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## Honorable Mention

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By Editorial Staff      Thu, Jun 20, 2019

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*Former Wells Fargo managers take posts at Principal; Frank 'Chip' Gillis, Athene Holding's co-founder, will retire at year-end; Vanguard outsources variable annuity administration to Transamerica.*

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### **Former Wells Fargo managers take posts at Principal**

In a step toward the completion of Principal's acquisition of the Wells Fargo Institutional Retirement & Trust (Wells Fargo IRT) business, a number of former Wells Fargo managers have moved into positions at Principal Retirement & Income Solutions, Principal reported this week.

Principal is expected to complete its purchase of Wells Fargo IRT in early third quarter 2019, pending regulatory approval. Principal announced its pursuit of the Wells Fargo IRT business in early April. A formal 12- to 18-month transition period will begin after the deal closes.

"The acquisition agreement allows a long transition period. During this time, product offerings and service teams will remain consistent for clients," said Renee Schaff, president of Retirement & Income Solutions at Principal, in a release. Her existing team includes Jerry Patterson, SVP of Workplace Savings & Retirement Solutions, and Sri Reddy, SVP of Income Solutions.

The following Wells Fargo IRT leaders will assume roles within Principal at appropriate points throughout the integration process, following close:

Jon Graff, current director of participant services, will be responsible for administration and operations across Workplace Savings & Retirement Solutions.

Angie McDaniel, current lead for Business Solutions, will lead a new team at Principal, Business Planning and Solutions, for Workplace Savings & Retirement Solutions.

Brian Jirak, current director of Trust & Custody, will join the Income Solutions leader team and will have responsibility for trust, custody and pension services.

The following individuals will join the Customer Care group in Principal's Workplace Savings and Retirement Solutions:

Mary Hollingsworth, current director of product strategy and positioning, will transition to the Customer Care leadership team.

Marcia Wepfer, current director of relationship management, will transition to the Field Service leadership team.

Bob Millikin, current head of institutional services for investment contact centers, will join the contact center leadership team.

The following individuals will join the Employer Services and Operations group in Principal's Workplace Savings and Retirement Solutions:

Sheila Cox will be responsible for larger plan administration efforts.

James Rossini will lead operations across Workplace Savings & Retirement Solutions.

Joe Ready, current head of Wells Fargo IRT, will assume the new role of Head of Trust and chief fiduciary officer for Wells Fargo Wealth & Investment Management. Ready will remain connected to the integration of Principal and Wells Fargo IRT, supporting client and employee transitions.

More leadership appointments will be announced post-closing and throughout the transition process. Further details regarding the leadership structure and integration of the Wells Fargo deferred executive compensation and discretionary asset advisory businesses are yet to be released.

**Frank 'Chip' Gillis, Athene Holding's co-founder, will retire at year-end**

Athene Holding Ltd. announced that Frank "Chip" Gillis, CEO of Athene Life Re Ltd. (ALRe) and co-founder of Athene Holding, will retire at the end of 2019. He will remain executive chairman of the ALRe board and will serve on the board of the newly announced Athene Co-Invest Reinsurance Affiliate (ACRA).

As co-founder of Athene, Mr. Gillis worked for two years to raise capital leading up to July 2009, when Athene was officially formed and licensed. He closed Athene's first reinsurance deal and has since overseen completed agreements with nearly two dozen third-party cedents.

Over the coming months, Sean Brennan, SVP and Head of Pension Risk Transfer (PRT) at Athene, will begin to oversee the flow reinsurance business while continuing to lead the PRT

channel. He will continue to report to Bill Wheeler, President, Athene.

Since Brennan joined Athene in October 2017, the company has closed more than \$6 billion in pension risk transfer transactions. Prior to joining Athene, he was a partner in Mercer's Financial Strategy Group, advising corporate clients on pension risk management strategies, and was Marsh & McLennan's Global Pensions Director, overseeing \$15 billion in global asset-liability management.

The products offered by Athene include:

- Retail fixed and fixed indexed annuity products
- Reinsurance arrangements with third-party annuity providers
- Institutional products, such as funding agreements and group annuity contracts related to pension risk transfers

Athene had total assets of \$132.9 billion as of March 31, 2019. Athene's principal subsidiaries include Athene Annuity & Life Assurance Company, a Delaware-domiciled insurance company, Athene Annuity and Life Company, an Iowa-domiciled insurance company, Athene Annuity & Life Assurance Company of New York, a New York-domiciled insurance company and Athene Life Re Ltd., a Bermuda-domiciled reinsurer.

#### **Vanguard offloads variable annuity administration to Transamerica**

Vanguard this week announced plans to transition the client service and account administration for the Vanguard Variable Annuity to Transamerica within the next 12 to 18 months.

The Vanguard Variable Annuity contracts will continue to be guaranteed by the Transamerica Premier Life Insurance Company and, in New York State only, by Transamerica Financial Life Insurance Company.

Vanguard will continue to manage the Vanguard Variable Insurance Funds, which are the underlying investments in the Vanguard Variable Annuity. Vanguard will discontinue Vanguard Annuity Access, an online platform that enables individuals to compare income annuities from leading insurance companies.

Vanguard will continue to have a relationship with Hueler Investment Services, Inc. to make Income Solutions available for defined contribution plan participants seeking an annuity. Vanguard will support any retail clients currently in the process of buying an annuity through the completion of the purchase. Clients who previously purchased annuities

through the platform will still be served by their existing contract provider.

In other initiatives:

Last summer, Vanguard reduced the cost of ETF ownership by eliminating commissions on about 1,800 ETFs. To broaden investor access to low-cost Admiral Shares, in November Vanguard lowered the account minimums for 38 index funds, delivering an estimated \$71 million in aggregate savings to clients.

In November, Vanguard introduced Vanguard Global Credit Bond Fund to provide investors low-cost, diversified exposure to U.S. and international investment-grade credit markets. The actively managed Vanguard Global ESG Select Stock Fund launched in May, complementing two ESG ETFs added to the product roster in September.

Vanguard recently enhanced its Personal Advisor Services with a proprietary Health Care Cost Estimator Tool that forecasts a client's estimated annual health care expenses and lifetime long-term care costs.

In January, Vanguard banned the purchase of inverse and leveraged funds from its brokerage platform after deeming that these highly speculative ETFs were incompatible with the firm's long-standing buy-and-hold approach.

In February, the company closed the VanguardAdvantage account due to low adoption and usage. In March, Vanguard Convertible Securities Fund was liquidated after Vanguard determined that similar exposure and results could be achieved via a diversified, balanced portfolio of stocks and bonds.

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