

2018 Account Planning
RM contribution

Relationship Name: Jockey Club
Banker Team: Stewart Oldfield
GCIS Number: [REDACTED]
Relationship Team:

ISG: Brian Harrington/Frank DeBenedittis
DPM:
KCP:
Lending:
Trust/Custody:
WPS:
Deposits: Charlie Burrows
Other:

Client Profile

The Jockey Club is the breed registry for Thoroughbred horses in the United States, Canada and Puerto Rico. It is dedicated to the improvement of Thoroughbred breeding and racing and fulfills that mandate by serving many segments of the industry through its subsidiary companies and by supporting numerous industry initiatives. The Club, formed on February 9, 1894, is the keeper of the American Stud Book. It came into existence after James R. Keene spearheaded a drive in support of racehorse trainers who had complained about the Board of Control that governed racing in New York State.

The Jockey Club is the registry for all Thoroughbred horses in the United States, Canada, and Puerto Rico and maintains offices in New York City and Lexington, Kentucky. The Registry maintained by The Jockey Club, called the American Stud Book, dates back to the club's founding and contains the descendants of those horses listed, as well as horses imported into North America up to the present. Participants in the Registry program agree to allow the Registry to conduct genetic testing to verify parentage as well as arbitrating any disputes between owners. The Jockey Club has taken the position that it will not allow cloned Thoroughbreds to be registered in the American Stud Book, making it impossible for such horses to compete in most races. The Club has consistently prohibited artificial insemination throughout its history, only allowing the registration of horses born through "natural" procreation. The current officers are:

James Gagliano, President & COO
Matt F. Iuliano, Executive Vice President & Executive Director
Laura Barillaro, Executive Vice President & CFO

This client has had a long standing relationship with Deutsche Bank since March 1976 and was previously managed by Terri Sohrab and then Michael Mullin before Stewart Oldfield took over in Nov. 2017. They currently have over 20 deposit accounts and 4 brokerage accounts with current AUMs of approximately \$60mm. They also have a long standing banking relationship at

JP Morgan Chase. The main point of contact for this relationship is Laura Barillaro.

Opportunities and Challenges

We are in the process of completing a full review of this account and see several opportunities for new business. For the most part, they have had a fairly static investment portfolio since 2008/2009 and use DB deposits for some operational accounts.

The primary objectives of the client are capital preservation and yield. Given the turmoil of 2008/2009 when the current asset allocation was set, their current investments are more conservative than they need to be. In the initial meeting between Laura Barillaro and Stewart Oldfield, two main portfolio adjustments were discussed:

First, we plan to improve the efficiency of their cash and near cash assets which are used to fund Jockey Club operations. We expect to move cash deposits from DBTCA to DBNY. We also hope to reallocate funds from Treasury money markets to DBNY deposits. For cash that can be tied up a bit longer to generate more yield, we will recommend a combination of DBNY CDs and RCM. As part of this exercise, we will work with Laura (who serves as Treasurer and primary decision maker for this piece) to determine how much cash will be allocated between the short term (0-1m maturity) and more intermediate term (2-12m maturity) buckets.

The second topic of discussion will be focused more on investments for assets that are not operational and more endowment-like. We currently have some longer-dated fixed income funds and international ETFs in a brokerage portfolio, but we don't believe the portfolio has been optimized to meet the client's objectives and not has not been reviewed recently as far as we know. This portion of the portfolio is not controlled by Laura, although she is one of three people on the firm's investment committee. The other two are the CEO and a board member who is affiliated with Bessemer Trust. After having an initial discussion with Laura in NY in February as part of the cash review, we will meet with the investment team in Lexington, KY to pitch a more dynamic investment strategy for the longer term assets.

Challenges here are having a client that isn't overly sophisticated and with whom we have not had a consistent investment dialog. However, we have a strong and long standing relationship to build from.

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