

FUNDfire

## Start-Up Multi-Manager Raids Northern, Progress

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The former head of Northern Trust Global Advisors' emerging and minority managers program has launched his own manager-of-managers firm. He's doing it in part by luring staff from his new rivals and former employers.

Clayton Jue's last day at Northern Trust was Friday. He's already up and running at his new firm, Leading Edge Investment Advisors, or LEIA, and has lured four of his Northern Trust colleagues to join him. Also at the new firm are three former Progress Investment Management staffers, who resigned from that firm in the past two weeks. Jue worked at Progress until he joined Northern in 2002.

Joining Jue from NTGA are Chris Fong, who is now a senior v.p. and executive director at LEIA; Michael Lucas, senior v.p. and managing director of business development; Dani McLeod, director of client service; and assistant v.p. Sue Ngo. From Progress, Jue lured Susan Williamsen to be manager of operations and subadvisor compliance, and two investment analysts – Vicky Lau and Henry Lu – who were senior analysts at Progress, Jue says.

It's a tight-knit group of friends and coworkers, Jue says; Fong and Ngo worked with Jue at Progress and moved to Northern when he did. And he hired Lau, Lu and Williamsen when he was at Progress. Jue adds that one other notable person will join LEIA next week, but says he's not yet able to announce that person's name.

As Jue sees it, a manager-of-manager program is better suited to a smaller firm than a larger corporation like NTGA. "I came to the conclusion that a program such as this is better run in a smaller independent firm, one that has more focus and is not encumbered with issues that go on at a larger organization." Among the advantages, Jue feels, is that he expects LEIA's due diligence process to be streamlined. "We're going to be able to move a little faster, especially with regard to newer managers and newer strategies."

Jue's already getting settled in to his new offices. "We're fully operational. We have office space, furniture, computers, software – we're basically ready to go," he says, though LEIA has no clients yet.

"Obviously I was not able to solicit clients when I was an employee of Northern Trust," Jue says. But, he adds, he is not restricted by non-compete or non-disclosure agreements with NTGA.

Progress and LEIA are both based in San Francisco. NTGA is based in Stamford, Conn., but Jue ran the program out of San Francisco.

LEIA will manage emerging and minority managers across all asset classes, and has already been contacted by some managers, Jue says. The firm is working on building out its databases. "Obviously we weren't allowed to take anything from either company, but there are public databases," Jue says. "We have access to everything that's public, and quite a bit of knowledge among us. I think we have a pretty good idea how we can put together some very competitive programs."

NTGA and Progress are among the industry's largest manager-of-managers.

Progress has about \$4.5 billion under management, while Jue told FUNDfire last summer that Northern's program had about \$4 billion under management.

The departures for Progress come on the heels of the recent loss of its CIO. Donna Gilding is taking the CIO position at Lowenhaupt & Chasnoff, a wealth management law firm in St. Louis. Today is expected to be her last day at Progress.

Progress has named its senior v.p. for investments, Jose Balagot, to be interim CIO during a search for a permanent replacement for Gilding. It's not known how the firm will respond to the other departures. Mona Williams, senior v.p. for marketing and client service, says "As for employees who have recently moved on from Progress, we certainly wish them well, no matter their destination. Progress continues to have an exceptional, experienced team of investment professionals. As with all growing firms, we are continually looking to add talent to our team."

NTGA has also experienced turnover recently. Margaret Towle, the firm's CIO and Jue's boss, left in March. NTGA has named Bob Furnari to be the acting head of the emerging managers program, which he'll run out of Stamford. A spokeswoman had no immediate comment on Jue's new firm or on the departures of the other four NTGA employees.