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EPISODE 99:

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# Inside the Manager Research Process

*with DeMarche*



**Robert Morier:** Welcome to the Dakota Live! Podcast. I'm your host, Robert Morier. The goal of this podcast is to help you better the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, and other industry leaders to help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and our Dakota Live! content, please check out our website at [dakota.com](https://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. 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](https://dakotamarketplace.com) today. Well, I am thrilled to introduce our audience today to Hunter Swanson. Hunter, welcome to Philadelphia.

**Hunter Swanson:** Thank you. Thank you. It's great to be here.

**Robert Morier:** How was the flight in?

**Hunter Swanson:** Not too bad at all. There was a bit of a delay but got here smoothly and really happy to be here. Couldn't have better weather.

**Robert Morier:** Yeah, you brought some beautiful weather. It's supposed to be 80 degrees here in Philadelphia. You wouldn't know it in the studio, but we're grateful that you're here. We're very much looking forward to this conversation. So, I'm going to quickly read your background for our audience, and then we'll get right into it. Hunter Swanson is a senior research coordinator at DeMarche Associates in Overland Park, Kansas. Hunter's been with DeMarche for over two years, supporting manager research and senior consultants with investment analytics on institutional asset managers. In addition to his work at DeMarche, Hunter serves as chair of the Market Advisory Committee. Prior to joining DeMarche, Hunter worked as a junior equity analyst at vantage investment partners. He began his career in assurance services at Ernst & Young. Hunter earned his Bachelor of Science in business administration with an emphasis in finance from the University of Missouri, Columbia and his Master of Science in accounting from the

University of Missouri, Kansas City. He is a CPA license holder and is a member of the Missouri Board of Certified Public Accountants. Hunter is currently a CFA level I candidate. DeMarche Associates is an investment consulting firm with a strong reputation for providing institutional investors with research-driven strategic guidance. The firm serves a diverse range of clients, including pension funds, endowments, foundations, public funds, corporations, hospitals, and family offices. Their focus is on helping these clients develop custom investment strategies that balance risk and reward, ensuring that long-term financial goals are met. Hunter, it's a pleasure to have you here today. Thank you again for being here.

**Hunter Swanson:** Thank you, Robert. It's wonderful being here.

**Robert Morier:** Well, we're excited to get some insights into your career development. We'll be doing that over the next 40 minutes or so. But, before we do, we always like to start with the beginning. You earned your BS in business administration and MS From the University of Missouri. So, what drew you to finance, accounting? And how did your academic experiences shape your decisions in those early days for your career?

**Hunter Swanson:** I always have grown up just having an analytical mind and really seeking to put structure to a lot of things. I joke that I think in Excel a lot of times. There's a lot of structure in my mind. So, I knew I wanted to do something finance and accounting related, but I also more so knew I wanted to do something business related. And this is kind of an interesting answer when going into looking at majors and what you wanted to look into. But finance and accounting were the two subjects that I looked at that I thought, I will never learn this unless I go... I have to go to class, and I have to study it. So, during that time when I'm in school, I wanted to make sure to put my head down and really learn these subjects. And learning too that accounting and finance, it's really the backbone of every business that you have. And it's almost like a language in itself. So being versed in that early on in my career, before moving on to doing other things where you take on a sales role and do other relationship building, which I really enjoy, you do need that background to be able to understand and continue to communicate within the finance realm of things.

**Robert Morier:** It makes a lot of sense. Any courses that stand out if you think back to those days?

**Hunter Swanson:** Nowadays, a lot of it runs together. But there was one course early on in my first semester in college that I think really helped change my mindset, looking at classes within the university. And that is this... it was a business calc course, really, really challenging for me because I had never taken calculus before. So, I was teaching myself calculus on the side because you had to have a background in it. But the entire reason for the course was applying calculus to business. And so, it kind of reshaped the way I was

thinking about every course I was taking. I wasn't just learning it to learn it. I was learning it to apply it to what I wanted to do for the rest of my life. And the second I got through that course, and I think I got through with a B maybe, I don't even remember anymore. But I really learned to take a step back and think about why I'm learning what I'm learning. And I think that's a huge part of development within your time in a university, is understanding the why behind everything you're doing. Beyond that, a lot of the learnings that I recall from times at university were outside of the classroom. Guest speakers, a lot of networking opportunities, times going to lunch or meeting with famous alumni who come back to the University. And you learn a lot from time interacting with others. So, really, am glad I pushed myself to be active outside of just going to class when I was at the university.

**Robert Morier:** Well, please tell me you had some fun when you were at university. What did you do for fun when you were at school?

**Hunter Swanson:** I did. Well, I went to the University of Missouri, Columbia for my undergrad. So that was two years, three years after we moved to the SEC. So, SEC football was always fun going to games on Saturdays. And they were fairly solid. We're solid again. But back when I was a freshman and sophomore, we made the SEC championship. So always fun traveling to opponent schools and getting to... just getting to explore and travel a lot too. It's been a blast.

**Robert Morier:** Well, you started your career in assurance services at Ernst & Young. How did your time there lay the foundation for your transition into the investment industry?

**Hunter Swanson:** I really look back fondly on my time at EY. Of course, when looking into the assurance services and auditing financial statements for both large corporations that are public but also private corporations in the Kansas City area, it lays a great foundation for understanding all the nuances that go into financial statements. So that's one thing that was always helpful. But one thing that I took away from it too, is the work ethic that you get from going through a couple of busy seasons and working alongside very experienced professionals who really know a lot about certain topics. One, picking their brain and making sure to ask question throughout your career. You're never... you're never going to know everything, and that can learn from everyone. So that was kind of helpful. On top of that, just knowing that you're not going to get where you want to go in your career by just working an 8:00 to 5:00. Not saying you have to be in an office from... past 8:08 to 5:00 every day, but you're always interacting and learning from the environment around you. There's always something to be, to be learned. And, with my time in public accounting, getting to be in a lot of different sectors and looking at a lot of different industries, and then talking with controllers and CFOs right out of school was an awesome experience for me. And it's not always... where I'm at now in my career with finance, it's a lot different because you're providing value in a different way, and they can

see that value. Many times, when you're an auditor, you're getting paid to just go through financial statements, and a lot of the accounting department just feels like you're telling them what they did wrong. It's not fun to do. But if you learn to build a relationship and assist that accounting department in a different way, it made it a lot easier from a consulting standpoint to really build those connections with our clients.

**Robert Morier:** It sounds like a good learning experience for working with asset managers. Probably not terribly dissimilar. So, I was curious, what motivated you then to make that move into investment consulting and research?

**Hunter Swanson:** In accounting, you're somewhat looking backwards when you're looking backwards at the financial statements that had already occurred. You need that to understand the nuances of the financial statements. But, with finance, you're looking forward, and you're looking... you're trying to anticipate what is about to occur and how you can place yourself within the markets to better position yourself for success. I knew after understanding the financial statements that I wanted to start looking forward a little bit more and look at the economy and try to understand what I can do to better prepare myself for whatever is to come. So, I knew I wanted to go into finance eventually, and I really see my time at Vantage Investment Partners as a continuation of my financial statement understanding. I went from just auditing those financial statements to utilizing those financial statements to make models and model these large companies and try to anticipate and predict what it was that could occur. I remember at Vantage working with the portfolio manager there. And the first model I wrote, which these are just so in depth, 10, 15 tabs on an Excel document, all that flow through into predictions that could be made by three to five numbers. They're really intriguing, and it really helps you understand a business really well. But, before my first model, he said, I've been doing this for 20-plus years, and I have gotten zero perfectly correct. You can't predict these perfectly. So don't go in expecting to really predict the future in what was happening. And that's kind of been a really good insight is that we can't really predict the future and what is going to happen. If we could, I probably wouldn't be here right now. But it's always exciting to anticipate and to learn more about that. So long-winded way of saying that I really do enjoy the finance side of things because it's looking forward.

**Robert Morier:** Did DeMarche find you? Or did you find DeMarche?

**Hunter Swanson:** A little bit of both. Had a family friend who knew I was interested in moving beyond doing equity analysis and wanting to look a little bit into other asset classes outside of large public equities. So, a family friend was actually at his friend's birthday party, and that guy's cousin worked at DeMarche. It's a small world in Kansas City. And so that individual, Ryan Pickert, told my friend that they were looking and that I should reach out and go through an interview process. Two or three interviews later, I was

hired and didn't know a ton about DeMarche prior. But the more I learned and the more people I met from DeMarche, the more I felt like it was just a wonderful fit for me.

**Robert Morier:** Could you share more about DeMarche? Just I gave a little bit of an introduction, but it's always interesting to hear it from a person who's working at the organization. And, in that context, could you let us know where you sit within the organization, your team and some of your core responsibilities?

**Hunter Swanson:** So, DeMarche, this is actually our 50-year anniversary. So, we've been around for a while. And it was founded by Bob Marchese and Sam DeKinder. So that's the De in the Marche, and the Marchese in the DeKinder. And it actually is a French word that means a course of action. So, it really is a good fit into a consulting... a name for a consulting firm. So, we are an institutional investment consultant that works strictly with institutions. So, a lot of that is non-for-profit organizations, so foundations and endowments, a lot of operating funds. And we have about \$20 billion, a little over \$20 billion in assets under advisement in a long tenure with a lot of those clients that we have. I think on average, it's about 19 years. So, we really do a good job of building out those relationships with those clients and helping them see long-term opportunities and reach those goals that they have.

**Robert Morier:** How about your role as a senior research coordinator? Could you tell us a little bit about the job and where you sit within the organization?

**Hunter Swanson:** I started out right away on the research side of things. You can think of DeMarche as separated between the consulting group and the research group. The consultants many times start within research because it's a really good foundation for you to get an understanding of all the managers that we work with on a daily basis. From once you get that experience, you can turn around and bring that to our client base in a more successful way once you build that foundation. But our research is really the foundation of everything that we do. With our 50 years in business, we've built out thorough minutes of all the research that we've done thousands and thousands of managers over time. So, there are minutes that I go back and look at that are older than I am. And it's cool to see about some of these products and asset managers who have been around for so long and being able to see the tenure and the changes that have occurred within those. So, within my role itself, I coordinate research on a daily basis. We have a number of research analysts that work alongside me, and I assist scheduling meetings with those managers. And then going through our thorough research process to get a strategy approved to be put into future searches.

**Robert Morier:** I'm curious, on the research team, are responsibilities allocated by asset class or manager? How does DeMarche think about divvying up all of that world of asset management? It's quite big.



**Hunter Swanson:** That's a huge benefit to DeMarche is that we consider all analysts and consultants as generalists. We don't have specialists within any realm. Some of us have experience outside. Like me as an equity analyst prior, I do have a better experience when it comes to public equity funds. But we consider having analysts as generalists because we think it helps build a better foundation for their education moving forward. With that being said, we do assign certain managers to certain analysts so that they have one point of contact. And if those managers have multiple different products, then we have that one analyst cover all those products within that and become an expert in that space.

**Robert Morier:** Well, with 50 years of history and records, managers should be very careful about what they say. That's why consistency is so important—

**Hunter Swanson:** It really is.

**Robert Morier:** Because you've got the notes from 10 years ago to verify that investment process.

**Hunter Swanson:** It is pretty crazy all the depth that goes into it.

**Robert Morier:** Absolutely. So, I'm just curious, one of the questions that our asset managers will typically want to from our guests is, when they're calling DeMarche for the first time, let's say public equities, domestic, would they be calling into you? Would they be calling into one of the researchers? What's the best point of entry into a firm like DeMarche?

**Hunter Swanson:** So, DeMarche is a rather small firm when it comes to the people, 25 to 30 people on average. And so don't be taken aback when I say this, but our website is a good place to start. There is a Contact Us section within our website. And that actually goes through an email to our chief operating officer, who immediately forwards it to me, and then I would reach out to schedule a meeting. With that being said, there are times where it will take a little more time for us to schedule in that first meeting to get introduced to a strategy just depending on where we are within a cycle of research that we're doing. If we have a search that's coming up, we probably are spending a little more time on that search or any of the work that goes into that. But the Contact Us tab within DeMarche's website, so just [www.demarche.com](http://www.demarche.com).

**Robert Morier:** So, it does work?

**Hunter Swanson:** It does work. I can prove that it does. I've had probably five to 10 meetings in the past two months that have come through our website originally. So that's a good place to get introduced. And then I like starting there with a meeting and then

getting a lot of the data so that we can compare the manager's performance, not only to that benchmark that we put them against, but the universe of other DeMarche managers that have been approved by DeMarche to see where they fit within a specific universe.

**Robert Morier:** When does the manager have a sense that they are in consideration for at least more research?

**Hunter Swanson:** I try to do a good job of saying no. It's not fun to say no many times, but I also have learned that it's more valuable to those asset managers to just know. And we asked those managers to be transparent with us, so why not be transparent with them? There's always a reason why when we do have a no. A lot of that is just asset size at times. It can be risky for some of our client base to get into a specific strategy if it is under 100 million for small cap and then 300 million for any other manager from a strategy perspective. So that's kind of a hard-and-fast rule when it comes to saying no. And we don't really make exceptions to that. But I typically don't... am not the one individually to make a decision on whether it goes through or not. And it's probably a good thing because I think a lot more would make it through because every decision that we make is on a committee basis. It's a voting basis. So, we have two different committees... our MaRC committee, which is the Manager Review Committee, and then our MaRC Advisory committee, which we consider MAC. MAC is the first group that we meet every Wednesday. And we bring those strategies through on what we call a first glance. So, no matter what strategy it is, after an introductory meeting, we almost always do a first glance, which puts it in our minutes so that we do have an idea when going back on why we said no, or we didn't. So, there's never a manager that just gets cast to the wayside, and we never look at them again.

**Robert Morier:** I'm always curious when it comes to starting a search or initiating a search. It sounds like there's a committee who's working at least... or thinking holistically about the markets and maybe top-down direction and how they want to be placing assets generally across all of those clients. I would assume there's maybe some bespoke work as well, client by client. But how do you decide where you're going to be working? What is that top-down process look like?

**Hunter Swanson:** It's a lot of going out and consuming information on the markets and where we're at or communication with our specific client and then bringing it back to our team and having that debate and that conversation. We're very good about getting everyone's opinions on specific areas of the market. And if there are any ideas of specific managers that we may have not dug into yet, but we think that would be a really good opportunity for a specific manager. All the final decisions on searches have to go through our Manager Review Committee, but they're led by the lead client-serving consultant. So, whenever a search does arise, the first thing we do is to send out that search letter to confirm on the assets, the vehicles, the details behind what that search is going to entail.



And then we bring it to the Manager Review Committee that meets every Monday. And that committee will talk through the needs of that client, the certain managers that we've built relationships with that we think would be a good fit. And then we bring anywhere from three to six managers to that client for them to make that final decision unless it is an OCIO-type client that we do have.

**Robert Morier:** It does beg the question; how long does that all take? And so, if you think about the typical manager underwriting cycle, we always like to set our audience's expectations. So, could you help us set some expectations?

**Hunter Swanson:** Of course, and this is never a fun answer, but it really does depend. And I say that because it depends on the interest within the cycle, within an asset class, how successful some asset managers have been when managing assets with the client. And we really are long-term oriented. So, getting a strategy approved does not necessarily mean that they're going to be put in future searches either. I think that's important to note. But going through that approval process, I would say, on average, if it's a new introductory strategy, it takes on average about a year. That just means that it gets approved. That does not mean that it would be put into a future search. We really have those niche style strategies that fit certain clients differently. So, sometimes, we've had approved strategies that don't get put into searches for five years. And it's a matter of maintaining that relationship and keeping those profiles that we've written up to date every two. So long way of saying that it depends, but I would say on average about a year.

**Robert Morier:** I'm always curious, too, just characteristics. Past performance is not indicative of future results, which was I think, tattooed on my arm at some point when I started my career. But what are some of those, I guess you could call it, either relevant or historically more reliable predictors from your perspective that make for a good DeMarche partnership, a good manager for a DeMarche client?

**Hunter Swanson:** Really, we look, when looking at for a good manager, is a strategy with a well-defined process that's really truly committed to that process and that philosophy throughout multiple market cycles. There are going to be times when certain asset classes come in and out of favor. We never expect a manager to outperform in all market cycles. And the benefit of that is we're really long-term oriented with a lot of our clients. The cs of the managers that work with our clients work with them for on average of 10 years most times. So, we really want a manager to stick to that process and philosophy because we're doing that search because they fit within a certain asset allocation within our client's portfolio because they manage money a certain way. So, you see style drift in many ways. And we are constantly monitoring that because, I mean, look into the past value strategies that have not done as well as growth strategies. And then, all of a sudden, you see a lot of managers tend to buy more growthy names. But we have a growth manager. And a lot of our clients already have exposure there. So that style drift affects

that asset allocation overall. So, really, a well-defined process is a big part of it. Beyond that is really key talent. Having those portfolio managers who have been around for a long time and a group that's compensated well for their success but also well in times of challenge. And that comes back to whether they're going to go through with style drift or not too, if they're wanting to outperform and they're getting paid to outperform. And, with that, having an established pipeline of subsequent generations to take on that strategy whenever there are retirements because we know that that will come. And how prepared are those managers for next steps and somebody else taking the reins when there are those retirements that occur.

**Robert Morier:** Probably, the hardest part of, I would assume, the manager research process are those last two attributes, which is the people and then ultimately the people again, the succession planning. So, when you think about that people process of the manager research model that DeMarche employs, how do you get to know the people in a way where you have the trust in them to make that decision, to pull the trigger on an allocation.

**Hunter Swanson:** A big way is just building those relationships, not only through meetings. The beauty of what has happened with COVID is that we can take more meetings, but those virtual meetings do not replace in-person meetings. And, for example, while I'm here in Philadelphia, I'm meeting with three different money managers, all who manage different asset classes. And, really, what I'm trying to get is an understanding of that environment, not only the people who are polished and put in front of you, but the people that I wouldn't see unless I were traveling and going into the office because there are those analysts who may not be put in front of consultants consistently and meeting them and learning about what their day-to-day looks like. I've gone to offices where, when we did a Teams meeting initially, they said, oh, we're super collaborative. And then you walk through their office, and all of their doors are shut, and none of them are talking. And that's a concern to me. If they say they have a certain process one way, and then you go to visit their office, and it feels completely different. So, it's somewhat of a vibe that you can get when you're actually visiting. And I think a big way that we get comfortable with, the manager is visiting them on site and traveling more to meet them.

**Robert Morier:** Yeah, it makes sense. Matching words and actions. It's very important.

**Hunter Swanson:** Exactly.

**Robert Morier:** So, the million-dollar question that all of our investors, or I should say all of our listeners always like to hear is what you're currently working on. So, what are some of the searches that are currently going on that are keeping you busy? Or if you think about the asset allocation work that's happening, areas that you are doing some research on today.

**Hunter Swanson:** A lot of the work that we had been doing... I'll break it down with specific areas of asset classes. So, within traditional asset classes, we've been looking a lot outside of the Mag Seven and AI, surprisingly. We look a lot at active management. We have placed a lot of passive strategies with clients successfully. But the research and the work that's done, we really believe that thorough process, throughout market cycles, can generate alpha outside of... beyond whatever benchmark it is they're competing against. So, looking outside of the Mag Seven, we think this rate cutting environment would really help dividend names, so a lot of dividends paying stocks. And then, beyond that, investment-grade bonds have really been in a position to boost long-term results. So, investment-grade bonds are really an environment to create real yield for their portfolios, so becoming an increasing part of our asset allocation for clients. When it comes to private markets, we've seen a lot of interest in secondary space, really, because you can eliminate that blind pool that you're looking at and a lot of managers that are pooling those crown-jewel assets into a secondary fund and then having a lot of alignment with that GP.

**Robert Morier:** One more question just about the manager research process. A lot of the managers, particularly in small cap, but even in alternatives, private markets tend to be smaller. They tend to be below those thresholds. So, they'd be considered early-stage or emerging managers. How do you ensure that you don't miss out on those opportunities? Because those managers grow up, they become larger, so they will cross over that threshold. So how do you think about ensuring that you are keeping an eye on that universe?

**Hunter Swanson:** We do a very good job of scheduling meetings with all types of managers and staying up to date on new styles and new managers that are out there. When it comes to more emerging managers, the first place to start is with getting us that data and starting a conversation and a dialogue. Even if it doesn't reach that threshold that we have set, we do introductory meetings with them. And then we bring that through as a first glance and want to run performance so that we can stay up to date with those. It comes back to the minutes that we keep, very thorough. And so, we would do that first glance. That would put them into DeMarche's minutes so that we stay aware. And then a lot of what we would say in those minutes talks about how they haven't reached the threshold, but performance has been solid. They've been doing what they say they're doing. And we believe that they can be institutional moving forward if they do reach a certain asset threshold.

**Robert Morier:** That's great, Hunter. Thank you for sharing that. Thank you for being here today. This was wonderful. It was great to learn more about you, learn more about DeMarche. I do want to say I think you being here says a lot about the organization. Asset managers spend a lot of time trying to figure out who to call, how to present their

information, whether or not the website actually works or not. And I think you clarifying those things, DeMarche giving you the opportunity to come here, we don't have rising star awards on this show, but I fully believe that you're one of them in the industry. So, thank you for being here. I do have one more question. And then, as you know, I'm a professor at Drexel University. I've asked some of my students to join us today. So, we have had a live audience this entire podcast. For our listeners coming in, I teach a due diligence class. So, we look at companies, and the students are doing analysis on those companies. So, I'm happy a few of them are here. But one of the questions that I have, and I always end the show with are the mentors, so the people who have helped you in your career that you would like to acknowledge.

**Hunter Swanson:** It's hard to acknowledge just one. But what you said with the rising star award, definitely not that. But I definitely feel like I'm just a culmination of the community that I've been surrounded with. I've been really blessed with the community that I've had and the opportunities that I've had at DeMarche and at all the other organizations that I've worked at and the universities that I've been a part of. So, it's been a lot of people that I would love to thank. But the one person that really comes to mind that's a mentor to me is actually my boss, Adam Strumpf at DeMarche. I've said this for a long time, but I really do believe that you can learn a lot more about a person based on what they say about others than what others say about them. And Adam is just a super positive individual in everything he does. I've never heard him say anything bad about anybody. And he can take any punch and just roll with it. On top of that, he's really trusted me with our research division. I've only been at DeMarche for two years, and I feel as though I've gotten incredible opportunities. A big part of that is because of him and that he's trusted me right away with a lot of things. With his work ethic and with his hands-off approach to allowing me to grow and develop yet still giving me support where I need it has been incredible and super supportive. So, with that being said, I really just want to thank the community that I have back home and DeMarche and all the individuals who have helped me get to where I am today. And I really feel like it's just the beginning of my career path. And, and I'm really looking forward to what the future holds.

**Robert Morier:** Great, we are as well. Thank you for being here today. Well, Hunter, before we say goodbye, we're going to ask some of the students to ask you a few questions after hearing the conversation to hear their thoughts and what was most interesting from their perspective being students at Drexel University.

**Sam:** Hi, I'm Sam. I'm a fifth-year senior at Drexel University studying biomedical engineering. Nice to meet you.

**Hunter Swanson:** Nice to meet you too, Sam.

**Sam:** So, I just wanted to ask about technology and how it has changed the way you and your team approach investment research and decision-making.

**Hunter Swanson:** Technology has really made us more efficient. We're utilizing AI in a lot of ways to dig into a lot of bigger data and make better decisions, but it's not completely replacing everything that we do from a decision-making perspective. I think a lot of students are able to utilize technology more and more, but I think technology has also steered people away from thinking for themselves. And so, I want to emphasize for a lot of students to continue taking that data in and making sure to come up with logical conclusions, utilizing that data and not just regurgitating it in many ways.

**Elena:** Hi, Hunter, it's nice to meet you today. I am Elena. I am a senior at Drexel majoring in finance and business analytics with a minor in data science. And I have a question for you. Do you think there are any emerging sectors or trends in the market that are underappreciated by current institutional investors? And how do you think firms can better position themselves to capitalize on those opportunities?

**Hunter Swanson:** When it comes to specific areas of the market, I think... I mean, of course, based on my white paper, the small cap space has been underutilized, especially on the value side of things, so focusing on the valuations of companies. One phenomenon that has been occurring that's been affecting public markets in general has been the push for passive investing, so tracking a benchmark. And because of that, we've seen what's called the amplification loop that's raising prices of larger names because more and more individuals or organizations are getting into passive investing and really spreading out their assets. And I think that'll give pockets of opportunity throughout the markets for active managers to try to take advantage of moving forward.

**Diego:** Hello, Hunter, nice to meet you. My name is Diego Gonzales. I'm a third-year student at Drexel University studying entrepreneurship and a minor in finance. My question to you today is, as a senior research coordinator at DeMarche, how do you evaluate new investment ideas? And what are the key factors when you consider when recommending strategies for capital appreciation?

**Hunter Swanson:** So, there's always new ideas when it comes to generating alpha within the markets. But, at the DeMarche, we're really cognizant of those new ideas and want to see new asset classes or new approaches through a full market cycle. A minimum, many times is about three years that we would ask for a pass performance, but we would like to see how they perform within all market cycles. So, we are fairly cognizant of those new ideas and open minded. But we also want to ensure, mostly because of the institutional nature of our client base, what it would look like at all market cycles. When it comes to finding those new managers and analyzing them, there's a lot of factors that come into play but, like I had mentioned before, making sure there's a process and philosophy in

place, a very structured process and philosophy. And the managers are sticking to that approach, and then understanding the people behind those processes too is important.

**Jerry:** First of all, welcome to Philly. My name is Jerry. Well, my real name is [INAUDIBLE], but I go by Jerry. I'm from Cambodia, and I'm a third year at Drexel University majoring in entrepreneurship and innovation. And I'm minoring in marketing. And my question to you is what drew you to the investment advisory career outside of traditional Wall Street career path? And what key decisions or life experiences shaped your journey?

**Hunter Swanson:** The investment advisory career really came from the energy I get from building relationships with individuals and supporting them. And the best way to utilize that is through my experience within the financial markets and being able to transfer that knowledge into a more tangible approach for a lot of institutions that affect a number of individuals, besides one or two that you can see at other places. The first experience that I had with DeMarche, I got to travel to Minneapolis and then drive about three hours to meet a group of Franciscan sisters that are a client of ours. It was a really neat experience because I had been doing a lot of work in the financial markets, coming to big cities like Philly, meeting with money managers in high-rise buildings. And that was the first time I got to see our work put into action with our client base. So, getting to see why we do what we do and the value that it brought, that group of sisters really makes my day-to-day work seem so much more valuable. And it motivates me to continue pushing and learning and finding new opportunities to grow these organizations because you can see the direct value that your work is bringing to others.

**Robert Morier:** If you want to learn more about Hunter and DeMarche, please visit their website at [www.demarche.com](http://www.demarche.com). You can find this episode and past episodes on [Spotify](#), [Apple](#), or your favorite podcast platform. If you prefer to watch while you listen, please check out our [YouTube](#) channel as well.

Finally, if you like what you're seeing and hearing, please be sure to like, follow, and share these episodes. We welcome your feedback. Hunter, thank you for joining us. And, to our audience, thank you for investing your time with Dakota.