



Research  
Education  
Dialogue

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## Coping with COVID-19

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How Work Is Evolving for Investment Managers  
2<sup>nd</sup> Edition

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# Executive Summary

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## Survey Overview

Following our *Coping with COVID-19* survey, Callan reached back out to investment managers to assess any changes firms are making to business protocol. In this second edition, Callan surveyed 98 investment managers regarding how their firms are handling office closures and reopenings, work-from-home approaches, business travel, and meetings. Additional questions on video conference platforms and employee engagement enhancements were included in this latest edition. Respondents varied by location, employee size, assets under management, and ownership structure. The purpose of the survey is to better understand how investment managers are navigating the pandemic as both Callan and the investment industry would benefit from learning what actions and policies firms are implementing in these uncertain and frequently changing times. Survey responses are as of August 15, 2020.

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## Key Findings

- Offices remained closed for 81% of the respondents, down from 84% in our first survey published in June.
- 56% of respondents had a specified reopening date, with the vast majority stating 2021.
- 48% of respondents conducted all of their meetings via video conference call; Zoom was the most widely used platform.
- 78% of respondents said the number of meetings they had in August either increased or stayed the same relative to the same time last year.
- More than one-third of the respondents provided an anticipated date for resumption of travel, with the vast majority of those targeting 2021. Previously, Labor Day was the date chosen by a majority of respondents.
- The majority of firms increased senior management communications and town hall events to enhance employee engagement.

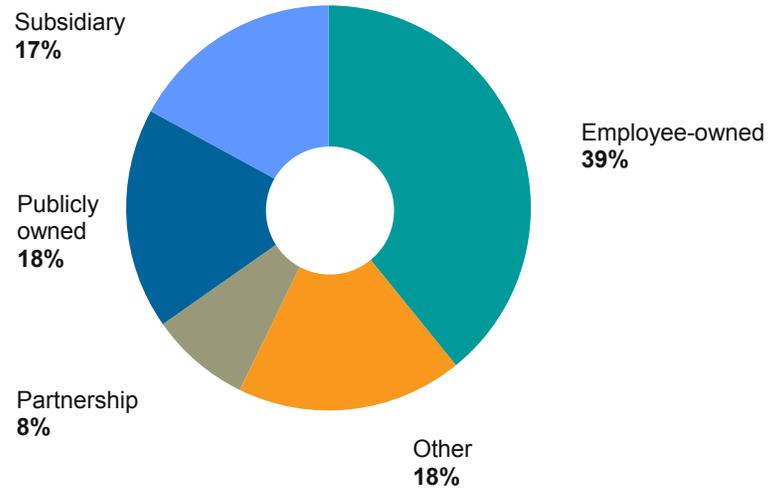
# Respondent Demographics

**98** investment managers responded to the survey.

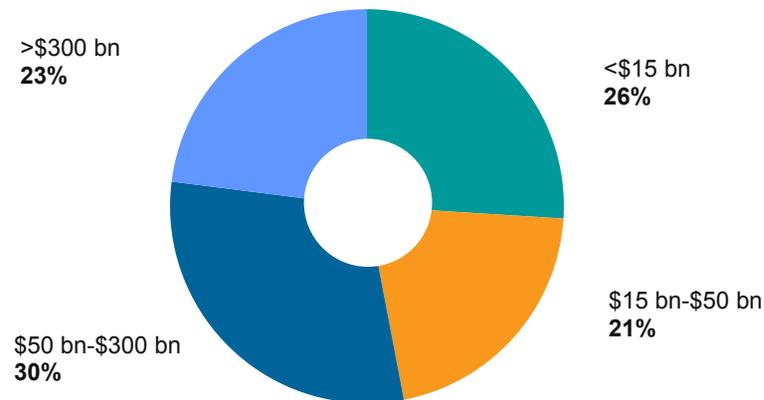
**39%** were employee-owned, representing the largest percentage of respondents.

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

## Respondents by Ownership Structure



## Respondents by AUM



\*As of 2Q20, or most recent quarter available

# Meeting Frequency and Format

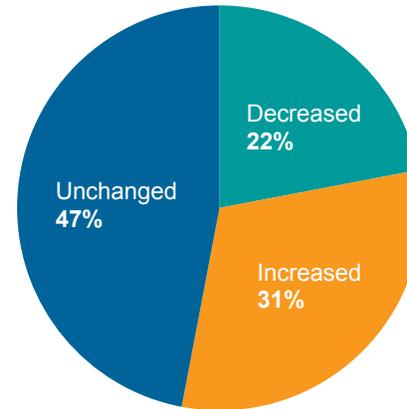
## Number of Meetings Compared to One Year Ago

**78%** of respondents said the number of meetings they had either increased or stayed the same compared to 12 months before, up from 63% in the first edition of the survey.

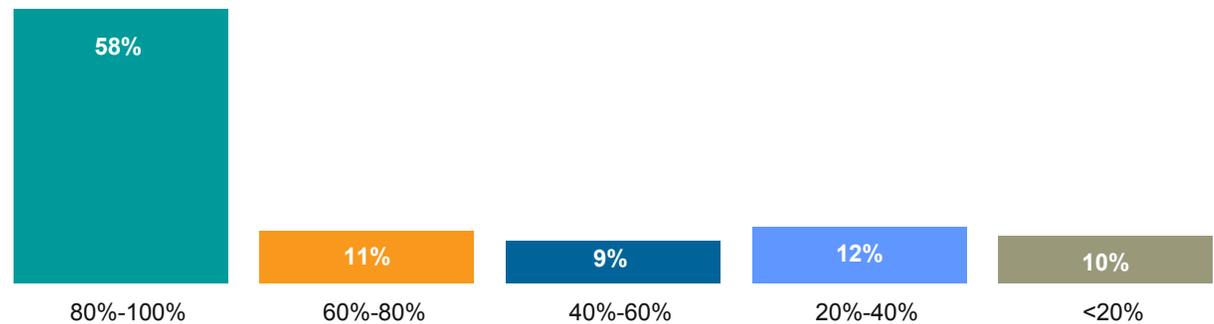
**48%** of respondents conducted 100% of interactions with clients and consultants via video conference call in August.

**64%** of larger firms (>\$300 bn AUM) conducted at least 80% of their interactions via video conference call versus 42% of smaller firms.

More than half of the respondents from the Northeast and three-quarters from overseas (United Kingdom) conducted at least 80% of their interactions via video conference call.



## Percent of Meetings with Clients/Consultants via Video



# Virtual Communications

**46%** of respondents' primary platform choice was Zoom. Zoom was also the most popular secondary choice of respondents who used an alternative platform as their primary.

**21%** of respondents who chose a primary platform used a secondary and/or tertiary platform as well.

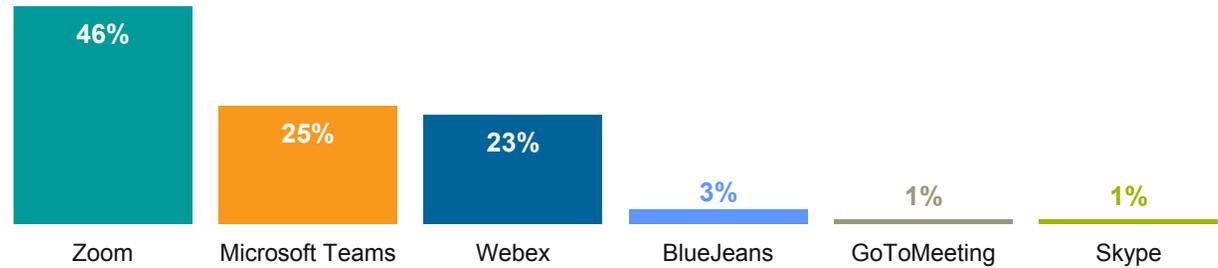
**54%** of smaller firms (<\$15 bn AUM) chose Zoom as their primary platform for virtual communication.

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

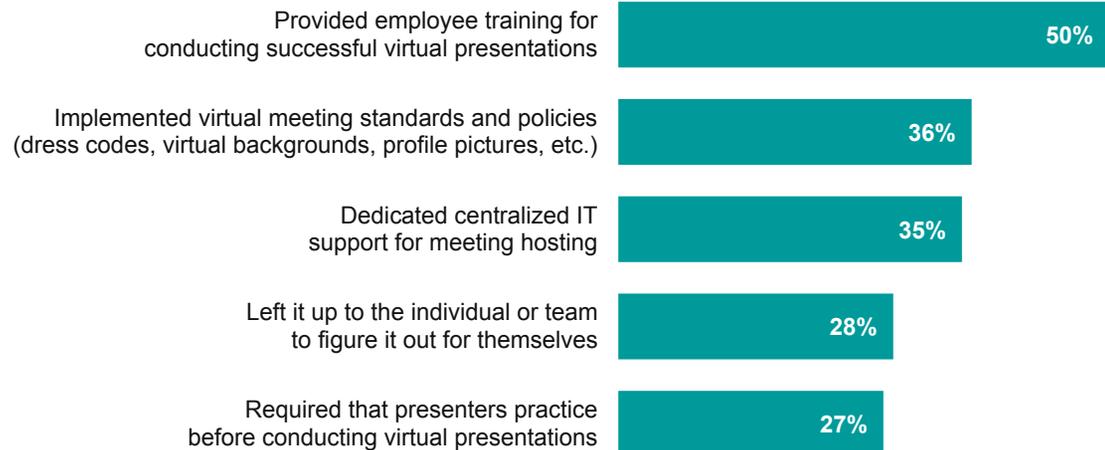
## Respondent Perspective

*"We've been using virtual meetings with our non-U.S. based clients for years, so we have a model that has worked well and continue to practice and ensure [virtual meetings] are as high quality and efficient as possible."*

## Primary Platform Used for Virtual Communication



## Steps Taken to Improve Virtual Presentation and Meeting Quality\*



\*Multiple responses allowed

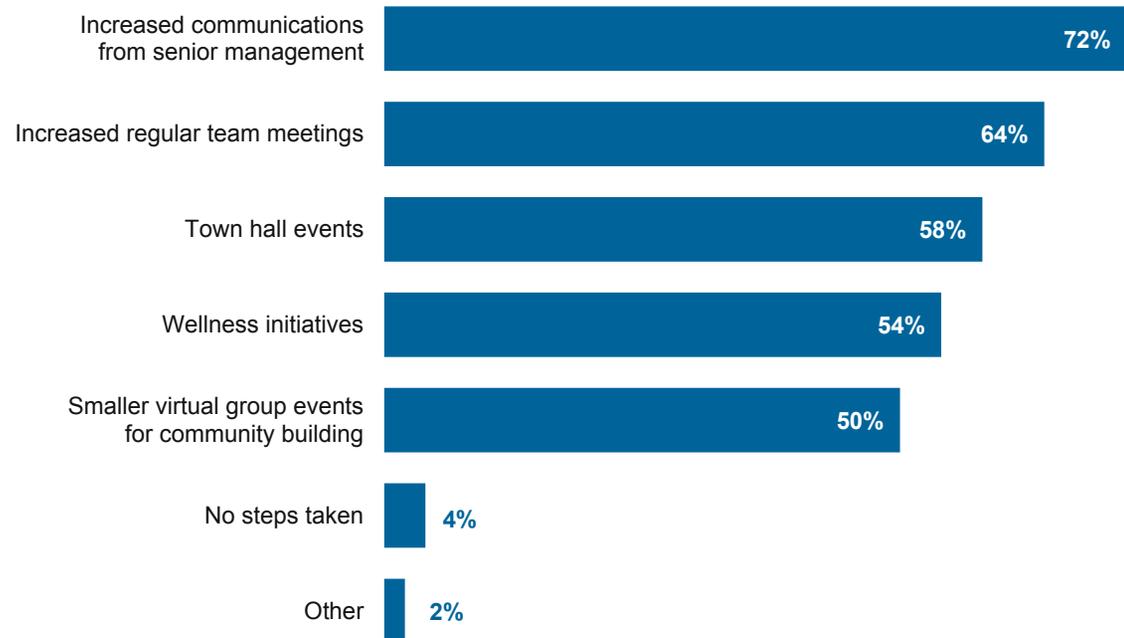
# Internal Communications

**72%** of respondents increased the amount of communication from senior management compared to before the pandemic and subsequent quarantine in an effort to enhance employee engagement while offices are closed.

Only small firm respondents (<\$15 bn AUM) said that there were no steps taken to enhance employee engagement.

**77%** of larger firms (>\$300 bn AUM) instituted wellness initiatives, more than twice the rate of their smaller counterparts (29%).

## Steps Taken to Enhance Employee Engagement\*



### Respondent Perspective

#### 'Other' steps taken

*"Focus group working directly with [the] CEO to implement plan for the new normal in our workplace."*

\*Multiple responses allowed

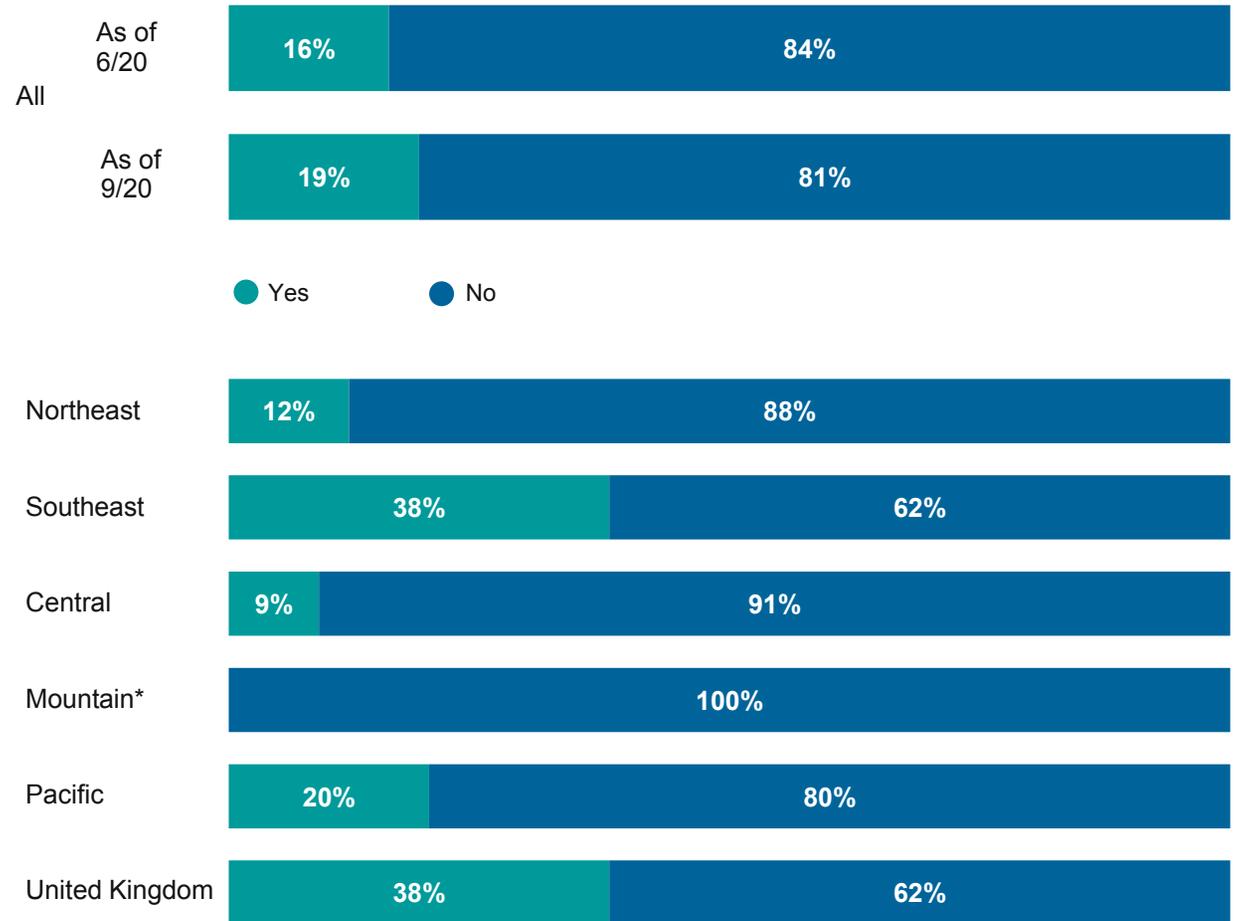
# Office Closures

**81%** reported offices remained closed, down from 84% in the June publication.

Managers whose primary office is located in the Central region of the U.S. had the lowest percentage of offices currently open (9%), as compared to 13% in the last publication. The Southeast had the highest percentage of offices open (38%), up from 31% in June.

Offices remained open for a greater percentage of mid-sized firms (30%) with \$50 bn to \$300 bn in assets versus those with over \$300 bn in AUM (14%).

## Are Your Offices Open?



\* Only two managers represented the Mountain region and their offices are both currently closed.

# Projected Office Reopenings

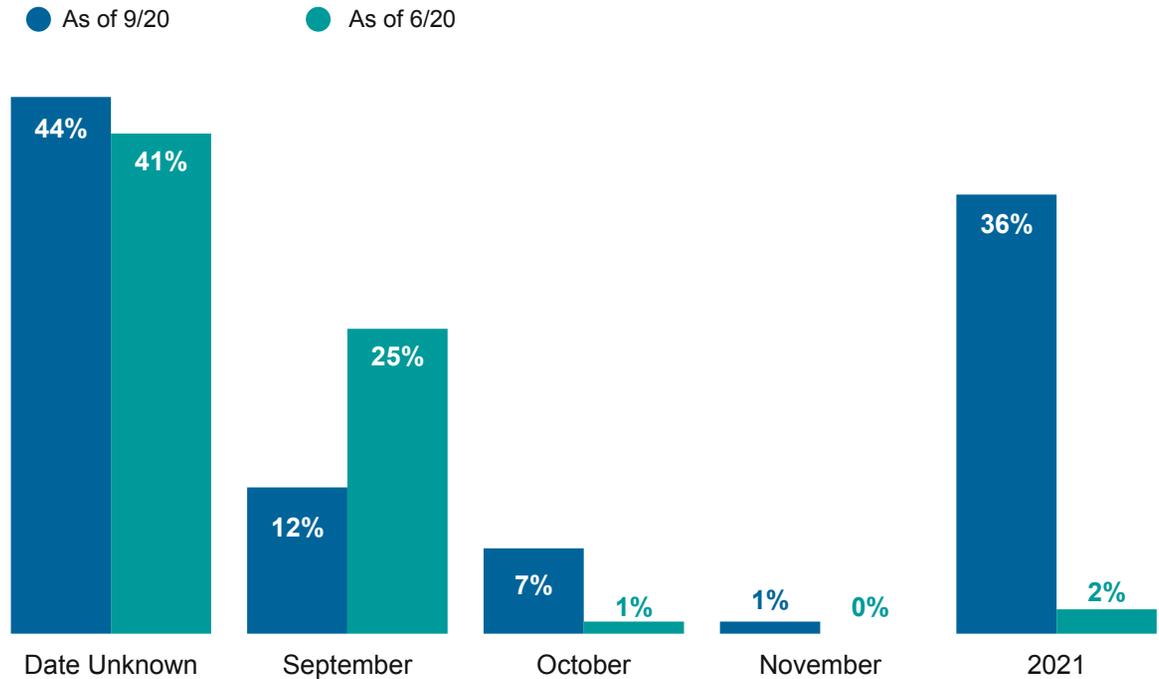
More than one-third of respondents expected offices not to reopen until 2021 as compared to only 2% in the first survey.

**44%** of respondents were uncertain as to the timing of their office reopening while 56% had a specified reopening target, with more than half of those noting 2021. 12% of respondents expected to reopen offices this month compared to 25% in our last survey.

**53%** of both small firms (<\$15 bn) as well as large firms with over \$300 bn in assets did not have a specific date for reopening.

**86%** of respondents located in the Southeast were planning for a 2021 opening, the most for any region.

### Target Date for Office Reopening\*



\*June data included respondent information from dates not applicable and therefore do not sum to 100%

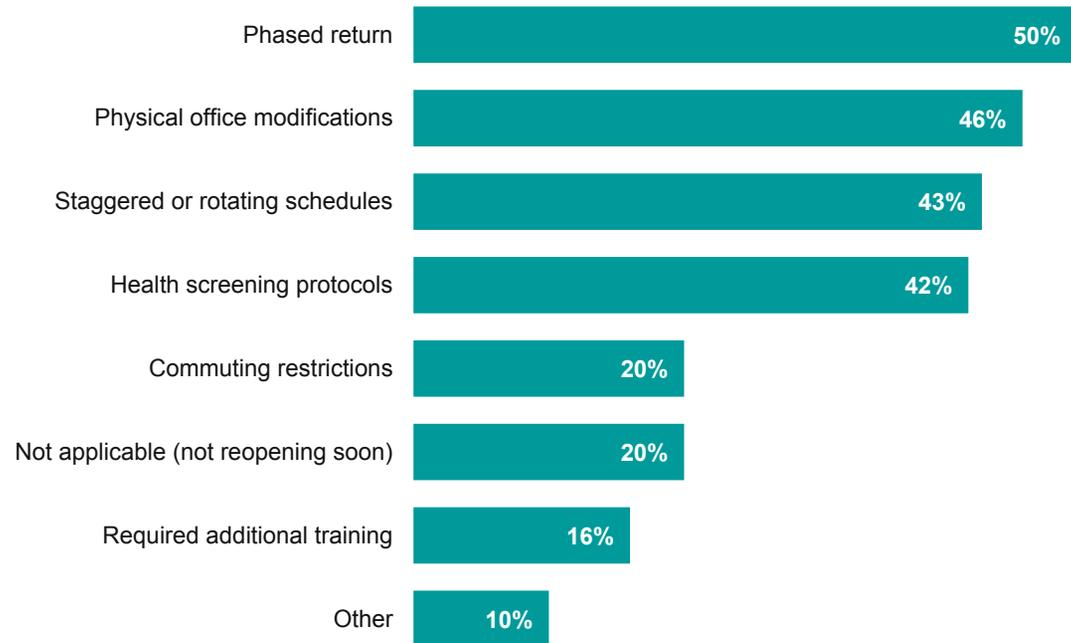
# In-Office Policies

**50%** of respondents said they planned a phased return to offices currently open and when opening their offices in the future.

**68%** of large respondents planned for a phased return in addition to implementing a health screening policy.

Some “other” policies implemented included contact tracing of employees, providing personal protective equipment (PPE), and limiting the office capacity to 20% of employees at any given time.

## Policies Employed in Open Offices or Those Opening Soon\*



\*Multiple responses allowed

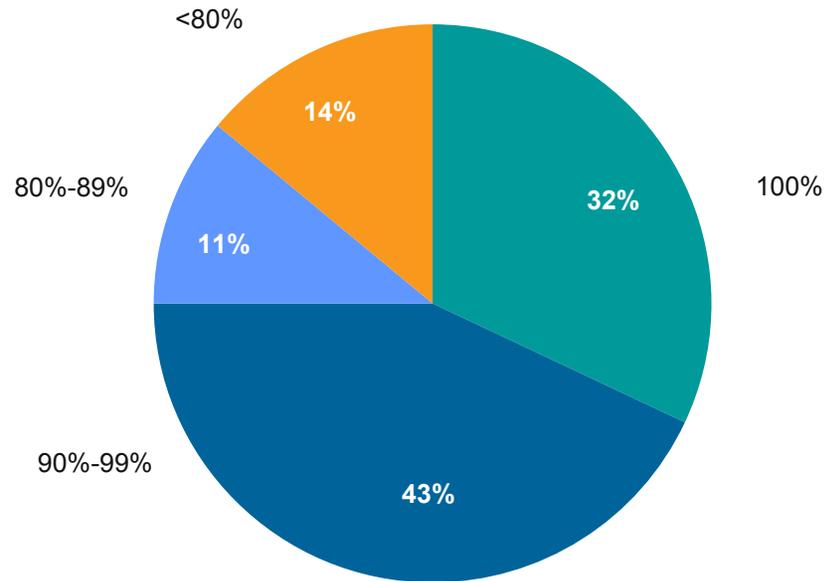
# Remote Work Policies

The vast majority of employees were working remotely across essentially all firms regardless of size and location.

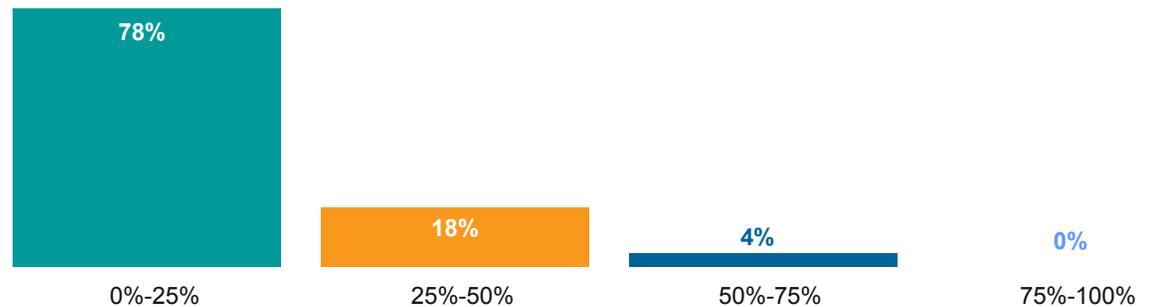
**75%** of those surveyed said that a minimum of 90% of employees were working from home. Only 14% of managers said that less than 75% of employees were working from home. 80% of managers in the Pacific region said at least 90% of their employees were working from home.

**78%** of managers expect that 25% or less of their workforce will permanently work from home.

### Percent of Employees Working Remotely



### Percent of Employees Expected to Permanently Work Remotely

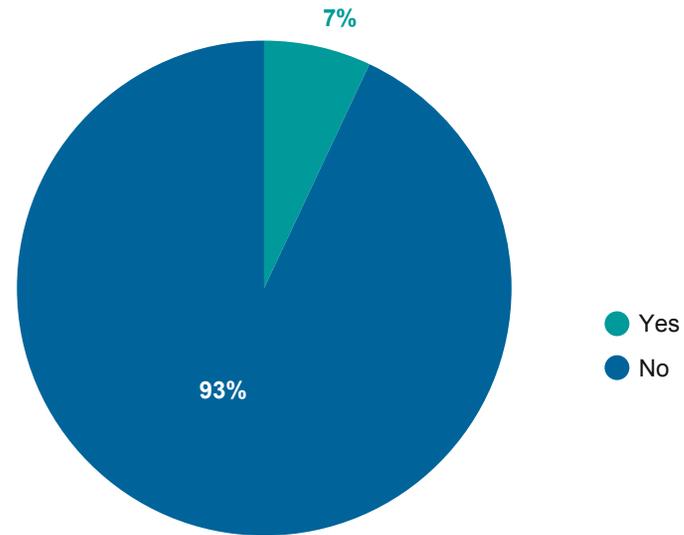


# Visitor Guidelines

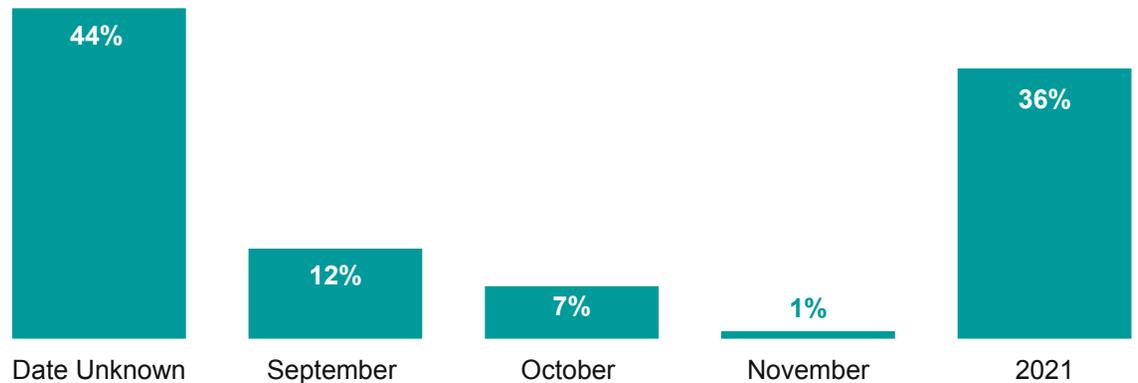
## Are Visitors Permitted into Your Offices?

**93%** of respondents continued to ban outside visitors, down from 97% in the June publication. 100% of managers located in the Pacific region were not allowing outside visitors to their offices.

**64%** of respondents who gave a specific date for allowing outside visitors to their offices expected this to take place in 2021.



## When Respondents Anticipate Office Visitors Will Be Permitted



### Respondent Perspective

*“Visitors have been received in our international offices upon request, when it makes sense, and as health and safety precautions are implemented.”*

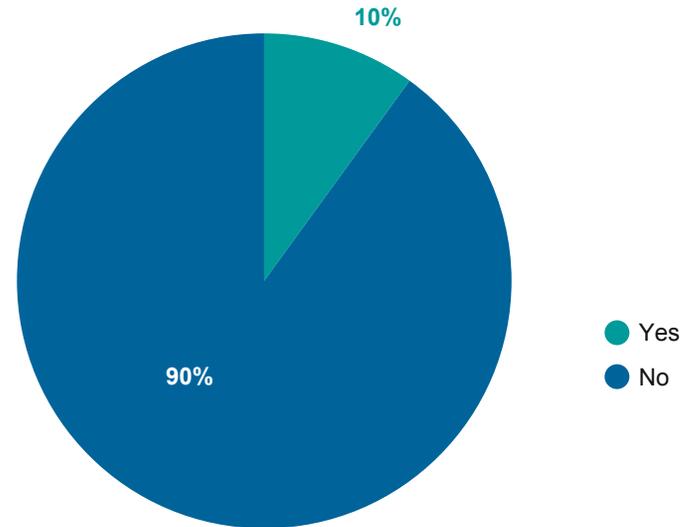
# Business Travel Resumption

**10%** of firms allowed business travel. In the June publication, only 6% of respondents predicted business travel would resume in August.

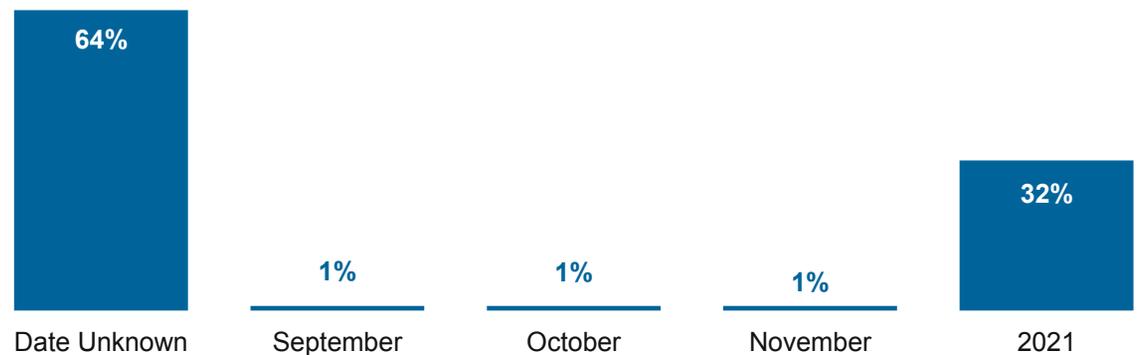
**15%** of respondents in the Southeast region allowed business travel, the highest percentage of any region.

**91%** of the respondents who provided an anticipated date for resumption of travel stated that this wouldn't take place until 2021. This is in stark contrast to results in the June publication when only 21% of those respondents who gave a specific date predicted business travel would resume in 2021, with most predicting September.

## Is Business Travel Permitted?



## When Respondents Predict Business Travel Will Resume



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## About the Authors



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

Greg is a member of Callan's Management Committee, Institute Advisory Committee, Client Policy Review Committee, and Editorial Committee, as well as the Investment Committee, which oversees all of Callan's discretionary multi-manager solutions. He is also a member of the Callan Board of Directors and is a shareholder of the firm.

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### **About Callan**

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

### **About the Callan Institute**

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

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