

iaim

Irish Association of Investment Managers

Newsletter

Summer 2024



Top News

Irish Association of Investment Managers (IAIM) restructures board and committees. **pg 2**

Full Update on Directors' Series meetings with Commissioner Mairead McGuinness and former Minister for Finance, Michael McGrath TD.

pgs 4-7

Association Evolves

Welcome to the Irish Association of Investment Managers' inaugural newsletter which will bring you up to date with latest IAIM news and events.

For the past number of months we have been working behind the scenes to make the association more streamlined and better able to deliver for our members.

We also have some other exciting developments ahead including a rebrand.



Association's Annual Dinner attracts capacity audience.

pgs 13-15



New Committees Formed

The association now comprises of the following six committees:

- Finance & Audit
- Regulation & Compliance
- Thought Leadership & Advocacy
- Education, Diversity & Inclusion
- Networking & Events
- Membership

Director Series Updates & Committee Roundups pgs 4-7, 9-11

Board Changes

The association has reduced the number of directors on its board from 26 to 9.

The board now comprises of **Ann Prendergast**, State Street Global Advisors Europe Ltd; **Grainne McEvoy**, Pimco Global Advisors (Ireland) Ltd; **Victoria Brown**, Abrdn; **Brian Carey**, BCP Asset Management DAC; **David Harte**, Amundi Ireland Ltd; **Sean Hawkshaw** KBI Global Investors; **Furio Pietribiasi** Mediolanum International Funds Ltd and **Michael Hodson** Independent Non Executive Director.

More streamlined and focussed

Meet Our New Chair



We are delighted that Ann Prendergast, State Street Global Advisors Europe Ltd, has taken up the role of Chair.

We are also pleased to announce that Grainne McEvoy, Pimco Global Advisors (Ireland) Ltd, has taken up position as Vice Chair of the association.



New Directive for Central Bank

Gabriel Makhoul, Governor of the Central Bank of Ireland, (above) addressing the association's annual dinner revealed that the regulator will be establishing a single Capital Markets & Funds Directorate "to bring together parts of the capital markets universe which are currently housed in different parts of the Central Bank" and "ensure a more integrated and holistic approach to this diverse sector".

Speaking about "the alphabet soup" of EU regulation he said there was a need to streamline, look for efficiencies, avoid duplication and improve simplicity as well as better support innovation and product development to meet the changing needs of investors and the broader evolution of the global financial sector. "And we need to think consistency and more appropriate regulatory calibration in order to achieve the right outcomes," he added.

More on annual dinner pgs 13-15

Editorial

Welcome to our association newsletter which will update you on important association developments.



I want to thank everyone who was involved in the restructuring of the association. There were many of you working behind the scenes to bring this to fruition. I have no doubt that a more streamlined board and a smaller number of committees focused on core activities will deliver results for Ireland, members and savers alike.

This streamlining will be important as there are challenges ahead. Delegation is one area where we need a sectoral response to ensure Ireland is not significantly disadvantaged with an outcome that is not in the best interests of investors.

We have also undertaken a project to redefine the association with a new brand coming soon which better reflects the work we do.

Thank you for attending our annual dinner and to sponsors Matheson, Waystone and EY. This is always a great opportunity for industry to get together, discuss key issues and collaborate in a social environment.

Michael D'Arcy, Chief Executive

Regulation papers

Publications & submissions



Director Series

Commissioner Mairead McGuinness

In the latest Director Series event, association representatives met with Commissioner Mairead McGuinness, European Commission for Financial Stability, Financial Services and the Capital Markets Union .

Centralised Supervision

Centralised Supervision was a key discussion item with the association stressing that it appeared we may be moving forward towards centralised supervision under ESMA without proper debate.

IAIM also raised the challenges that may be encountered in moving toward centralised supervision under ESMA including:

- large legal obstacles
- the fact that ESMA is tiny with scarce resources and next-to-no supervisory experience
- the potential loss of supervisory expertise built up in National Competent Authorities
- the observed historical, self-interested behaviour of NCAs who would likely dominate an ESMA with Centralised Supervision powers.

The Commissioner stated that there were competing views whether the national competent authorities of 27 member states or a single supervisory authority, should supervise capital market union.

She added that ESMA had introduced some guidelines in relation to this and thinks the markets have self-corrected.



While the Commissioner recognised that it was important to allay the concerns of smaller member states and that ESMA needed more skills and expertise, this should not block progress to allow other sections of capital markets union to advance.

Delegation

IAIM pointed out that there was some political motivation for the change in the international delegated model but that it was not in the interest of the investor and, in fact, the investor has been lost in this debate.

IAIM also highlighted that this UCITS success was based on the international delegation model which allows companies in other jurisdictions lead on the advice and knowledge within their homegrown markets whilst at the same time retaining the legal authority within the home jurisdiction.

The Commissioner was told that, while there was some political motivation for change, the system was working efficiently and that use of the international delegated model - which has oversight from the Central Bank of Ireland and the use of Consultation Paper 86 - has worked and continues to work in the interest of investors.

Director Series

Commissioner Mairead McGuinness

Commissioner McGuinness stated that the EU did not want to damage the spirit of delegation and that open, strategic, autonomy was required.

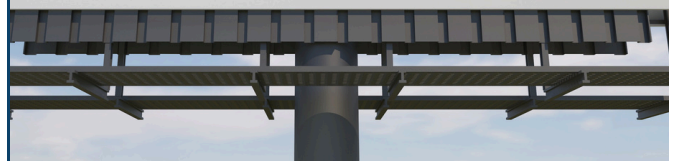
Capital Markets Union

The Commissioner stated that securitisation was regarded with disdain, ELTIF 1 was viewed as a failure and ELTIF 2 as being difficult. She added that, in relation to this, PEP was another example that was frustrating and that, despite a lot of engagement, had not worked as intended.

She said that the European Deposit Guarantee Scheme had been hindered by political resistance and some Member States acting in their own self-interest and blocking progress. "It is very important to deal with member states to conclude the deposit guarantee scheme," she concluded.



On advice given by the Commissioner, IAİM plans to further help the political apparatus improve European products and decision-making by helping with the new Parliament, communicating early and clearly and by reaching out to more senior people within the European Parliament and committees including non-Irish MEP's.



What the Commissioner had to say about:

Draghi and Letta

- There is no single market for capital within Europe and this needs to be remedied.
- Europe needs an enormous amount of investment beyond the public purse.
- The Capital Market Union is required to unlock the potential savings of European savers.
- The €33TR will not be available for the future investment requirements within Europe unless agreement is made and it is important to leverage these savings.
- There is a commitment from the European leaders at Prime Ministerial level but the Finance Ministers at Eurogroup have not yet committed.

Sustainability

- Climate action is not being matched by views or actions from the political structures.
- ESG was mentioned very little on a recent visit to the United States.
- The Label Green is a term found it to be divisive.

Director Series

Former Minister **Michael McGrath TD**



Ongoing dialogue has been established with Department for Finance officials and the association.

IAIM has also submitted proposals for an Annual Financial Services Bill and the establishment of an Asset Management Working Group within the Department for Finance to substantially improve the financial services ecosystem in Ireland.

“An annual Financial Services Bill would benefit international financial services hugely. Ireland is now one of the largest international funds jurisdictions in the world and legislative change should be appropriate and timely,” said Michel D’Arcy, IAIM Chief Executive.

Funds Sector Review 2030

The Minister highlighted progress of the 'Funds Sector Review 2030' emphasising that the primary goal was to establish a robust framework to support the funds sector in Ireland both currently and in the future.

The Department has completed over 100 industry engagements and is drafting proposed recommendations for the Department of Finance's consideration which span regulatory initiatives, legislative proposals and taxation matters.

Retail participation in investment funds has emerged as a significant issue. Main barriers identified include taxation, financial literacy and distribution challenges related to Irish products. Some €140 billion in instant notice deposit accounts, indicates a significant opportunity to improve financial literacy around investment alternatives.

Sustainable Finance

IAIM raised concerns that while the Sustainable Finance Disclosure Regulation (SFDR) was well intentioned in promoting transparency in sustainability claims, its actual impact on the asset management industry might be limited with significant efforts and costs for compliance without clearly delivering intended outcomes. It was suggested that there should be a clear distinction between products aimed at retail investors and those intended for institutional investors where disclosure requirements could be reduced. Additionally, it was pointed out that a simplified labelling system could help investors understand the sustainability profile of different financial products.

Director Series

Former Minister Michael McGrath TD

Auto Pension Enrolment

Final enactment of legislation is anticipated in the autumn.

Industry representatives highlighted the limited choices available for pension schemes and suggested that pensions be included in the government's broader financial literacy initiatives to help demystify the complexities associated with pension plans.

The potential for pensions to invest in investment funds more efficiently was discussed as a desirable outcome.

Currently, between 750,000 to 800,000 workers in Ireland have not opted to establish a private pension.

IAIM said clarification from the government on contracting employees into Auto Enrolment pensions would be beneficial.

The Department of Finance advised that introducing an investment structure similar to the UK's ISIF was under consideration as part of the Funds Sector Review 2030.

FinTech Hub

The Minister plans to establish a national FinTech Hub as part of the 'Ireland for Finance' Strategy. This aims to provide a collaborative physical space for FinTech start-ups to foster growth and innovation by sharing experiences.

Procurement for new state funds

The final stamped bill for the Future Ireland Fund and the Infrastructure, Nature, and Climate Fund received approval and are set to be published by the Oireachtas imminently.

The existing national reserve fund, which currently holds a balance of €6 billion, will be allocated to these two new funds with government planning to have approximately €10 billion in combined assets between them by the end of the year.

The procurement process will commence shortly to select asset management, legal and consultancy services.

Anti-Money Laundering Association

Minister McGrath said that AMLA was poised to become a very substantial and influential organisation over the next decade and was a significant step forward in the EU's efforts to combat financial crime more effectively across all Member States.

All agreed that AMLA would increase standardisation across EU Member States.

Funds Sector Review - Key emerging themes

- Expansion of the private assets market.
- Increased retail participation in investment funds.
- Enhanced collaboration between the industry, government and regulatory bodies.
- Taxation-related changes to foster sector growth.





Time for Review

IAIM Welcomes Fitness and Probity Review but Clarity Needed

Chair of the ECB Supervisory Board, Mr Andrea Enria, has completed the Fitness and Probity review to compare Central Bank of Ireland (CBI) practices with other jurisdictions.

This review was announced in March 2024 following the Irish Financial Services Appeals Tribunal (IFSAT) decision to uphold an appeal regarding the CBI's decision to refuse an individual's application to a PCF role.

Launching the report at the CBI, Governor Gabriel Makhoul, accepted all of the recommendations within the report and announced that the timeline for the implementation will be by year end.

He pointed out that The Fitness and Probity Regime can never be a box ticking exercise with the cornerstone of the regime requiring firms to own the process with transparency and fairness pivotal for a successful structure.

Governor Makhoul further added: fairness, efficiency and transparency" were an essential part of the process with tone also important.

All parties will receive a timely feedback and there will be an independent complaints process, he said..

Click for
full
Review

Michael D'Arcy, Chief Executive IAIM, said: "IAIM welcomes the review and the recommendations outlined in the report but is awaiting clarity on some areas.

"For example, the biggest change will be the establishment of a single unit within the Central Bank of Ireland to manage the Fitness and Probity Framework. This unit is expected to have enhanced seniority and independence in decision making but it is not yet known what section within CBI the reorganised Fitness and Probity Framework staff will be based."

"Tone in these circumstances is important"

He added: "Tone in these circumstances is important and it's important that there's an understanding on the CBI's side that tone matters. You can say something with an incorrect tone and the import of the conversations changes very significantly."

Committee Roundups

Regulation & Compliance

The committee discussed the TOR, its responsibilities and purpose. The TOR will be presented to the Board for final approval.

The committee intends to feedback the following to the Central Bank of Ireland (CBI):

IFSAT decision on F&P case:

The committee plans to feedback to the CBI that the timing of this was unfortunate as IAF is being introduced, that CBI staff engaging with senior roles for F&P would increase and that greater clarity on the 'fitness' standard is needed.

Delegation Survey:

Criteria used to calculate the FTE in delegate investment managers is inconsistent with firms taking different approaches with some using PMs only, others including PMs and research analysts and others including PMs, research analysts and traders. In addition members had different approaches to how they planned to share their assumptions with the CBI. Also, unauthorised funds were excluded from the data which the committee felt might also skew the benefit of the data provided to the CBI.

Dear Chair Letter on revocation of funds:

The committee believes that the timeframe to deal with this is too short as it can take up to two years to finalise accounts and tax positions.

Portal issues:

A number of technical issues from multiple unnecessary email notifications to the slowness of the system in uploading returns.

Sustainable Finance Roadmap.

In person update to be arranged .

Committee Members

Chair – Michael Hodson, INED.

John Fallon, Neuberger Berman Asset Management; **Edwina Malaniff**, State Street Global Advisors Europe Ltd;

Carmel Kearney, Morgan Stanley Investment Management (Ire) Ltd;

Jennifer Walshe, Abrdn; **Denise**

Murray, Mediolanum International

Funds Ltd; **Stephen Connolly**, Amundi

Ireland Ltd; **Donal Woodcock**, Irish Life Investment Managers; **Heather Frayne**, Prescient Fund Services (Ireland) Ltd;

Deepa Nair, Principal Global Investors (Ireland) Ltd; **Rachael McKendry**,

Fineco Asset Management; **Derval**

Murray, KBI Global Investors; **Nicole Di**

Rienzo, Blackrock Asset Management

(Ireland) Ltd; **Maureen Corrigan**,

Zurich; **Edward McMahon**, Goldman

Sachs Asset Management Fund; **Polina**

Hristova, Algebris Investments

(Ireland) Ltd.

Committee Roundups



NETWORKING & EVENTS

The committee has launched a **Director Series** to enable members engage with key policymakers and influencers.

Director Series:

- Event took place with Minister for Finance, Michael McGrath TD in March. **Full report pgs 7-9**
- Event recently took place with Mairead McGuinness European Commissioner for Financial Stability, Financial Services and the Capital Markets Union. **Full report pgs 7-9**
- Sean Berrigan, Directorate-General for Financial Stability, Financial Services and Capital Markets Union at the European Commission has agreed to an on-line meeting in Q3 to coincide with a members' update meeting.

Annual Dinner

The association's annual dinner in the Round Room at the Mansion House, on May 30th attracted capacity audience.

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John Corrigan Award



The inaugural John Corrigan Award was held at the Annual Dinner.

Criteria was determined for this award in memory of former IAIM Chair, John Corrigan RIP. Members nominated one person who had made a significant and direct benefit to the Investment Asset Management sector in Ireland.

All nominees were presented to the events committee which reduced the number of nominees to three. The Board then determined who should be the recipient.

See pg 13

Committee Members

Chair - David Harte, Amundi Ireland Ltd. Grace Burke, Amundi Ireland Ltd; Patrick Burke, Irish Life Investment Managers and Donough Kilmurray, Davy.

Committee Roundups

Thought Leadership / Advocacy

Distribution Survey

The committee has drafted a **Distribution Survey** that includes high level questions on **ESG** and a breakdown of assets under management by asset class for participants who carry out portfolio management activities in Ireland.

It has been circulated to members and, once complete, aggregated results will be made available to all members.

Committee Members

Chair – Sean Hawkshaw, KBI Global Investors. **Ciaran Brady**, Fineco Asset Management; **Aoife Kearney**, Neuberger Berman; **Ken Gaye**, Morgan Stanley Investment Management (Ire) Ltd; **Eoin Fahy**, KBI Global Investors; **Alan Duffy**, Irish Life Investment Managers; **Julie Moret**, Northern Trust Fund Management Ireland Ltd; **Brian Kennedy**, Mediolanum International Fund Ltd; **Thomas Plunkett**, Prescient Fund Services (Ireland) Ltd; **Paul Dunne**, State Street Global Advisors Ireland Ltd; **Graham Fox**, Amundi Ireland Ltd; **Frank O'Brien**, Morgan Stanley Investment Management (Ire) Ltd and **Peter Fox**, KBI Global Investors.

Education, Diversity & Inclusion

The key focus of this committee has been the launch and sustaining of the **IAIM TY Programme** to help attract more females and young people from across Ireland to the asset management industry.

Read all about it on pg 12

Committee Members

Chair – Victoria Brown, Abrdn. **Mary Brady**, Neuberger Berman; **Clodagh Rice**, Mediolanum International Fund Ltd; **Catherine Cahill**, KBI Global Investors; **Carol Cummins**, Zurich; **Triona O'Heala**, Amundi Ireland Ltd; **Elaine Kennan**, Morgan Stanley Investment Management (Ire) Ltd; **Deirdre Hogan**, Irish Life; **Carole Walsh**, Prescient Fund Services (Ireland) Ltd.



TY Programme Success

Eighty per cent of participating students in the first IAIM TY tranche said they would be more likely to pursue a career in asset management than before the programme – a sentiment echoed by the second group.

Creating a more diverse asset management industry is a core pillar of our association.

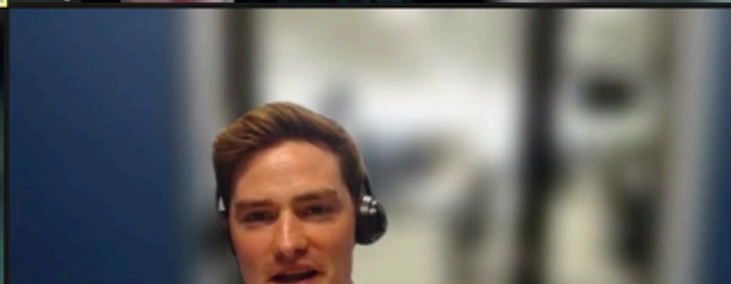
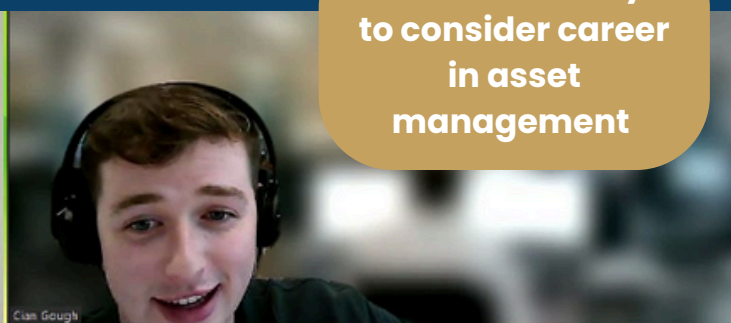
This TY Programme is designed to make young people around Ireland, whatever their background, beliefs or identity aware of the opportunities in this expanding sector and is particularly targeted at females.

The IAIM TY Programme is designed to give students – who might not even be aware of

asset management – a true insight into the breadth of careers, the impact one can have working in the industry and how to get started.

On each course some 40 students engaged directly from industry representatives.

80% more likely to consider career in asset management



Thank you to all sponsors who made these programmes possible.

Sponsors of TY Programme 1:

Amundi, Haven Green Investment Management, KBI Global Investors, Mediolanum, Morgan Stanley, State Street Global Advisors and Zurich.

Sponsors of TY Programme 2:

KBI Global Investors, Mediolanum, Amundi, ILIM, Neuberger Berman and Zurich

Support the TY Programme

Companies are being asked to sponsor the next TY Programme.

Please get in touch to find out more and express interest by emailing: michael.darcy@iaim.ie

Annual Dinner 2024

Willie Cotter Receives John Corrigan Award

Mr William Cotter, who was Chief Executive of Bank of Ireland Asset Management (BIAM) from 1986 to April 2003, is the recipient of the inaugural IAIM John Corrigan Award.

"At one point BIAM was the largest non US manager of US pension funds," Chair of the association, Ann Prendergast told the more than 400 members of the asset management industry attending the event.

On receiving the award Mr Cotter said: "John was really one of the good guys of the world and it is an honour to get this award." He added that the award was not his alone but also testament to his team and family who worked alongside him and supported him along the way.

The award was launched at last year's annual dinner by Minister for Finance, Michael McGrath TD .

He said: "John's commitment and leadership at a time of immense turmoil in the wake of the country's financial crisis, as well as his decades of public service, are to be commended. In his role as Chief Executive of the National Treasury Management Agency he played a critical role in Ireland's recovery.

"This award honours his outstanding contribution to the industry and Ireland."



Award recipient: Mr Willie Cotter is presented with the John Corrigan Award by Jennifer Carroll MacNeill, Fine Gael TD and Minister of State with responsibility for EU Affairs & Defence.



Annual Dinner 2024



Annual Dinner 2024



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