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How William Blair got so much bigger

Just months after Michelle Seitz was appointed to lead William Blair & Co. LLC's investment management division in mid-2001, she went to her firm partners with a major ask.

With financial markets still reeling from the Sept. 11 terrorist attacks, she somewhat nervously proposed a major buildout of the division. She wanted the firm to solicit more business from large institutions; to add new products and services, especially overseas; and to have portfolio managers specialize in investment strategies as opposed to being generalists.

Yes, Blair had decent investment returns. But it needed to better advertise that to would-be investors. "The vision that I had for us was to be a respected and recognized leader in global asset management, and back then we were not," Ms. Seitz says. "We were not a recognized force in asset management, outside of a regional footprint."

Her bosses at the employee-owned firm backed her. Since then, she has overseen the transformation of a small Midwest money manager handling \$12 billion for mainly high-net-worth Chicago clients and local endowments and foundations into one managing \$62 billion today, for those legacy customers plus insurance companies, corporate pensions, mutual fund companies and other institutional investors.

Other Chicago managers have expanded their assets by bigger leaps over that period, but they did it through acquisitions. Ms. Seitz has led William Blair's investment management division the hard way, by growing its own business year after year.

'BOLD MOVES'

"I can think of few other firms that have made such bold moves and succeeded," says Charles "Chip" Roame, managing partner at industry consultants Tiburon Strategic Advisors in Tiburon, Calif.

Ms. Seitz, 48, who grew up on the Ohio River in Indiana and graduated from Indiana University with an accounting degree, joined William Blair in 1996 as a portfolio manager. She had returned to the Midwest four years earlier to take a job at a Chicago-area asset manager after a stint in Charlotte, N.C., as a money manager at the former NationsBank NA.

When she was promoted to division head, she also joined the company's executive committee, the only woman among the firm's top eight leaders.

To implement her growth plan, Ms. Seitz launched new investment strategies each year, offering them on dual tracks—one for retail clients, another for institutional investors. In 2002, the firm rolled out an international institutional growth fund; in 2003, a new small to mid-cap growth fund; the following year an international equity fund, and so on with new options each year over the next decade.

She also assembled a team to trumpet William Blair's above-benchmark returns. She hired John McLaughlin in 2004 to head institutional client services and Dan Charles in 2010 to lead global business development. In addition, she brought in a chief operating officer for asset management, Rick Smirl, in 2005 and a head of private wealth business, John Brennan, in 2008. The investment management division's headcount swelled to 327 from 128 when Ms. Seitz moved up.

Today, more than two-thirds of the \$62 billion in assets under management come from institutional customers, including the Washington State Investment Board and mutual fund giant Vanguard Group Inc. William Blair's family of mutual funds has grown to 26, holding \$10.1 billion in assets for retail customers. It also still manages \$8.3 billion for high-net-worth clients.

William Blair's clients still are predominant-



Michelle Seitz, head of investment management, William Blair & Co. LLC

ly American; just 7.4 percent of investor funds come from outside the country. But it has become more worldly by another measure: where it puts its funds. When Ms. Seitz took the post, the firm had only \$500 million invested outside the U.S. Now 57 percent of the firm's assets are overseas.

Thanks to the inflows, the division is now William Blair's biggest unit. Revenue jumped 20 percent last year to \$338 million, and Ms. Seitz says she expects double-digit growth again this year.

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CRAIN'S LIST LARGEST MONEY MANAGERS

Ranked by total assets managed as of 12/31/13

Rank	Company	Head of Chicago office	Total assets managed as of 12/31/13 (millions); % change from 2012	Total amount for tax-exempt clients (millions)	Minimum required for separate accounts ¹ (millions)	Types of accounts managed								Number of portfolio managers in Chicago office	No. of researchers in Chicago office
						Corporate	Educational	Foundation	Hospitals/health care organizations	Mutual funds	State/local government	Unions	Other		
1	NORTHERN TRUST ASSET MANAGEMENT 50 S. LaSalle St., Chicago 60603 312-630-6000; NorthernTrust.com	Stephen N. Potter President, asset management	\$604,000.0 13.0%	\$493,700.0	NA	✓	✓	✓	✓	✓	✓	✓	✓	75	51
2	NUVEEN INVESTMENTS INC. 333 W. Wacker Drive, Chicago 60606 800-257-8787; Nuveen.com	John Amboian Chairman, CEO	\$220,504.0 0.9%	NA	NA					✓				NA	NA
3	GUGGENHEIM INVESTMENTS² 227 W. Monroe St., Chicago 60606 312-827-0100; GuggenheimInvestments.com	Mark Walter CEO, Guggenheim Partners	\$172,000.0 20.3%	\$20,000	NA	✓	✓	✓	✓	✓	✓	✓	✓	17	0
4	HARRIS ASSOCIATES LP³ 2 N. LaSalle St., Suite 500, Chicago 60602 312-621-0600; HarrisAssoc.com	Jack Wildermuth Managing director, head of marketing	\$118,097.0 55.0%	\$27,244.2	\$10.0	✓		✓	✓	✓	✓	✓	✓	10	17
5	PPM AMERICA INC.⁴ 225 W. Wacker Drive, Suite 1200, Chicago 60606 312-634-0050; PPMAmerica.com	Leandra Knes CEO	\$98,082.9 0.1%	\$359.3	\$100.0					✓	✓		✓	36	34
6	INVESCO POWERSHARES⁵ 3500 Lacey Road, Suite 700, Downers Grove 60515 800-983-0903; InvescoPowerShares.com	Dan Draper Managing director, global exchange-traded funds	\$91,303.2 50.6%	NA	NA								✓	13	7
7	HARBOR CAPITAL ADVISORS INC.^{6,7} 111 S. Wacker Drive, 34th floor, Chicago 60606 800-422-1050; HarborFunds.com	David G. Van Hooser Chairman, president, trustee	\$87,100.0 21.0%	NA	NA	✓				✓				NA	NA
8	MESIROW FINANCIAL HOLDINGS INC.⁸ 353 N. Clark St., Chicago 60654 312-595-6000; MesirowFinancial.com	Richard S. Price Chairman, CEO	\$84,500.0 25.2%	NA	NA	✓	✓	✓	✓		✓	✓		NA	NA
9	LSV ASSET MANAGEMENT CO. 155 N. Wacker Drive, Suite 4600, Chicago 60606 312-460-2443; LSVAsset.com	Josef Lakonishok CEO, chief investment officer	\$82,292.0 26.6%	\$82,104.0	\$25.0	✓	✓	✓	✓	✓	✓	✓	✓	3	8
10	WILLIAM BLAIR & CO. 222 W. Adams St., Chicago 60606 312-236-1600; WilliamBlair.com	John Ettelson President, CEO	\$61,979.0 24.9%	\$37,124.1	\$2.0	✓	✓	✓	✓	✓	✓	✓	✓	49	37
11	GROSVENOR CAPITAL MANAGEMENT LP 900 N. Michigan Ave., Suite 1100, Chicago 60611 312-506-6500; GrosvenorCapitalManagement.com	Michael J. Sacks CEO	\$44,218.0 97.9%	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
12	COLUMBIA WANGER ASSET MANAGEMENT LLC⁹ 227 W. Monroe St., Suite 3000, Chicago 60606 312-634-9200; ColumbiaFunds.com	Chuck McQuaid ¹⁰ President, chief investment officer	\$39,700.0 22.9%	NA	NA	✓		✓	✓	✓	✓		✓	12	21
13	BMO ASSET MANAGEMENT U.S.^{6,11} 190 S. LaSalle St., 4th floor, Chicago 60603 312-461-5370; BMO.com/gam	Barry S. McInerney CEO	\$33,953.1 4.1%	\$9,195.0	NA	✓	✓		✓		✓		✓	17	10
14	CALAMOS ASSET MANAGEMENT INC. 2020 Calamos Court, Naperville 60563 630-245-7200; Calamos.com	John P. Calamos Sr. CEO, global co-chief investment officer	\$26,543.0 -10.5%	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	14 ¹²	34 ¹²
15	ADAMS STREET PARTNERS LLC 1 N. Wacker Drive, Suite 2200, Chicago 60606 312-553-7890; AdamsStreetPartners.com	T. Bondurant French CEO	\$25,100.0 4.6%	\$20,300.0	\$10.0	✓	✓	✓		✓	✓			52	19
16	HIGHTOWER ADVISORS LLC 200 W. Madison St., Suite 2500, Chicago 60606 312-962-3800; HighTowerAdvisors.com	Elliot S. Weissbluth CEO, director	\$25,000.0 ¹³ 25.0%	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
17	CITADEL LLC 131 S. Dearborn St., Chicago 60603 312-395-2100; Citadel.com	Kenneth C. Griffin CEO	\$17,000.0 30.8%	NA	NA				Not available					NA	NA
18	ASTON ASSET MANAGEMENT LP⁶ 120 N. LaSalle St., 25th floor, Chicago 60602 312-268-1326; AstonFunds.com	Stuart D. Bilton Chairman, CEO	\$15,901.7 37.9%	NA	NA					✓				0	0
19	ASSET ALLOCATION & MANAGEMENT CO. 30 W. Monroe St., 3rd floor, Chicago 60603 312-263-2900; AAMCompany.com	John L. Schaefer President	\$15,600.0 -4.3%	\$1,600.0	\$25.0								✓	8	7
20	DRIEHAUS CAPITAL MANAGEMENT LLC 25 E. Erie St., Chicago 60611 312-587-3800; DrieHaus.com	Rob Gordon President, CEO	\$12,167.0 40.1%	\$2,100.0	\$1.0	✓	✓	✓	✓	✓	✓	✓		17	26

List includes firms that are based or have a branded asset management division in the six-county area (Cook, DuPage, Kane, Lake, McHenry and Will). Does not include asset managers mainly working in real estate. Crain's estimates are in gray. **NA:** Not available. **NC:** No change. **1.** Minimum may be higher in some cases. **2.** Parent Guggenheim Partners has dual headquarters in Chicago and New York. **3.** Parent is Paris-based Natixis Global Asset Management SA. **4.** Parent is London-based Prudential PLC. **5.** Parent is Atlanta-based Invesco Ltd. **6.** Fiscal year ends in October. **7.** Parent is Rotterdam, Netherlands-based Robeco Groep NV. **8.** Fiscal year ends in March. **9.** Parent is Minneapolis-based Ameriprise Financial Inc. **10.** Stepping down from role in April. **11.** Parent is Toronto-based BMO Financial Group. **12.** Not all employees are local. **13.** Company estimate.

Researched by
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