

The Skorina Letter

• Retained Executive Search •

Our clients: visionary families, transformative nonprofits, Wall Street trailblazers

Our vision: build investment preeminence, create opportunity, enrich lives

Our work: provide talent, access, relationships, and insights



Ford Model T Assembly Line -- Ben Branch, Silodrome

Changing Times

“People don't know what they want until you show it to them.” — Steve Jobs

The late David Swensen, Yale's formative chief investment officer, found value in [dark corners](#), those unknown managers and overlooked opportunities Heather Gillers referred to in a recent [WSJ article](#). But there hasn't been much new in money management since Mr. Swensen wrote the playbook.

Whether non-correlated, factor-based, or managed [TPA](#), when we do our ten-year return studies most institutional portfolios look and act the same.

So, here's a question. If most investment managers think alike, what's to keep AI and algorithms from taking their jobs?

Barter to Bitcoin

Disruptive technologies and blockbuster products, computers and ETFs, come around maybe once every [fifty years](#), so the time seems ripe for the next big thing — those creative convulsions Professor [Clayton Christensen](#) warned about.

Here's a piece that caught our eye, an [excerpt](#) from an article on AI, crypto, and seismic change by Caltech grad and tech founder [Ryan W. Sinnet](#), PhD. A vignette about horses.

In 1920, America reached peak horse: 25 million animals powering the nation's economy.

But the end had already begun in the cities. In 1910, New York City housed 128,000 working horses, according to the NYC Department of Records. They pulled carriages, delivered milk, hauled freight.

Every morning, thousands of horses trudged through Manhattan streets, their iron shoes striking cobblestones in a rhythm that had echoed through cities for centuries. Smart money owned stables, carriage companies, hay distribution networks. The horse industry wasn't just big—it was civilization itself. Unthinkable to replace.

Yet by 1920—even as rural America reached peak horse—New York's horse population had already collapsed to 56,000, more than half gone in a single decade. The transformation was already accelerating.

By 1912, New York City had 38,000 motor vehicles on its streets, and the automobile age had clearly arrived. By 1917, the last horse-drawn trolley made its final trip.

The entire ecosystem that supported horse labor—stables, blacksmiths, harness makers, feed suppliers, auction houses—didn't evolve or adapt. It vanished. The 25 million horses that powered America in 1920 plummeted to just 3 million by 1960.

Those horses never came back.

Relationships matter

Chatbots, robo-advisors, Zoom, and the cloud are now obligatory parts of the financial landscape. Generations born in the internet age seem fine without the human touch as long as their assets are globally accessible, secure, and earn enough to pay the bills.

But that's on the retail side. These "[digital natives](#)" may be inured to "[Tilly Norwoods](#)" and "[Schwab Intelligent Portfolios](#)," but how about foundations, endowments, and UHNW families with large diverse holdings? Might they still want a human at the helm? Someone who "understands their needs and speaks to their sensibilities" as Ken Tsuboi, chief investment officer at [McMorgan & Company](#) describes constructive client engagement.

Successful wealth stewards embrace the goals, aspirations, lifestyle preferences, and risk tolerances of their clients. Kathryn George, Partner, [Brown Brothers Harriman](#) points out that "Wealth is never just about money. It's intimately intertwined with relationships – between generations, between values, and between expectations."

We tallied a record high \$4.865 trillion dollars in outsourced assets In our last OCIO [report](#). Rich Nuzum at Franklin Templeton [counts](#) the "rise of private market alternatives; the global war for in-house investment talent; the data, digital and technology arms race; and the increasing number of asset owners questioning the need to manage investments in-house" as major factors driving growth.

Funds and families with two billion or more may have the means to field internal investment capabilities, assuming they have the time and patience to build, staff, monitor, and maintain such a business. But for those with less regal sums, outsourcing the complexities and risks to professionals they trust is an effective way to keep their commitments and secure their legacy.

Final thoughts

According to Altrata's World Ultra Wealth [Report 2025](#) "the total net worth of the UHNW class rose by 6.7% to \$59.8tn at the end of June 2025 (and by 11.6% in 2024) – a figure double that of the annual GDP of the US."

That's encouraging. After all, managing money is one of America's key competitive advantages. And we recruit the managers who manage the money.

And yet . . . I can't help but worry.

"Not because AI does everything better, but because it does enough things cheaply enough that the economics become undeniable" as Dr. Sinnet contends.

About twenty years ago, I had lunch with the EVP of Equities at a major west coast mutual fund company. A fellow University of Chicago grad, he was smart, savvy, and successful, but the lunch ended on a sour note when I remarked that [Index funds](#) and [ETFs](#) might be a problem down the road for the full-load fund business. Right comment, wrong company.

"I obviously had no idea what I was talking about," he snapped. "These ETFs are a gimmick with a niche future at best. Clients want the human touch and always will. And they will always pay for it."

Not so long after our lunch he left the firm – retired early I heard – and that giant fund warehouse has had a bumpy ride since.

As Andy Grove, the former CEO of Intel used to [say](#), "only the paranoid survive." Me? I keep looking over my shoulder.

— Charles Skorina