

**INSIGHTS FROM PROGRESS' CHAIRMAN AND CEO, THURMAN V. WHITE, JR.**

- **With the impending closure of the firm and client transitions, what efforts are you undertaking to help emerging managers that have been on Progress' platform?**

We announced our business decision to our clients, sub-managers and strategic partners (vendors, service providers, etc.) in mid-December last year. Since then, we have not focused on any new initiatives, e.g., new manager research or new business opportunities. Instead, we've focused exclusively on existing clients and their respective portfolios. We've worked intently with our clients to help them determine a prudent strategy to transition their portfolios from Progress to new intermediary options, and to determine client timing for making the transition. In the meantime, for the majority of our sub-managers it's been mostly business as usual albeit with some anxiety about the future. Our sub-managers have continued to manage client assets pending specific client direction. One of the key points we've made to the clients is our level of confidence in the investment process execution and overall investment acumen of the managers on our platform. We've shared our manager "conviction scoring ideas" as well as our research. We believe wholeheartedly in these managers and we've urged our clients to take thoughtful approaches to transition to preserve as many opportunities as they can for these managers to continue to deliver returns. Based upon what we've learned in our meetings, I know that our clients 1) remain deeply committed to investing with diverse and emerging managers; and 2) are trying to preserve both short and long-term opportunities for as many managers as possible. Some of the manager outcomes depend upon client procurement process requirements and how long it takes them to successfully conduct a new RFP to select a new manager of managers. But as always, we're fighting for smaller, diverse and emerging firms. The other point we've shared is that our decision was very specific to Progress' circumstances. Our decision in no way implies lack of confidence in diverse and emerging firms and their potential.

▪ **What factors contributed to successes and failures at Progress?**

In our thirty years I think we've had many more successes than failures. Effective values-based leadership, resilience, forward thinking, deep commitment to putting clients' needs first, staying positive and being entrepreneurial and willing to take some risks are among the factors that contributed to our successes. And we've had a positive impact upon this industry as our 'Impact Statement' shows. Many of the headwinds facing all active managers over the past ten years affected Progress as well as our sub-managers. These include client asset allocation shifts from active to passive — especially in large and all cap US equities. Fee compression — an especially difficult issue for an intermediary who gets squeezed on fees top down from clients and bottoms up from sub-managers. Inconsistent investment performance across our portfolios, concentrated equity ownership, and finally, inability to successfully execute on a succession plan involving another generation of leadership, were among the things that contributed to our failures.

▪ **Is there anything you wish you would have done differently throughout your 28-year tenure at the firm?**

I really have no regrets. I think I speak for our senior leaders when I say we gave it 100%+ during our respective tenures at Progress. Yes, I wish perhaps we could have started to address our concentrated equity ownership sooner and in a more incremental way. In that respect, we could have possibly internally financed smaller chunks of equity ownership over longer periods of time. Human capital/talent decisions — making them sooner rather than later. These are a couple of the themes for which I wish we had “mulligans”.

- **What were the game changing moments for Progress and the emerging manager industry during the firm's 30-year history?**

We have a chart we've used to identify some of the "game changing" Progress moments. I'll describe below some of the ownership "game changers" but this list is not exhaustive.

**June 1990** — the firm began with anchor clients — Pacific Telesis Group, GE and the State of Maryland. The firm's initial two products were commingled US equity and US fixed income group trusts. Progress was the first minority-owned Manager of Managers to focus on investing with diverse sub-managers. The firm's founders brought unique talents to Progress: Ed Callan brought capital and credibility. He made a personal investment in Progress (it was NOT through Callan Associates from which he had retired). Marx Cazenave brought vision, entrepreneurial energy and an uncanny ability to develop and build close personal relationship with clients' key decision makers. Some of our early professionals brought investment experience and skill. I helped bring some business execution focus. All of this helped us jump-start Progress almost thirty years ago.

**1998** — Progress sold 100% and became a part of Liberty Financial, a NYSE-publicly traded asset management holding company. This was a new experience for us as a band of entrepreneurs who were now part of this Liberty network of niche asset managers. Liberty ultimately sold to Fleet Boston, which in turn sold to the Bank of America. The business rationale (development of mutual fund/DC products) for our 1998 sale never materialized, hence we started discussions with Fleet to buy back Progress. Those talks broke down over a variety of issues (price/valuation being a major one) and then Marx retired in 2001. As the Bank of America's acquisition of Fleet's Columbia Management Group progressed, we had the opportunity to buy back Progress. We did that successfully. So, this is another personal career and Progress "game changing" moments.

**2004** — Progress senior management and an outside investor - one of our clients, the MA Bay Transportation Retirement Fund ("MBTARF") - bought back Progress 100%. We were once again independent and an MWBE. We expanded employee ownership through a program of profits-interests grants to promising employees. Our goal was to incent what we hoped would be the "owner/employee" behavior. Building an entrepreneurial culture became a larger part of our leadership focus and remained a key challenge.

**2008** — Progress’ senior management bought out MBTARF. We were 100% employee-owned and still an MWBE-certified asset management firm. Management accomplished this buyout of our minority partner with a commercial bank loan.

**2012** — Progress’ senior management payed off the bank loan. We were 100% employee owned and debt free.

**2013-2019** — Progress grew in AUM/clients. We also experienced inconsistent investment performance across portfolios – especially in US equities. Net AUM flows turned negative over several years and profit margins grew tighter. We started to address succession planning in earnest. We learned, we attempted to execute, but we were unable to execute successfully on ownership succession.

Another game changer for me was the work we did to help strengthen the leadership capabilities of asset management CEOs through our various Client and Manager Conferences and our CEO Roundtables. These events allowed us to be thought leaders as well as share hands-on best practices to build leadership capacity for the sub-manager CEOs on our platform. Based upon the feedback I’ve gotten from so many firm leaders, I know this work and the peer learning and networking that occurred was unique and useful. Because seldom does this occur in an environment of leaders of color and their peers.

▪ **Do you plan to stay active in the emerging manager community?**

I will always share my investment management, leadership and business experiences with anyone who asks. At this point, I’m fully engaged with our firm’s transition to wind down so that’s my primary focus for the foreseeable next 6-8 months. Beyond that, I’m just not sure what the future will hold. But I know that I will always be interested in and a participant in racial equity and social justice movements to improve the quality of life for communities of color in general, and the African American, Latinx and Asian Pacific Islander communities.

- **What lessons or advice can you share with those professionals who are planning to start their own investment management firms?**

Last year I prepared some reflections on my 27-year Progress anniversary (attached). I still commend these Top Ten Points to other investment management entrepreneur/leaders.

- **What do you envision as your personal and Progress' legacy?**

Our firm's legacy is in the impact we have had — the multiplier effect — of our work to serve clients and to create opportunities for emerging managers to manage client assets. Our work has allowed firms to graduate to direct hire, seed new products and become more sustainable as asset management firms. What's always attracted and kept me motivated at Progress is the opportunity I've had to build a business by helping grow other businesses that are led by and owned by folks of color and women. I can't think of a better way to have used my time professionally for the past 28 years. It's been my joy and privilege to work with so many talented investment and business professionals. But I'm also looking forward, God willing, to a future of more personal time with my wife, Eileen, and our nine (soon to be ten) grandchildren. So, I hope my faith, my family and my personal impact will be my legacy. The Progress legacy is evident in the many firms with which we've worked with over the years – the firm leaders, investment professionals, operators and marketers who have had the opportunity to grow and live out their dreams. Progress has been a “dream-maker” for many women investment professionals and investors of color. Those dreams will live on in meaningful ways in this industry for many years to come. So, in many respects, Progress achieved its vision to “change the face of the investment management industry.” That's why I'm not sad about our coming to the end of an organizational cycle. We had a successful run as a business for thirty years. Not many businesses in any industry can make that claim. So, who's got next?!

# PROGRESS' IMPACT ON DIVERSE AND EMERGING MANAGER INDUSTRY AND BEYOND | 1990 -- 2020

**170**

**MANAGERS HIRED** to  
Progress' platform

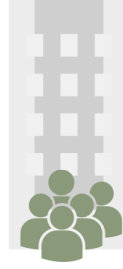


**63**

**MANAGER PRODUCTS**  
seeded

**63**

**INSTITUTIONAL  
CLIENTS SERVED**



**37**

**MANAGERS** representing

**57**

**INVESTMENT STRATEGIES**  
graduated to direct client  
assignments

**10**

**PROGRESS INVESTMENT  
STRATEGIES** launched

## PROGRESS' ASSET HISTORY



**17**

**INDUSTRY EVENTS**  
organized and sponsored for  
the past 18 years to educate  
clients, consultants and  
managers



**95**

**INDUSTRY EVENTS**  
where Progress spoke or participated  
for the past 5 years to educate on  
the potential for investing with  
diverse and emerging managers



**140** **PROFESSIONALS HIRED**  
majority people of color, and  
afforded industry experience  
over 30 years

**15** **EMPLOYEE/OWNERS**  
**DURING FIRM'S HISTORY**



**140**  
**NON-PROFITS  
SUPPORTED**

**\$1.3 million**  
**CHARITABLE  
CONTRIBUTIONS**  
made for the  
past 7 years

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**THURMAN WHITE'S TOP 10 REFLECTIONS ON CELEBRATING 27 YEARS OF PROGRESS**

**Service Anniversary: February 1, 1992 -- February 1, 2019**

*"I've made it through another day's journey . . . Grace kept me here . . ."* Williams Brothers

- 1. Stay Hungry:** Stay curious and keep learning. Don't get complacent. Don't accept the status quo but question it and take some risks. Be entrepreneurial. Take courage and dream. Don't be afraid to fail. If you do fail, acknowledge the failure, learn from it, but don't dwell on it. Improve your swing and get ready for the next opportunity (and don't repeat the same mistake; try a new one). Keep growing – personally and professionally. Once you stop growing, you're dead!
- 2. Stay Humble:** You never get it all right (or all wrong). But you can always improve, learn, grow and get better at everything you do. And even who you are. Seek and accept feedback. Keep striving to be "the best" and give "your best" – all the time. Seeking excellence is not an act, but a habit/practice. Humility begins with valuing and helping others as much as you want to be helped.
- 3. Stay Happy (Positive and Prayerful):** This is an "inside job". Meaning, your true joy doesn't depend upon what happens to you (here or elsewhere), but how you react to whatever happens and your inner motivation. Joy doesn't depend upon what's happening – circumstances, people, etc., but on how you respond inside – your heart, character. Perspective is important: be positive and prayerful. There's something bigger than you at work in the universe. Balance your Progress life with a life outside Progress: family, friends, other interests. For me it's been God, ministry, family, travel, music (jazz), health, lifestyle, sports, movies and art. Over the past fifteen years or so it's also been to help others thru volunteer service and philanthropy (it's not how big the \$\$, but what you do with what you have, i. e., the issues and institutions we target thru our family philanthropy are unique to our own interests and probably outside the mainstream, but reflect our own values to address social justice, inequalities, and to create greater opportunities (especially in education) for those who are the least and left out).

- 4. Keep Our Clients' Interests Paramount:** Put their needs/interests/policies and objectives before ours (and any others) as a business. After all, it's a privilege to manage their money. We work for them, it's not the other way. Our clients are large, world-class institutions and have very high standards. Live up to them; listen to/accept their feedback. The striving will make you/us a better firm. But we must meet their standards/expectations (See #8 Results Matter).
- 5. Business Success is Based on Integrity and Trust:** Value them both. Trust is the hardest thing to gain and the easiest thing to lose. Integrity is what you do, and how you do it, when no one else is looking. Details matter; focus on the little things as well as the big ones and get them both right. Remember: there are no shortcuts to success. People do business with those that they know, like and trust. They will also do business with those with whom they must do business but will cease quickly as soon as there is no external pressure. You can't control who likes you, but you can control whether you are trustworthy. Personal and firm goodwill and relationship capital is very valuable. We've been able to develop these by putting clients' need first and always delivering (on time) what we commit to deliver – no exceptions/no excuses. Everything that counts can't always be counted (but see #8 Results Matter). So, who you are and how you conduct business (and yourself) is vital to building sustainable and relationships. Always “stay above the snake line.”
- 6. Our Managers are a Great Resource – Use Them:** You can learn much about markets, business, talent/people and life from observing and engaging with our managers. Most of whom have very interesting stories. Visit them. Leverage their experiences systematically to enhance our processes, execution and ultimately, our portfolio results.
- 7. Live and Work with a Sense of Urgency:** Move quickly and decisively, but don't rush (a paraphrase from former UCLA basketball Coach John Wooden). The opportunity of a lifetime must be seized within the lifetime of the opportunity. There's only a certain timeframe within which an opportunity will be ripe for you or for the firm. And there's only so much time we have in life – we all have an “expiration date.” Understand this, value your time and use it wisely, but don't be afraid to act and seize the opportunity. As entrepreneurs, if you can get 80% right, then you're ahead. So, go for it and stop waiting.



- 8. Results Matter:** Focus on process and execution, players (and their development), and less upon strategy. Although it's good to plan and to have a sense of where you're going. However, the environment often changes so quickly that most strategies are obsolete as soon as they're developed. But it's the results that do matter so make the data and accompanying analysis your "friends" to help you deliver better performance in all areas. Your/our firm results will speak the loudest and sustain you/us the longest. In our business, policy also is important so keep a policy perspective. Boards, legislatures, regulatory agencies, etc. make rules and laws that create the context within which our firm operates. You must understand this.
- 9. Don't Tackle Your Teammates – Trust Them:** An old African proverb says: "If you want to go fast, go alone. If you want to go far, bring others along." Progress has gone for almost 29 years – a long way – by building a team and team culture, depending upon one another. Yes, there are times when each has been required to act in a solo fashion on some project, but in all cases the results are based upon teamwork (which truly makes the dreams work). Seek alignment of interests and "win/win" with others. You're always managing you, your work team and the firm's interests (3 hats). That requires you to be conscious of others and your team, and the firm's overriding interests. Each part/role on our team is important. So, in the NFL Patriots' vernacular, "Just do your job" in the best way possible. And support your teammates to do their respective jobs with excellence, too. Then the whole will be greater than the sum of its parts. Don't be envious of teammates, but supportive and happy for them. As they succeed, the "blessing line" just got shorter – you're up next!
- 10. Stay Agile and Resilient – NEVER QUIT!!:** Keep adapting and even improvising as needed. You and Progress can make great music together! Seek additional resources if you need them but stay in the game – that's the only way to win. Enjoy the journey. Be thankful for each day/opportunity. Live your life as a symphony of praise.