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## A Portfolio of Good Works



Ernest Rady, CEO Lifetime Achievement Award recipient, is still making deals and investing in entrepreneurs and life-changing research  
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## Lifetime Achievement Award

## Still Making An Impact

Ernest Rady Remains  
A Leading Force  
In Both Business  
And Philanthropy

BY LOU HIRSH

**E**rnest Rady declines to elaborate on why, in his late 70s, he decided in 2015 to get back in the saddle as day-to-day CEO of San Diego's American Assets Trust Inc., the current version of a commercial real estate investment company that he founded nearly a half-century earlier and most recently had been serving as executive chairman.

It may be the self-professed "deal junky" in him, but Rady, now 79, has generally never opted for the sidelines when it comes to his key priorities in life. Over the years, those priorities have grown well beyond the world of business for the Lifetime Achievement Award winner at San Diego Business Journal's Most Admired CEO event.

During the gathering in Del Mar, Rady diverted the focus from himself, emphasizing pride in a well-performing, West Coast-focused portfolio that American Assets Trust (a public company that began trading in 2011) has gathered over the years while employing more than 150.

He also touted the offerings of another local company he founded, ICW Group Insurance Cos., currently focused in competitive areas including workers compensation coverage for businesses and employing more than 700.

Enthusiasm for competition (and the work of keeping his growing real estate portfolio filled with tenants) also showed in his gentle reminder to fellow CEOs at the event that his new Torrey Point office development is nearing completion off Interstate 5 in Carmel Valley (after only 17 years in the making, he quipped).

But since he won't tout himself directly, it's left to others to enumerate on his local impact as a business and community leader over the past several decades.

"While he purports to be a deal junky, the fact is that he is an eclectic and hugely successful entrepreneur who always recognizes the value and importance of his employees – his colleagues," said Robert Sullivan, dean of the Rady School of Management at UC San Diego, who characterized Rady as "an amazing leader" in a recent email to the Business Journal.

Following big earlier contributions to the management school, Rady and wife Evelyn in 2015 committed \$100 million to help the school recruit and retain faculty, among other strategic priorities. Sullivan recently said Rady remains "deeply engaged" with the school.

"The school is one very important way that Ernest gives back to our community, investing in the next generation of innovators, entrepreneurs and leaders," he said.



Bill Wechter  
Ernest Rady shares a moment with Maria Chan, Bernadette Bach and Aaron Olson of City National Bank during a reception at the Most Admired CEO event.

Rady has also turned the significant proceeds of his business ventures toward making an impact in health care, particularly children's health matters. A recent example, in 2014, was the Radys' donation of \$120 million – the second largest donation in San Diego history – to fund pediatric genomic research at Rady Children's Hospital, through what is now known as Rady Children's Institute for Genomic Medicine.

"The magnitude of their gift immediately gave the new Institute global credibility, allowing us to recruit a dream team of genomic medicine physicians and scientists," said Stephen Kingsmore,

M.D., president and CEO of the hospital's genomics entity. "As important as the gift has been, Ernest's passion for the mission and engagement in the progress of the Institute has helped us elevate our vision. He wants us to change the world."

"He celebrates our successes as we make diagnoses in perplexing childhood illnesses. He's elated when those diagnoses save a child's life or prevent long-term disability."

While the financial generosity has helped to greatly expand many operational facets, Donald Kearns, M.D., who is president and CEO at Rady Children's Hospital-San Diego, emphasized that Rady, despite his full plate of real estate and other responsibilities, has also given the hospital his valuable time and leadership skills.

"Beyond his generous financial gifts, Ernest Rady has invested decades of time and energy into making Rady Children's a world-class children's hospital, beginning in the 1980s when he was a member, and later the chair, of the Children's Hospital and Health Center Board," Kearns said.

And despite a commercial real estate investment climate that undoubtedly wreaked havoc on his portfolio at different times over the decades – with many up as well as down years – Rady's steadfast strategic priorities as CEO appear to have served him and his companies well.

Rather than professing to be a real estate genius or guru, Rady said at the recent awards event that he emphasizes some basic and consistent investment priorities for American Asset Trust's West Coast-centric, \$2 billion portfolio of office, hotel, retail, multifamily and mixed-use properties – ranging in location from Honolulu to San Francisco and Portland, with several in the San Diego market.

"It's where people want to live climate-wise, and frankly where there's innovation, where there's high barriers to entry, and it's difficult to get coastal permission to build," he told the audience.



Photo courtesy of Rady Children's Hospital San Diego



Bill Wechter

Ernest and Evelyn Rady are among San Diego's most generous philanthropists. Two of their primary causes are education and health care, and they have donated hundreds of millions to Rady Children's Hospital San Diego and the Rady School of Management at UC San Diego.

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