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Actuaries Advancing Beyond: Alec Stais and Christopher Lvoff, Goldman Sachs

By *Wei Zou Ang*

Alec Stais, ASA, is a managing director with Goldman Sachs, a global bank holding company that engages in investment banking, securities services, and investment management, and the co-head of the Portfolio Solutions Group within Goldman's Investment Management Division. Christopher Lvoff, ASA, is an associate within Alec's team. The Portfolio Solutions Group focuses on providing its clients with holistic investment solutions, such as alternatives outsourcing programs focusing on private equity funds and/or hedge funds, and fiduciary management services. Many of AIMS' clients are large defined benefit pension funds with targeted investment returns and substantial future pension liabilities.

Private equity funds are investment funds that acquire controlling equity stakes in companies with hopes of improving their operations and selling them off later to make a profit, while hedge funds are registered investment funds that typically use a wide variety of strategies, including leverage and long/short investing to pursue investment gains. Fiduciary management is a service provided to companies who wish to outsource managing their aggregate pension or foundation portfolios.

Wei: Starting from college, how did your career path lead you to your current position with Goldman Sachs?

Alec Stais: After graduating from Haverford College, I worked for MetLife under its investment management division for around 10 years. After leaving MetLife, I joined Goldman Sachs as a vice president within its asset management arm as I saw working at an investment bank as a great way for me to not only leverage my prior experiences with MetLife, but to also work with a greater range of investment products. Along the way, I also obtained an MBA from New York University Stern Business School and an ASA designation. If an investment track was offered by the SOA back then, I probably would have followed through with an FSA.

Chris Lvoff: As a junior, I interned at Hewitt Associates and knew that I wanted to work in actuarial consulting. After graduation, I chose to work for Towers Perrin within their pension consulting arm for three years in Philadelphia before moving onto Goldman Sachs Asset Management. Since many of our clients are pension funds, I

was able to translate my experiences on the liability side of pension funds to better serve our clients on the asset side. At Towers Perrin, I obtained my ASA designation and I am currently working on finishing the remaining requirements before getting my FSA designation. In addition, I am working towards earning a CFA charter.

Wei: Why did you make the career move to a non-traditional area of practice?

Alec Stais: The financial mathematics portion of the actuarial examinations really opened my eyes. I was very excited about the financial side of being an actuary and decided to get involved with asset management. As an entry level analyst, I worked with MetLife Investment Management, so the shift from MetLife to Goldman Sachs was somewhat of a natural career progression for me. I also knew that Goldman Sachs had always been successful in everything they did and are a great brand on Wall Street. I decided to work for Goldman Sachs and have not regretted that decision ever since.

Chris Lvoff: After obtaining my ASA, it seemed like a natural point to question what I most enjoy working on and what else is out there. I knew defined benefit pension plans would continue to be a critical part of the retirement landscape, and thought one of the greatest challenges would be how to close the funding gap between assets and liabilities. I began looking at asset management, and after getting in touch with Alec at Goldman Sachs I knew it was the place I wanted to be. I was lucky Alec was very much aware of my actuarial background and fortunate he hired me.

Wei: What has been the biggest challenge working at Goldman?

Alec Stais: I think managing my time and understanding how to handle the many competing projects and opportunities that present themselves every day. Goldman is an incredibly stimulating place to work but you need to manage the complexity and not let it overwhelm you.

Chris Lvoff: Lately, in the volatile market environment, the greatest challenge is continuing to help our clients think how to manage the risk in their portfolios and how to reach their investment goals. In this environment there are opportunities out there and we need to ensure our clients are able to take advantage of them.

Wei: How has an actuarial education or background helped you with your respective jobs?

Alec Stais: the training and discipline of the exam program and my early job assignments showed me that I could make a career out of my math aptitude. Additionally, my first manager at MetLife was an actuary who really challenged me how to extend my knowledge base and was an incredibly supportive mentor.

Chris Lvoff: What you learn through the actuarial exams gives you a framework and discipline around which many different situations and problems can be analyzed. For example, simulation is a tool that I use more and more in my current role that came directly from my actuarial education.

Wei: How has working at Goldman Sachs been different from your previous actuarial position?

Chris Lvoff: There are similarities and differences between working at Towers and Goldman, but I would say the biggest differences would be the level of focus on clients and the culture at Goldman Sachs. Starting at Towers Perrin, your goal is to develop your technical skills, provide your client with advice or valuation work and pass your actuarial exams all in a day's work. At Goldman Sachs, the goal is also to provide client's with advice or service to address their problems, but also to help act and implement that advice. The client always comes first and every person makes that a priority. As a result the work can be relentless, but you never feel as if you are working alone. When you are part of a project, you are involved from start to finish and each persons' input is expected to make the end product better regardless of level. Everyone I have met at Goldman is extremely intelligent and motivated which creates an environment where the people you work with are always there to challenge you and help you with your job no matter what time or day.

Wei: What do you like best about working at Goldman Sachs?

Alec Stais: The firm pays a lot of focus in giving every employee the necessary experience to develop professionally and in making sure everyone is constantly challenged on the job. There is always opportunity for people to grow if they are willing to put in that extra effort. I personally always find myself working on something fairly different every 2 years or so, while still focusing on my specialty within asset management, which has kept my job very interesting even after 12 years.

Chris Lvoff: The environment and the people. Goldman Sachs is such a dynamic firm that there great opportunities available, many from unanticipated places. Coupled with the support and help of colleagues as well as interesting projects, creates an engaging and satisfying work environment.

Wei: Where do you see the actuarial profession heading towards in the future?

Alec Stais: I think actuaries can do a lot more in modeling risk and uncertainty in other industries beyond insurance and investing. Two examples would be sports and entertainment. There is a ton of resources allocated within those industries that could be better managed with more scientific approaches.

Chris Lvoff: Something I think is very interesting and may be a bigger focus in the future is enterprise risk management and changing how we look at risk from more than just traditional sources. Pension plans in particular need to understand the true economic cost of their plans as opposed to the accounting/regulatory cost and how to manage it. There are immense challenges out there from designing government supported retirement systems to understanding demographic trends and their impacts that actuaries can play a significant role is solving.

Wei: If you had one advice to give college graduates, what would it

be?

Alec Stais: When you start working out of college in an entry level position, always put in 100 percent into your job. Even if an advancement opportunity comes up, you won't get the call if you aren't performing as well as you can in your current responsibilities.

Chris Lvoff: It is hard to know what you want to do coming out of college, but focus on things that hold your interest. Talk to as many people as necessary and use the resources around you to see where those interests can be applied.