dakota

EPISODE 23:

Delivering for Clients

with Kate Pizzi of Fiducient 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 know the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, investment consultants, and other important players in the industry who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and their Dakota Live! content, please check out dakota.com to learn more about their services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker who is not affiliated with Dakota, not a solicitation, testimonial, or 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. Today's episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediary database, built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases and say hello to a seamless and efficient fundraising experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakotamarketplace.com today. Well, I am always happy to introduce my friend on the desk, Andrew O'Shea. Andrew, welcome back.

Andrew O'Shea: Thank you. Great to be here.

Robert Morier: Good to see you. Well, we're running into the summer. It's starting to turn into a sprint, from probably a slower stride. How are the travels looking for you, as you go into the warmer months?

Andrew O'Shea: Great. It's been really refreshing this year, I think, versus last year. Just being out on the road a lot more, it's a little bit less hectic. There's not a ton of capital being raised at the moment, or money moving around, and you can't blame that given the macro environment and people being paid to be in treasuries at the moment. But what I can say is that versus last year, I think people are really having more time to focus on new opportunities, new research that will play itself out once the opportunities present themselves. But it's refreshing to be out, seeing people, certainly a lot more regular cadence than it was last year.

Robert Morier: Oh, good. Well, safe travels to you. We wish you the best while you're out there. Well, I am thrilled to introduce you and our audience to Kate Pizzi. Kate from Fiducient, welcome to the show.

Kate Pizzi: Thanks. It's great to be here. Thanks for inviting me.

Robert Morier: Yeah, well thank you. We're happy to see you. It's wonderful to have you here on the show. And we have a lot of questions for you. But before we do, I want to quickly share your background with our audience. So, Kate Pizzi is a Partner and Senior Consultant at Fiducient Advisors. Fiducient Advisors is a full-service asset advisory business founded in 1995. With over 200 professionals and $230 billion in assets under advisement as of June of last year, Fiducient is one of the premier consultancy businesses in the US, with providing investment consulting services to retirement plans, endowments, foundations, private clients, and financial institutions. Kate services institutional clients by providing advice and counsel on all areas of fund oversight, including investment policy development, asset allocation, manager research, portfolio structure, rebalancing, and performance monitoring. She has significant experience developing and overseeing liability-driven investment strategies, strategic asset allocation, spending policies, and plan design considerations. Kate co-leads the firm's Defined Benefit Business Councils for both corporate and municipal plans and is a member of the firm's investment committee. She joined Fiduciary Investment Advisors LLC in 2018, which combined with Fiducient Advisors in 2020. Prior to joining the firm, Kate was a managing director in Hooker & Holcombe's Investment Advisory Group and served as a Senior Investment Strategist and Fixed Income Portfolio Manager for Prime Advisors. Kate received her BA from Boston University and is a CFA charter holder. She is also a credentialed actuary, experienced in pension valuations. Kate is a member of the CFA Institute and Associate of the Society of Actuaries, a member of the American Academy of Actuaries, a board member of the CFA Society of Hartford, and volunteers for Junior Achievement. Finally, Kate and her family call Connecticut home, where she is speaking to us from today. Kate, thank you for being here and congratulations on all of your success.

Kate Pizzi: Well, again, thanks for having me. I could only wish I could have been there in person today. So perhaps next time though. And thanks for that introduction.

Robert Morier: Oh, absolutely. And a special thank you to your husband, for helping us with the technical on your side. So, we'll be sure to let him know as well that we appreciate it. Well, we've been quite lucky this month, Andrew and I. We've had an opportunity to meet with a lot of allocators and investment consultants like yourself. But specifically, there has been an incredible group of female investment professionals joining us as guests. We had Chenae Edwards from NEPC here yesterday. Coming up in the next few weeks, we have Angela Miller-May of the Illinois Municipal Retirement Fund. And you had recently co-authored a paper in that spirit, on Career Words of Wisdom from the Women of Fiducient Advisors. You wrote that "encouragement into the field of investments should begin at home." So where did it begin for you, Kate?

Kate Pizzi: First, I have to say, I'm absolutely humbled to be invited to join alongside such amazingly successful women. So again, thank you for that. And I suppose for me, it, I guess, perhaps started at home, but not necessarily in the way that you might think. My parents were both schoolteachers. And as a child of schoolteachers, I knew I did not want to be a schoolteacher. So that kind of lead itself to exploring other areas. I was pretty sure I wanted to do something different. But it really wasn't until 2003, 2004, where I was living and working in Los Angeles as an actuary, where I was offered a job in the investment field, within a global investment management firm. I didn't take it. And kind of at that point was kind of my biggest career regret, I'll say. So, in 2007, when another opportunity came up on the investment side, I decided to jump at it and didn't want to let what was a career regret, wanted to kind of right side that trade.

Robert Morier: Oh, that's great. My mother was a schoolteacher as well, so I know that feeling of not wanting to be a schoolteacher, particularly because she taught in my school. So, I tried to navigate away. Though I still am quite close with her today. But thank you for that. That's very good advice and an interesting path. I think a lot of times, as people are entering the investment field, regardless of what direction you're coming from, I think those types of unique approaches are very helpful to hear. So, thanks for sharing that. Well, as you think back to your last year in Boston, at your Boston University, it's 1999. That dotcom machine is rolling. Everybody's going to startups. I know I thought about it myself at that time. But you took your first step, as you had mentioned, into the industry as an actuarial associate. So, what prompted that decision to join what's now Towers Perrin?

Kate Pizzi: The firm actually, at the time, was Towers Perrin. It's now kind of evolved, multiple mergers later, into Willis Towers Watson. But at the time, it was a choice, really. What I was considering was either through investment banking, which again, at that time, was the hot career to be in, or actuarial science, a very different road. I will say, as an investor, I'm not a huge risk taker in general. I'm rather analytical, if you will, and kind of grounded in the belief that a sound investment thesis, really, can support really any investment decision, regardless of outcome. Of course, I prefer those positive outcomes. But I think that it was echoed in my career decisions as well, especially early on. I really had wanted to stay in Boston. I was at… I had just graduated from Boston University. And I knew I didn't want to go to grad school. I was ready to get out into the working field. And the actuarial field kind of seemed like a better fit for me, in general, and I could get the equivalent of an advanced degree through the actuarial program, without going to grad school. So, Towers Perrin, I ended there. Really, it was in the actuarial field, kind of the Goldman Sachs, if you will, of the actuarial field. I was surrounded by incredibly intelligent people that really worked hard and played hard. So, such a fun time, especially as a young person just getting started.

Robert Morier: Yeah, interesting. Well, it definitely gives you, as you mentioned, a different perspective on risk management and how different factors can play into things that are in or outside of your control. But it plays a very critical role in our asset and liability calculation. So, as you talk about… as you had mentioned the benefits of your actuarial background, how has it played in better understanding how you approach your client's investment goals and challenges, from a day-to-day perspective?

Kate Pizzi: Yeah, well, I think it's really critical in the job that we do with clients, in striving to be a strategic partner with our clients. And frankly, on the pension relationships we have, it's really one of our key differentiators at the firm and for me, personally, one of the most rewarding parts of my job because of that background that I kind of bring to the table. The foundation of investment strategies at the firm is really in understanding the needs of the client, whether it's a sponsor of a pension plan or an endowment for a foundation. For our pension clients, having that foundation within the nuances of the liabilities, understanding the nuances of the liabilities is really critical in establishing an appropriate investment strategy. And I'd say beyond that, it's not only understanding those liabilities, but really importantly, and I think what resonates with clients, is understanding how the pension and the investment strategy that we're considering impacts the organization from a bigger picture. So, the pension cost, how the investment strategy might impact the pension cost that sits on the company's P&L is really critical in making those decisions, and not making that decision in the silo of the pension but in the broader picture of how it impacts the organization.

Robert Morier: That's interesting. And we're going to talk a little bit about your fixed income background, just because it's obviously so topical. But on that point, Kate, I'm just curious. Over the years, sitting I think in RC as a salesperson or working with asset managers, that communication that you mentioned between the plan, the actuaries and the asset consultants, in a way, has never been as strong as I thought it would be, given the symbiotic nature, as you mentioned, of the shared goals. So, should plan sponsors bring their actuaries and asset consultants together more often? Or do you find that that relationship is always a work in progress?

Kate Pizzi: I think the short answer is absolutely yes. I think all players should be knowing what the game is and what the game plan is in order to achieve those long-term goals. I would say that that's also an area that I think a lot of my clients really find value in, is being that sounding board. Being able to kind of speak actuarial, if you will, for my pension clients, really, I think is a value add to them, as their investment advisor. Just the other day, one of my clients had asked me to sit in with her on some of the actuaries' review of the annual pension valuation. There were some decisions that needed to be made. And recognizing that even though they're the plan sponsor, it's not necessarily their day-to-day responsibilities. They may look at this a couple of times a month or what have you, especially when it comes to the financial implications. So, to be able to have that person that they can kind of trust and lean on to guide them in asking the right questions of their other partners, really has been, I think, a really important value add from our consulting relationship.

Robert Morier: Oh, interesting. Well, not only can you speak actuary, but you can also speak fixed income, which is also a skill within itself and a different language for many of us. So nearly nine years of your career was a fixed income portfolio manager and strategist. We're going to be spending some time talking about fixed income. I think our last six or seven guests have said that fixed income is the asset class du jour to be looking at right now. And I'm sure Andrew could attest to that as well. But could you share with our audience your experience in portfolio management and fixed income in particular, and how it shaped your, I guess you could say your world view of asset allocation, and obviously, from your answer, in the context of the actuarial side.

Kate Pizzi: Yeah, so I think that when I think back on my career, I spent about a third of my career on the actuarial side, a third of my career on the asset management side. And I feel like this last third or so really has been tying those pieces together to be able to drive investment strategy and asset allocation. Fixed income, it's, I think, an understatement to say it's been immensely challenging and really driven by the Fed in so many ways. That's kind of driven value in portfolios. I think we're finally starting to rip the Band-Aid off of the Fed driving performance within, frankly, across markets in general. But obviously, that has not come without pain. For the almost decade or so when I joined, when I was in fixed income as a portfolio manager, keep in mind, I joined in the fall of 2007. So, in hindsight, as a person who is a little bit more risk averse, it seems, gosh, why would… that seems like a potentially wrong trade, moving out of the actuarial side into investments right before the great financial crisis. That being said, I did go to high-grade fixed income so, in fact, was able to learn a whole heck of a lot in an environment that actually held up relatively well. I would say what I really have learned to appreciate within the fixed-income landscape is the complexity around fixed income, the enormity of the bond market that tends to fly under the radar. The bond market is three times the size of global equity markets, which I think is really underappreciated and frankly, probably under… or misunderstood. I think that within fixed income, the multifaceted nature of fixed income tends to be a little bit harder to grasp. There's not one stock to be investing in. It's a decision on credit, but also a decision on where to invest within that credit. So, from my perspective, I really enjoyed, again, that more kind of analytical look within the investment, within the investment market. I think, really, from an asset allocation perspective today, fixed income, though its last name of income has really kind of re-entered the conversation, where fixed income and maybe why it's become more of that soup du jour these days, is now a much more attractive asset class, to be able to provide protection within an asset allocation framework that we really have not been able to see in a decade or more, really since we've been at the zero lower bound on interest rates. And you think back to other times, where fixed income has been really under pressure. And two time periods really stand out to me. And that was the late '70s, into the early '80s, and also into the mid '90s. But at both of those points of time, we had started from a much higher kind of base level, from a yield perspective, being able to create that cushion, in times of negative price returns. So even in the '80s, or the late '70s, early '80s, where we saw massive increases in interest rates, fixed income returns were still positive. That was not the case last year. Not only did we have the worst price return ever, within high-grade fixed income, but also starting from such a low base yield rate, there was no cushion to absorb that negative price. So very different environment where we are now, where rates have now increased 500 basis points as of yesterday and able to, again, provide that cushion, if you will, for investors.

Robert Morier: Fiducient is really one of the marquee consultants out there. And you've seen a ton of growth at the firm level. And one of the things that's always impressed me with Fiducient has been your ability to serve multiple end channels with a very specific specialization, and being able to cater to that end channel, whether it's the financial institutions practice or the endowment foundations or, in your segment, the DB space. Could you just give us a broad overview of Fiducient and then your role as a partner and senior consultant?

Kate Pizzi: Well, I appreciate that comment. Yeah, I think Fiducient is really a premier consulting firm, where we focus on serving our clients in the capacity where that meets their needs. So, with over $230 billion of assets under advisement, we're large enough to be able to serve. And we like to say, but small enough to really care. And I think that that's expressed across any client you talk to. I think that will be the feedback that you would get is that really attention to client service and really meeting their goals within the investment strategy. I'm a partner at the firm. There are 38 partners at the firm. And our goal as partners are really to help establish and execute on the firm's long-term vision through that shared commitment to the firm. And really, that motto of delivering on that service side is what we strive to live by, every day that we come to work. It's not just the partners on the client side. But obviously, it's the partners on the investment side too, the investment managers that we work with in order to deliver those strategies to our clients. We're not selling any products. We are using investment managers in a capacity to be able to deliver on the asset class exposure that we're looking to fill or what have you. So, what I find really rewarding about what we do as a firm is the transparency that we bring to that process and that partnership, not only with our clients but other financial industry participants as well.

Robert Morier: You know, consolidation has still been the name of the game in the consulting industry over the last several years. And we were talking about it when we were talking about Towers Perrin. There are a lot more names in that firm's title now. So, as you think about your own organization, how did coming together with DiMeo Schneider impact your work with clients? And what was that process like?

Kate Pizzi: So that merger went through April 1, 2020. Keep in mind two weeks before that, the world shut down, right? So, it was—

Robert Morier: Kate, I'm sensing a… I'm sensing a pattern here, 1999, 2007, and 2020. I feel like economists should be following your career and timing strategy as a result.

Kate Pizzi: You joke about that, but yeah. Yeah, that is funny. Because when I went into the fixed income asset management side, I did have some colleagues blame me for the great financial crisis. My feedback was if I would have figured out how to short that and now own an island somewhere, so —

Robert Morier: That's funny. But back to the question, I do appreciate you, and I appreciate you answering it. And thanks for letting me interject. But just with the consolidation with DiMeo and how it impacted you all—

Kate Pizzi: Yeah, so timing was pretty interesting. Fast forward, I actually think it worked out quite well. But let's back up to that combination. In 2020, merged with DiMeo Schneider to then form Fiducient Advisors. And it was really like a marriage after dating for 25 years or so. The founders of DiMeo and Fiduciary Investment Advisors actually had worked together 30 years before coming together formally. And we kind of operated under the same philosophy in a lot of the same areas of the markets, but in different geographical locations, generally. We would kind of combine our clients to be able to look at benchmarking information throughout that time. So, we really worked closely as organizations, but more in a collaborative manner. And again, that was really due to the fact that the founders knew each other very well and had worked with each other. So, after 25 years or so, or maybe 20 years of dating, then we finally kind of got married in 2020, and it's worked out quite fantastically. It's really the 2 plus 2 is much greater than 4. And circling back to the timing of this, as the pandemic hit, we all kind of adjusted and moved to this virtual environment. That actually, I think, created a much easier transition across the firm, across offices. It pulled down the barriers of having to fly, get on a plane to be able to meet people more directly, and really allowed that integration to happen across all different levels of the firm. So, from my perspective, and I think the broader perspective, it actually provided a really fantastic bridge for which to then meet, connect, and find some synergies with our new colleagues across the different firms.

Robert Morier: It's interesting that time period, as disruptive as it was, ended up being a real benefit. Also, interesting and always important to note how important long-term relationships are to the industry, particularly when you're coming together and bringing two cultures together. So, thanks for sharing that.
Well, going back to asset allocation, could you talk a little bit about the idea generation process? So how do those top-down calls get made? If you wouldn't mind just kind of taking us through maybe structurally, how the firm thinks about the overall asset allocation decisions as it relates to their clients.

Kate Pizzi: From a top-down perspective, our investment committee really is tasked with overseeing all of the investment decisions that come out of this, the subcommittee. So those all kind of flow up and are formally vetted through our investment committee. So, when you kind of trickle that down, and say where do the individual ideas come from, it comes from a number of sources. We've got over a 35-person dedicated investment research group that their job, their career aspirations are really on the research side, so are tasked with coming up with new ideas, fresh managers, and then presenting that to a broader group, to support why that might make sense, and what type of clients it may make sense for. And that really kind of flows up through the due diligence process, again, up until that final approval process through our investment committee. I will say, though, we are… while most of those ideas are internally generated, we are certainly humble enough to know that we are not the only source of great ideas, some of that. And we work with a lot of talented individuals, as members of boards or committees that we work with. And some of those ideas actually come from them at times too. So, it really is a collaboration when we think about how ideas are generated within the firm. I would say from an asset allocation perspective, we have a fantastic capital markets group that kind of maintains and develops our in-house asset allocation modeling and construction of our capital market assumptions. That really helps feed into that process when thinking about a macro positioning.

Robert Morier: Kate, can you take us through your typical manager underwriting process? I know it all starts with the research group, which is primarily based in Windsor or in Chicago. But could you just take us through what that process would look like, generally?

Kate Pizzi: I would say our due diligence process is incredibly robust and also really agile. So, we don't view due diligence, really, as data collection, but information connections. And I think that that is kind of inherent in the type of questions that our research group are asking managers and continually follow up on as part of the due diligence. We tend to be, I'll say, relatively selective in our managers because we have low turnover. If we have a manager that is on our recommendation recommended list, we have high conviction of that manager. We understand in what environments that manager is expected to outperform and, frankly, which environments the manager is expected to underperform. And even in… we don't expect managers will outperform all the time. So, in those certain environments, if the performance is not in line with our expectations for the manager, then that really is where more digging may need to happen and some of that deeper due diligence occurs. We aren't quantitatively driven. So, we are very much qualitatively driven within our analysis. We may use quantitative analysis to help limit the information gathering process, but really it is a relationship both with the managers, as well as internally to be able to vet either new managers or continue to do due diligence on managers that are already in our stable.

Robert Morier: As you think about those qualitative factors, what are some of the characteristics that you find consistent that could be or are consistent across your manager lineup with your clients? Are there certain factors that you're specifically looking for that would maybe be a Fiducient asset manager type of relationship that you have for your underlying clients?

Kate Pizzi: What I mentioned before, with making sure that there is a consistent approach to their investment philosophy and seeing that through in different market environments is really critical piece of the process there. It's really proof to what a lot of the managers might be saying. We need to see evidence of the positioning that they have on. I would say a lot of our managers tend to exhibit higher quality bias. And that may be in the growth space where there's a manager that has a quality bias, where perhaps they may have underperformed in a time where quality really wasn't in favor, if they're in that time of where we saw a lot of zero earning companies doing extremely well. That's, I think, an area that you may see in some of the managers that we have in our stable. But we look at managers across all various styles and across multiple sectors, in both public and private markets. So, we do cast a pretty wide net and use some of that quantitative analysis to be able to kind of rein that in a bit.

Robert Morier: Kate, the OCIO space has been growing rapidly. And we've seen a lot of the larger consultants being more proactive with discretionary asset mandates. I'm curious. I know you all do have a discretionary capability, particularly on the high net worth or private wealth side. Do you have any of those relationships more on your side of the business, the defined benefits or the corporate plans? Or is that more of a traditional consulting relationship?

Kate Pizzi: I will say it's trending more towards that OCIO relationships for new opportunities. In our endowment and foundation business, that's an area that I think is a lot more advanced, in the adoption of the OCIO structure. So, we've got a lot of relationships on the OCIO front, within our endowment and foundation practice. On the defined benefits side, as plans are thinking about their end-game solutions, being able to be more nimble has necessitated that move to OCIO, to be able to especially in an environment that we've seen with the volatility on the right side. So being able to move quickly within that environment has really helped prompt the trend towards OCIO within the defined benefits space. So, we can serve clients in either capacity. And frankly, a lot of clients that we have served under a non-discretionary capacity have evolved into a discretionary relationship.

Robert Morier: I'm just curious, Kate. One area that OCIOs have been trying to distinguish themselves is the use of emerging managers. So there obviously are significantly more OCIOs today than there were a decade ago. And as you see emerging managers becoming a larger component of asset allocation, decisions, and models, where does the emerging manager universe sit within your business? Are you looking at early-stage asset managers, either on the public market or private market side?

Kate Pizzi: We are. I would say it's probably a little bit more prevalent on the private market side. But we absolutely are looking at emerging mark… emerging managers, excuse me. And I will say, though, that we tend to be very, very thoughtful with our diligence process, which tends to take some time. So especially for an emerging manager, we want to make sure that we have enough of a track record with performance to be able to evaluate those qualitative factors that are really so important to us, in being able to manage those relationships over the long term and, again, have that stable of managers, where we experience very low turnover and have high conviction for those managers.

Robert Morier: What are some of the areas of opportunity you all at Fiducient are seeing right now? And I should preface that because the natural answer, I would imagine would be, well, it depends on the end client and their goals. But maybe we could just focus more specifically on your specialization, which is more on the corporate side. Are there areas where you've been more active, whether it's manager research or position changing from an asset allocation side?

Kate Pizzi: So yeah, of course, right? It depends. But that being said, and on… within the pension side, a lot of conversations around fixed income and particularly liability-driven investing, it was from an allocation perspective, it's been a little bit more challenging to be able to reframe risk for our clients away from market-only risk and towards pension risk. So, liabilities are sensitive to interest rates, just as fixed income is sensitive to interest rates. So being able to connect those two within our pension landscape is really the bedrock of our asset allocation work that we do with our pension clients. So being able to bring that perspective to the table really helps solidify the case for more fixed income, and typically at longer duration, which has been very uncomfortable for some plan sponsors. For others, it's been a very natural progression in their de-risking glide path. So that's, I think, where it depends for our pension clients. I'll say more generally, we have moved into higher quality fixed income from where we were last year. Overall, as a firm, we had a position of much heavier, within, I'll say, flexible fixed income, which worked incredibly well last year. Take some of those wins, move aside, and actually looking at higher quality duration this year. Within equities, recognizing that there is still some headwinds in front of us but that hopefully we are closer to the end of this bear market, and thinking about positioning portfolios to take advantage of some of those opportunities going forward. Whether they are with more concentrated managers within the small cap space is an area that we are much more excited about this year than we were last year, and still liking international equities and in emerging market equities. So those are some of the areas where we're hoping to continue to drive returns going forward, but in a risk managed framework.

Robert Morier: Kate, I'm just curious. You mentioned… you mentioned concentrated managers. What is… how would you define concentrated? So, what's the number of securities that you would be thinking of as you're thinking about a concentrated manager?

Kate Pizzi: So, a good example is in the small cap space, where there's 1,200 or so companies within the index or so. I mean, we're looking at managers that are maybe around 50 holdings there, 50 to 100 holdings, so being able to really see that conviction within their process and express that within their holdings.

Robert Morier: That's great. Thank you for that. Well, could you touch a little bit on the firm's approach to sustainability and sustainable investments? It's everywhere, both from a regulatory perspective as well as a political perspective nowadays. So, we'd love to hear your thoughts and the firm's approach, and then again, getting back to your clients, how your clients are thinking about, potentially, sustainable investments. And that would also, I would say, include DEI.

Kate Pizzi: Great. Yeah, and it's a topic that we are discussing with clients across the board, regardless of a risk governed plan versus a family foundation, versus a family office. It is something that is very important to many of our clients and very important to us, both as a firm and also from an investment lens as well. We have a dedicated mission aligned investing team that incorporates the ESG factors, as well as DE&I considerations. I'll say it's challenging to get a lot of, especially on the diversity, equity, inclusion front, to get a lot of the information from managers, just because this is very new across the industry. To be able to have that data collection process is really at its infancy. But our goal is to approach this in a very authentic way, that we need to kind of live by those goals as a firm. In fact, this year, we rolled out, as part of every colleague's individual goal setting for this year, there is an expressed goal that is incorporating our DE&I principles. So, I think that as a firm, we're really trying to live by those principles. And as in an investment consulting, we're trying to make sure that we are providing our clients with the information around mission-aligned investing and what options are out there for investments. So not only are there investments that are explicitly targeting either environmental issues or social injustice, there are also a number of managers that are already maybe not explicit in their investment thesis, but are practicing it in their investment decisions. And those considerations are what we're really pulling together to help inform our clients on the different types of investments. With our goal is, at the end of the day, we're trying to drive returns for our clients and want to make sure that those decisions are within that full understanding of what that means from an impact perspective.

Robert Morier: Very helpful, thank you for that. Well, I shared a quote recently, in one of my other interviews, that I wanted to share with you. Because your background and experience is very interesting and very informative, particularly for us today. So, we're very grateful for your time and sharing all your insights. But the quote is, "there are years that ask questions, and there are years that answer." So, as you think about the next seven months and what's happening with interest rates and just, in general, how you are seeing market environments, how do you think the rest of this year is going to be? Is it going to be asking questions, or are we going to have some answers?

Kate Pizzi: That's a good one. So yeah, yeah, I think that this year is going to be filled with questions. I do think that we'll see some answers by the later part of this year. I don't think that they will come soon, but I would not be surprised that by the end of this year, we have a little bit more clarity on some of these questions that we're really facing, whether it's from a monetary policy perspective, from a banking perspective, and then something I think that is really a little bit more, not garnering as much of the headlines because of those two issues, but from a geopolitical perspective. So, I think this year will be insightful and informative, but I don't expect, really, answers, until we get towards the end of this year. Maybe 2024 will be the year of answers.

Robert Morier: Well, it sounds like a good time to come back to Philadelphia and have a follow up conversation with us, and we can figure out where we landed. Well, we're getting close to the top of the hour so I would be grateful, just because, again, it's been so interesting to hear about your career, could you share some of the mentors that have been important to you, as you've gone through your own career progression? Where has the advice come from, and who have you relied on, as you see where you are now?

Kate Pizzi: I'd say what I've garnered in my career from the mentors and the colleagues that I've worked with is not from one single person, but an amalgamation of a lot of different perspectives coming together, which is probably what a lot of us experience. And I suppose to summarize some of the takeaways that I've been able to garner over my nearly 25 years or so in the industry, is that what's important really revolves around characteristics that serve you both in life and in career. And I'll say there's three areas that really stand out to me, in which I try to instill in my kids as they manage through teenage years right now, but also through life is that it's really three things, integrity, confidence, and balance. And I'll say from the integrity perspective is this is a relationship business, which is why getting back into person is so important, and again, which is why I look forward to, perhaps next year, actually being able to be there in person. But that relationship really demands trust. And that can't be achieved without integrity important, and I would say even more importantly, authenticity. And that comes across with your relationships, and also extends to personal life too. The second and the third, confidence is, I'll say, ego that is paired with a healthy serving of humility, knowing what you know well, and then being open to learning more about what you don't know well. And I'd say, for a lot of colleagues that I see, don't let the inner voice strip away that confidence, which can be so destructive to some of us. And then finally, balance. I like to say that there is no such thing as work-life balance. My goal is to balance the imbalance. Sometimes work is winning that. Sometimes life is winning that. And be OK with that and recognize that it's not going to be in balance.

Robert Morier: Well, Andrew and I both have young children at home. And I think he would agree with me. I hope that they watch this episode some day and get to hear from you and the success that you've had. In particular, I have two young daughters, so it's wonderful to see your success. I know you have girls as well, Kate. So, you've shared a lot of, I think, the insights that you've probably shared with them, with us. So, I know Andrew and I were both taking notes there.

Andrew O'Shea: Yes.

Robert Morier: So, we appreciate it greatly. Well, Kate, thank you for being here today, and congratulations on all your success. It's really been a pleasure.

Kate Pizzi: Thank you. It has been a pleasure, and I look forward to future conversations.

Robert Morier: If you want to learn more about Kate and Fiducient Advisors, please visit their website at www.fiducientadvisors.com. You can find this episode and past episodes on Spotify, Apple, Google, or your favorite podcast platform. We are also available on YouTube, if you prefer to watch while you listen. If you'd like to catch up on past episodes, check us out on our website at dakota.com. And finally, if you like what you were seeing and hearing, please be sure to like, follow, and share these episodes. We welcome your feedback as well. Kate, thank you for being here. Andrew, as always, safe travels, and we'll see you soon.