

# Investment Execution

An Interview with Stephanie Birrell Luedke, CFA, Head of Private Wealth Management, Neuberger Berman Group LLC

**EDITORS' NOTE** *Stephanie Birrell Luedke is Head of Private Wealth Management, a division of Neuberger Berman, responsible for providing customized wealth management advice and investment solutions to high-net worth individuals, families, corporations and charitable organizations. In her current role, she oversees all aspects of the client franchises within the firm's Wealth Management, Private Asset Management and Trust Company businesses. Prior to joining Neuberger Berman in 2019, she was the Global Head of Citi Private Bank, where she oversaw the global investment teams responsible for developing comprehensive investment solutions and managing client portfolios across asset classes. Birrell Luedke received her B.A. in Economics and Mathematics from St. Lawrence University. She has been awarded the Chartered Financial Analyst designation and is a member of the CFA Institute. She currently serves as a Trustee for the Cultural Institutions Retirement System, The Conference Board, Ridgefield Academy and St. Lawrence University.*



Stephanie Birrell Luedke

**Will you provide an overview of your role and key areas of focus at Neuberger Berman?**

As the Head of Private Wealth Management at Neuberger Berman, I lead the teams responsible for providing customized wealth management and investment solutions to high-net worth individuals, families, and their affiliated organizations such as foundations. I oversee all aspects of the client experience for the firm's Wealth Management, Private Asset Management and Trust businesses. Since joining Neuberger

Berman in 2019, I have been focused on repositioning the business for the future with an emphasis on the client experience and delivering fully customized solutions that integrate planning with investment strategy. For success, a thoughtful wealth plan needs proper investment execution.

**Neuberger Berman is consistently recognized for its leadership in the industry. What makes Neuberger Berman so special and how do you define the Neuberger Berman difference?**

There are several things that differentiate Neuberger Berman. One key attribute that makes the firm so special is that, since our inception in 1939, Neuberger Berman has had a single focus of managing investments and delivering performance for clients. This has not changed and remains our focus today. It has translated into a culture deeply rooted in research, investment insight and innovation. Another thing

that sets us apart from other asset and wealth managers is that we are private, independent, and 100 percent employee-owned. What that means is that we are directly aligned with the long-term interests of our clients. We have no external parent or public shareholders to serve. Additionally, we have significant capital invested directly alongside our clients.

**Will you provide an overview of Neuberger Berman's Private Wealth Management business and the strength of this practice for the firm?**

As a Private Wealth Management client you gain access to the broad investment capabilities of Neuberger Berman, spanning both public and private markets, and inclusive of complementary third-party strategies as well. Our long-tenured and experienced professionals partner with clients to create high-quality, customized solutions aligned with their life and financial goals. Founded on the premise of helping clients to achieve these goals, we understand that the needs across generations are distinct and becoming increasingly more complex. Through comprehensive trust, estate (tax planning, and trust and estate administration services offered by Neuberger Berman Trust Company) and wealth planning, these complexities are addressed with personalized solutions shaped to fit each client's unique needs and preferences. In terms of investments, Neuberger Berman also works with the world's largest pensions and corporations and we bring our experience with these institutions to private client families.

**FIRM BRIEF** *Neuberger Berman (nb.com), founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds on behalf of institutions, advisors and individual investors globally. With offices in 24 countries, Neuberger Berman's diverse team has 2,300 professionals. For six consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). The firm was awarded an A+ in every category in the latest 2020 Principles for Responsible Investment (PRI) report for its approach to ESG integration across asset classes. The firm manages \$357 billion in client assets as of June 30, 2020.*

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**How do you define the target market for Neuberger Berman’s Private Wealth Management business and how broad is your focus?**

We work with families across multiple generations. Our relationships often start with one family and progress naturally to the next generation and so on. We strive to be a true partner to our clients as shown through our deep relationships forged over decades. In general, having investable assets of \$5 million or more provides access to the full spectrum of wealth management and investment solutions we can offer.

**Will you discuss how the demographics in wealth management are shifting and how women are more often decision-makers?**

Demographics in the U.S. are changing and wealth management is not immune to these changes. In simple terms, this industry was historically one of male advisors serving male clients. This is changing. A July 2020 McKinsey study title has it right: “Women as the next wave of growth in U.S. wealth management” stated that “By 2030, American women are expected to control much of the \$30 trillion in financial assets that baby boomers will possess – a potential wealth transfer of such magnitude that it approaches the annual GDP of the United States.” The industry has been talking about this for years but has not been making progress.

As a leader in this field, I need to recognize this and build the business to reflect these changes. Certainly, the entire industry is focused on this “next gen” in terms of the transfer of wealth – we are too! But the first step of “next” is the surviving spouse, which typically is a female, and is a large portion of what the McKinsey study I mentioned is focused on. That’s the starting point, but there are deeper changes. The face of the client is different than it was. More women are involved in the household financial decisions in what we are seeing be defined as the “CEO of the household.” More women are professional earners and wealth-creators, and not just inheritors. Importantly, women are known to value different aspects of a relationship and relate to and receive information differently. I hate to speak in such generalizations, but this is all well documented in industry research. The bottom line is that we must bring a variety of perspectives to how we serve our clients, and this requires more diversity – defined in a variety of ways – within our organization.

**How critical is it for Neuberger Berman to build a diverse and inclusive workforce in order to bring diverse perspectives and experiences to the table when making business decisions?**

We believe we perform better for our clients and stakeholders with a diverse employee population, and a true equitable and inclusive environment. Diversity alone is not enough. We strive for an equitable culture. Equity is about fairness. We focus on providing every employee with opportunities to develop as well as feel empowered and supported by being able to bring their “whole self” to work. This requires an intentional and thoughtful process that seeks to understand specific needs and individual backgrounds. As investors for clients, we also understand that companies that embrace equity, diversity and inclusion, and different perspectives, tend to outperform.

**Neuberger Berman is a firm that is deeply engaged in the communities it serves. Do you feel that this is a responsibility of leading firms and will you discuss Neuberger Berman’s culture of being purpose-driven?**

Yes, I absolutely believe being engaged in the community is a responsibility of leading firms. We work from the inside out ensuring community service is central to our culture, supporting the NB Foundation, and encouraging and facilitating community service and outreach. Our programs leverage the firm’s resources, including foundation and corporate grants, in-kind donations, employee expertise, volunteerism and nonprofit board service. Our employees engage with hundreds of nonprofit organizations around the world devoting thousands of hours of service. Every year during the month of May we collaborate with NB foundation partners for a “Celebration with Service” campaign where more than 130 service projects are executed globally. It is a really significant part of the Neuberger Berman culture.

Notably – and back to women and diversity – this is an area of focus for many of our female clients. Women tend to be more value-based and mission-oriented in pursuing their investment strategies. As an active manager, Neuberger Berman has a long-standing belief that material environmental, social and governance factors are an important driver of long-term investment

returns from both an opportunity and a risk-mitigation perspective. We see that private clients care deeply about these things, particularly women and the next generation, and tend to want to work with firms that support these values and deploy their capital in a way that also aligns with these values. It has been incredible to watch the industry and our clients move in this direction. I am a big believer that this is the way of the future of investing and not just a fad.

**What advice do you offer young people, especially women, beginning their careers in the profession during this challenging and unprecedented time?**

I would urge any young person to not get bogged down in the fact that this is a challenging time, despite being in the midst of a pandemic. There are still ways to network and get in front of potential employers. The people who can figure out a way to do this – virtually – will not be held back. In some ways, employers are more accessible right now. I think it is probably easier today to get on a quick Zoom meet-and-greet than it was historically to find time for in-person meetings. You have to adapt and find ways to continue to develop in the face of adversity and changing trends.

Specific to women, I see a couple themes in the workplace. One, women in general lack the level of confidence displayed by their male contemporaries. There is absolutely no basis for this. We need to be confident in our abilities. This feeds into self-advocacy, which is connected to confidence and is another area where I have observed women can fall short. Throughout my career I have managed male and female professionals from countries all around the world representing a wide range of age groups. Unfortunately, based on my experience, and what is well documented in research now, women do not put themselves forward for new and often bigger opportunities as much as male professionals. There is a tendency to wait to be asked to do something rather than to step up and go for it. And finally, I would advise all women to stay true to themselves. Authenticity is key. You have to be yourself and not try to blend in with the status quo. Be yourself and you will have more fun, you will have better relationships with your colleagues, you will serve your clients better and, ultimately, you will be more successful. ●