why we think that, what all these acronyms are, and then they can make their own decision. Our clients are smart people. I don't need to confuse them with craziness. And so, we spent a lot of time on that education piece and guiding people through that.

Robert Morier: Yeah, it's so important. It's usually one of the first things that I share with guest speakers who come into the classroom at Drexel is, lose the acronyms. Please, no one's going to understand them. Your clients barely understand them. The students certainly won't as well.

Chris Burrows: That's amazing.

Robert Morier: It really is.

Chris Burrows: Doing this for 20 years, I learn new acronyms I feel like every week, right? And even I stop and I'm like, what did he just say?

Robert Morier: I know. I think those acronyms should be trademarked as well. Like, someone should be making money off those, almost like an NFT. There's an NFT trademark. I can't help myself. I tend to title these episodes as they're going on, so I don't know if I'm going to call it... but less is more with Cerity Partners. But thank you for sharing.

Chris Burrows: That's either an insult or a compliment. I'm not... I'm not sure yet.

Robert Morier: That's why I'm going to wait till the end of the episode to decide if that's it. But just taking that education discussion just a little bit further, liquidity and illiquidity. How do you educate your clients as it relates to the liquidity premium or risk that they're taking within private markets, particularly with this democratization that we're seeing within the industry?

Chris Burrows: I think you're right to ask that question. Liquidity, in my mind, is the primary difference between public and private markets. As clients are deciding to take that illiquidity, I think the most important thing that we can do and how we operate as a firm, we are a financial planning-led firm. So, we are working with our clients to understand their balance sheets, their assets, their liabilities, their cash flows, what's

coming in, what's going out, and building a picture for them to start to build confidence that if we believe they can take some illiquidity risk, explaining to them why we believe that. And if I can help the client build that confidence... and then we can talk about what is private equity, what is private debt, and all these other things. But that confidence is what unlocks them to feel comfortable to then take that illiquidity risk. Without that financial planning exercise, I often feel like it's just a, man, cross my fingers and hope they understood what I said. And I'd much prefer the, let's go through this together. Appreciate that you have some ability to take illiquidity. Here's why we think you should feel comfortable.

You still don't have to feel comfortable. You can still come back to me and say, this just is not for me. So, all the pressure out of the room, I think, is important too. And we're not selling. We're advising. I think you should do this. Here's why. You don't have to do it, right? At the end of the day, your money, your decision, and we're here to provide that advice.

Robert Morier: Thank you for sharing all of that. It certainly gives Tim and I an understanding of Cerity Partners. I know our audience as well. But the question I always like to ask, because it's probably a question that you ask your managers, is, what's your competitive edge? When you look at all of that that you just shared, what distinguishes Cerity Partners from the rest of the market?

Chris Burrows: I love the question, and then I always spend a lot of time thinking about how that question is answered. You're right that I ask all of our managers that question. I would tell you... I more think about it as, what is the wrong answer to that question? And as long as I don't get the wrong answer, I can spend some time considering whether I think the rest of it was right. In my opinion, right? What I don't want to hear from a manager is, I'm smarter, I'm better, I work harder. Because the smarter piece... I don't know about you guys. I'm not the smartest guy in the room. There are people that are smarter than me. I'm better I think is highly subjective. I have no idea how to measure this and confirm that even if you have a good track record, now I question, is that sustainable? Is that repeatable? How do we make sure that's going to occur? Was that luck? I don't know. Do you work harder? OK, interesting. Again, I cannot follow you every day so you can claim that you're the hardest working guy in the room. Cool. I don't have time to watch you and sit in your parking lot and clock your car in, clock your car out, and figure out, are you working harder than everybody else? So those are hard things for me to manage, but I feel like there's a lot of people selling on, I went to this school. I have this pedigree. Isn't that amazing? And shouldn't you want to invest with that? And in my opinion, the answer to all of that is, nope. I don't want to invest in that. And so, when I think about edge, I think about, what is structural about how you're approaching what you're doing that improves your outcome that I can actually believe in, measure, and think is real? As it relates to my own firm, Cerity Partners, our edge... I'm focused on some of the stuff we talked about earlier. Do I have the resources internally to provide better

advice to my clients? I didn't say I will provide better advice. I asked, do I think I have more resources than the next guy? And as I... and this happens every week to me. We had a client that was looking to sell a plane. I won't say what type of plane it is, because it became highly... you would know. You could go look at the recent sales of planes and figure out who that client was. But it was a highly specific model of airplane. Roughly a \$30 million plane. And if I was back at the multi-family office and got that question from a client, I would look at my other six partners and say, has anybody else ever sold an airplane? And they would look back at me and say, sold an airplane? Like... uh, no.

Robert Morier: I've been on one.

Chris Burrows: Yeah. And the answer... and then I'd say, OK, does anybody know anybody that has sold airplanes? And we'd have an idea of a guy that we might be able to call, and that's at the old multi-family office. At Cerity... I won't say who she is, but there is a clear bat phone that knows the organization intimately. We have 1,200 colleagues, roughly. She knows each of them and what they do and what they're good at. I picked up the bat phone. I said, I have a plane to sell. Do you have anybody that can help me with this? 15 seconds later, she's like, yep, you should call this guy. Here's his phone number. He's in our Wall Street office. He'll help you. I call him. I say, I have a plane to sell. Please tell me you can help me. And he goes, OK. What model of plane? What year? What is this? I take him through the model and the year. 10 seconds later, I have the exact guy. He sold this plane for the manufacturer for 25 years. He is the highest volume seller of that type... this model of airplane. You're good, man. Trust me. Let me give you his phone number. I'll make an introduction. You're on your way. And just that level of connectivity within the partnership and the quality of the people. When I think, do we have an edge there, I don't think we have an edge. I know we have an edge. I know what it used to feel like to be part of a small team where I wondered how we're going to get an answer. And now I know what it's like to be part of a large team where I can get an answer. And it is kind of night and day. So that's one example. But I think those resources are real, and powerful and beneficial to the client. Put yourself in the shoes of that client. She could either get advice from somebody that's not sure who to even talk to, or she could get advice from the highest volume seller of that airplane that sold it for 25 years, all these sorts of things.

Robert Morier: It's a great story. It's stories like that that make me wish that the podcast was two hours instead of one hour. So, thank you for sharing that. It was excellent.

Chris Burrows: Yeah, I can go two hours if you—

Robert Morier: I would love it. We'll see what Tim's schedule looks like.

Tim Dolan: No, all good. Well, Chris, as Robert suggested, we're going to go through more of the manager research, due diligence component of your role. But one thing that you

touched on is the edge. And I'm curious the resources that you have now at Cerity Partners. Maybe touch on manager due diligence, capital allocation, the philosophy at Cerity Partners, and how you guys think about... because you have a lot of different types of clients. Is it one overarching theme, or is it on an individual, client-by-client basis?

Chris Burrows: Individual client-by-client basis. So, I'd say we're big believers in defining that financial plan and then implementing what we think is good for that specific client. And so, I need flexibility within my investment portfolios, and as a result, flexibility in my investment platform so that advisors can fulfill a client's portfolio for that specific client's needs. What that means is when I think about my investment portfolio, we are filling it with all the tools that an advisor needs to get to the end of what they need to do. So, I can't be in a position where the advisor says, well, this client has 3/4 of the private markets, but they're missing private real estate. I can't look at that advisor with a straight face and say, well, you should just allocate to my multi-strategy sleeve, which includes all four portions of the private markets, and call it a day. I have to be able to look at that advisor and say, you need private real estate? Here's fulfillment specific to private real estate so that you can complete that portfolio for that specific client. As it relates to the process and the team, we're very fortunate. We have great resources dedicated to the private markets today. The team that I help lead has roughly 20 people dedicated to the private markets. And this is across the four primary verticals. Private equity, private debt, venture capital, and private real estate. That team... I see myself more as a coach of that team and kind of a sounding board for that team. When I think about the diligence process, this is a relationship business primarily. And there's a lot of people that say, no, it's a quartile business. It's a performance business. What are you talking about, relationships? Look, I'm top decile. And my response to that would be, yeah, performance matters. But what I'm most interested in is the quality of the people that we're working with and that I can look back at my clients and say, you'd be proud to be invested with the people that are investing your capital. I never want to be in a situation where a client says, well, it's top decile performance, but the guy is an absolute jerk. That doesn't work for me.

Tim Dolan: So, thinking about... and thank you for going through that, having an understanding specific to private markets, those four key pillars that you guys are allocating to. The role that you have is kind of a coach to the team, obviously doing some manager meetings as well. Maybe just talk... walk us through the start of a manager research process. If this is a firm, obviously you guys have a very far reach in terms of who you work with, given your size. But maybe it's a firm for some of our listeners that have never spoken to Cerity. What can they expect in terms of that research process, just to start?

Chris Burrows: I think first, we spend a decent amount of time... we talked about educating our clients. I spend a decent amount of my time educating our investment

managers and our general partners. I would say most of them have come to the conclusion that they want to move towards the REA market. I think if you spend any amount of time and start to question, well, why do you want to do that, how are you going to do that, who are the people that are going to do this, very few GPs have thought more deeply than, I think I should. And so, I will spend time asking all those questions and understanding, how are they thinking about the REA marketplace? Do they understand the landscape of REAs? Do they understand how fragmented the industry is? Do they know who Cerity Partners is, and do they understand why Cerity Partners is different and rare relative to a lot of the industry? And hopefully, that doesn't come across as too boastful. I think we're trying to educate primarily. But also inspiring the general partner that, you know, if you want to work with Cerity Partners, bring your A game. We are coveted capital. Our clients are awesome, and there's a lot of client capital here. So, if you want to play ball, show me that you intend to play ball.

Tim Dolan: I love hearing that. And kind of through line that I'm gathering is this is a... it's a partnership. It's a people relationship game. And it's for the long term, right? It's those that are maybe more transactional, or hey, what do you think? What can we do here? It's more of like, we're doing this at the end of the day for the clients, what's best for them. And it's not just the next two to three years. It's five, 10, back to Neuberger Berman.

Chris Burrows: Yeah. So, I think about my approach to working with managers kind of the arc of my personal career, I guess, because I'm coaching the team. When I look out, I see 40 years ahead of me. I'm roughly... I am 40. I've come to terms.

Robert Morier: Welcome to the club.

Chris Burrows: Yeah.

Tim Dolan: You look great.

Chris Burrows: I appreciate that. I see 40 years ahead of me. And I want to identify the roster of GPs that I can work with for one, two, three, four decades, and that we're going to be aligned and delivering for our clients together. And you're right. This is not transactional. This is not, sell to me. I buy one of your funds, and then I move on to the next one. This is very much, let's talk about your approach to this part of the market. Let's talk about your specific approach to me and how we're going to work together for a long period of time.

Tim Dolan: So, bring us into your investment committee meetings. You're kind of the coach, I assume leading a lot of these conversations. What are some of the overarching themes that you guys are talking about internally across those four pillars within private markets?

Chris Burrows: So one, the private markets are changing unbelievably quickly. When we look at what's happening within the private markets or what has even happened since the beginning of my career, we're talking about a roughly six, seven exing of the capital in the private markets since I've been in the space. And so naturally, one of our themes is the continued growth of the private markets. And when I look at the amount of capital that is there today and the amount of capital that I see continuing to flow into these markets, it screams to me that there are more solutions that are needed for this segment of the market. And as more of those solutions are needed, there's going to be an opportunity for us to provide capital to fill those voids. And where that takes me from a specific investing kind of idea... and of course, none of this is investment advice. But would take us towards something like GP stakes investing where I look and I think to myself, we've seen the maturing of the private equity or private market industry. What does that mean? We've seen businesses that have been bootstrapped by their founders become meaningful tens of billions of dollars of asset managers. As that happens, they also need access to capital. It's kind of ironic that the industry that provides capital only really started to think about their own need for capital maybe a decade ago. I think we're in the early innings of GP stakes investing, and that's on the equity side. I think it's very, very natural to believe that we're going to see more and more preferred equity, more and more debt that a general partner could take on inside their business. And so, I see this just kind of starting to expand, growing as part of that theme of the growth in private markets. Again, this isn't rocket science. I would love to tell you it is. But innovation super cycle and making sure that we are aligned for the long term as innovation continues to hit milestones where... whatever. Five, six years ago, it was cloud. Now it's AI. Can I tell you exactly what it's going to be five to six years from now? No. Can I tell you that we should be on that ride? 100%. And when I think about getting on that ride and how to access that ride, the private markets are a place to do it, right? And so, when you look at the number of software companies that sit in the private markets or the percentage of private... of software companies that are private versus public, it's high 90 percents are in the private markets. And so, if you want to be aligned on that innovation supercycle, I would say, think about the private markets as a way to get there.

Robert Morier: Thank you for sharing all that. Very interesting, particularly what you're looking at today. So, you mentioned GP stakes investing, this innovation supercycle. And earlier in the conversation, you really stressed the importance of people. But again, I did a little research beforehand, and you've also mentioned in the past the concept of learn, earn, and return. So how do you envision shifting more of your focus towards return in the years ahead? We can't forget about it. They are still important. We'd love to hear your thoughts on that, just to close out that thought.

Chris Burrows: Yeah, no. So, I appreciate you bringing that up. And that phrase, learn, earn, return, it's a phrase that was passed to me by my mentor, which was passed to him

by one of his mentors, and I hope I can pass it to more and more people. I think it's a good way to think about what we're all doing here. And I hope that we're always learning. So that is my objective. I do think there's a period of time in one's life where you're probably learning more than you are on a daily basis. And then I always hope that I'll be earning. And I think the piece that personally I want to lean into more is that return piece. And there's a period of time in life where you're getting on your feet, getting going. I've got a young family, and there were many years where I was getting going. But I feel like at this... as I look out the next 40 years, that return piece to me is going to be more and more important. So, I've got four kids. I feel super blessed to have those four kids. And my brother would be happy to hear this. It's the first time I'll ever compliment my brother. But my brother has done just remarkable work as it relates to helping kids that need help, right? In his local community, he has fostered many kids. He has fostered and then adopted several kids. There have been times where his house, which can't have this number of people in it, has eight kids, nine kids in it because he just wants to help kids that need help. And when I look at my kids and I think, wow, we are fortunate, right? This is a... I mean, I'm biased, but a beautiful young family. And I think to myself, how can I help others? How can I help kids that potentially don't have the benefits that my kids have? And so, if I had to look out, that's where I want to focus my return piece is really giving people-- giving kids a leg up that maybe just need a leg up or need some help in the moment.

Robert Morier: I can confidently say, and I think Tim would agree, that you have returned for our audience. You've returned for Cerity Partners. And I hope your kids listen to this someday.

Chris Burrows: Oh, I appreciate that.

Robert Morier: Yeah. Very powerful, so thank you so much for sharing that. But this show is about people. It's about the people behind the investment process. So, when you think of your career, what's next for you personally and professionally with Cerity Partners?

Chris Burrows: Personally, I've got those four kids, right? I've got to get those kids raised. I've got a... I use a phrase every day before they go to bed. We talk about... it's an old... I think it's from Disney. "There's a Great Big Beautiful Tomorrow." And I always think about that phrase, and I sing that song to my kids every night. And I always think... and then I tell them, whatever you do, don't give up. So, I've got to get those kids raised. I've got to get them to believe there's a great big, beautiful tomorrow. And never give up. Great big, beautiful tomorrow ties to my innovation supercycle theme.

Robert Morier: [LAUGHS] Well done.

Chris Burrows: So, I've got to get... that's on the personal side. I'd say that's... my wife's amazing. That's our focus for the moment, I would say. Professionally, I feel like we're at the beginning. And when I feel the excitement that's within Cerity Partners in this firm, you have that excitement where you know, this is the start. This is awesome. And there is not going to be a reason to leave. This is my forever home.

And I think when you go through our firm, the number of people that feel that way I would say is huge. And I think for me, that is really, really exciting. I think the point of a firm like Cerity Partners, one, take care of our clients. Two, take care of our people. And I feel really personally responsible for just making that true. And I think... and it's kind of crazy, right? I think about the Home Depot story, and it's like, wow, that's what they were doing at Home Depot. And so, we're running our own little form of Home Depot at Cerity Partners. And we've got lots of inspired, excited people, and I'm really, really excited to see what happens. I think it's going to be awesome.

Robert Morier: One last question, purely for selfish reasons—

Chris Burrows: Sure.

Robert Morier: So, when I go in the classroom tomorrow, I can give them some advice from someone I spoke to in the industry, some advice for students thinking about careers.

Chris Burrows: So, I'm biased, right? If you're coming in in financial services, I would say private markets, hands down. And I can defend it with a lot of data. If you are considering other parts of finance, call me, right? Feel free to reach out. And I would encourage students, when you have an interest, find people that are working in your interest. Reach out to them. But if you've got an interest in private markets, reach out. I'll convince you that this is definitely a good idea. The tailwinds that are behind the private markets are significant, and I would advise to align your career with a market that has tailwinds. The other piece of advice I give... so I went... we didn't talk about it, but I went through the Lehman bankruptcy. And there was a good opportunity there to feel really defeated and watch a significant amount of capital destroyed and collectively look around at everybody in the room and say, wow. This is the end. I think my encouragement would be get right back on that "Great Big Beautiful Tomorrow" song, because so far, it's always been upward and better than I would have ever expected from that moment. So that optimism, that excitement about the future. Keep going, never give up, and go into the private markets.

Robert Morier: That's a great place to end. Chris, thank you so much. Private markets, here we come. Thank you for all of your time today. Thank you for sharing your insights. Congratulations on all your success. We wish you nothing but continued.

Chris Burrows: Thank you. Appreciate it.

Robert Morier: Tim, thank you, as always, for being here.

Tim Dolan: Thank you.

Robert Morier: If you want to learn more about Chris and Cerity Partners, please visit their website at www.ceritypartners.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. If you'd like to catch up on past episodes, check out our website at dakota.com. Finally, if you like what you're seeing and hearing, please be sure to like, follow, and share these episodes. We welcome your feedback as well. Chris, again, thank you for joining us. Tim, as always, thank you for being here. And to our audience, thank you for investing your time with Dakota.