The NMS Management
Investment Bulletin for the Endowment
& Foundation Community
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THE NMS EXCHANGE

By Rob Roy
Vice President/Chief Investment Officer, Adventist Health System

Greater as a Whole: A Comprehensive Organizational Understanding Drives Stewardship Alpha

Our Priorities

The journey to a successful investment process follows a unique path. The investment process that is well suited for one investor will not fit all. We believe that the common element in all of these journeys lies in deeply understanding your organization. Aligning the investment process with the specific organizational goals, culture and beliefs creates lasting value beyond simple investment returns.

The focus required to build an aligned process is difficult but should hold a higher priority, ahead of less significant elements such as manager selection, security selection or economic forecasting. These are lower priority elements which may or may not deliver what the organization needs.

As the asset management team for Adventist Health System[1] — a nationwide faith-based healthcare organization — we are focused on ensuring that our organization-centric process is constantly improving, seeking to ensure we are supporting our core mission at all times. Our investment principles, the design of our team and the portfolio management process are all designed around this single purpose.

Organizational Principles

A strong process starts with defining success and the elements that will guide the work. For Adventist Health System, these are our mission, vision and values. These key principles (as seen in Figure 1) form a cultural framework that guides our actions across the entire organization, including investments.

Our investment team all know the words of our mission statement, "Extending the healing ministry of Christ." But how exactly does this guide what we will do on Tuesday? Extending our organizational principles to the investment process has taken significant effort and time. Like the way water carves a distinct path in the earth, our process has been shaped over time to reflect the organization's history, culture and values *(Figure 2)*.

Core Investment Principles

Building upon our organizational values, we have formed four investment principles that guide our specific work. In all that we do, we strive for these characteristics:

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[1] As of January 2, 2019, Adventist Health System will be changing to Advent Health, to better engage consumers and help them easily identify and connect with our organization's health services.

NMS MANAGEMENT

NMS Management, Inc.
Nancy M. Szigethy
Founder and Chief Executive Officer

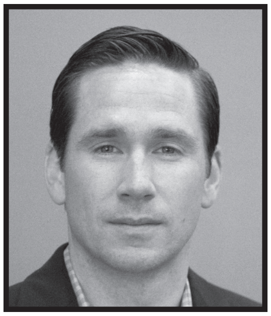
ABOUT NMS

NMS is a membership-based organization serving as the primary educational resource for the endowment and foundation community through its high caliber meetings. Believing that most successful business ventures are built on trust, and trust can only be developed through relationships, NMS strives to facilitate relationships through its membership platform.

As the chief source of unbiased educational forums, NMS promotes high standards of competence and ethics. As part of its mission, NMS provides its members with access to leading thinkers in the asset management industry through its content rich programming in a non-commercial setting of peers. NMS is the bridge to the latest investment ideas and information applicable to the endowment and foundation community.

Compensated Complexity: The Case of CLO Equity

By James G. Clarke
Senior Vice President, Investments & Treasurer, Kansas University Endowment Association



By Ryan Toner
Director, Investments, Kansas University Endowment Association

Investing in the most junior tranche of a 10x levered structured vehicle known by a three-letter acronym sounds like lunacy. For a small but growing number of institutional investors, the equity of collateralized loan obligations (CLOs) is an exception to the conventional wisdom. CLO equity may provide a useful tool in the portfolio construction process, particularly as a complement to a private equity allocation. In this note, we explain a few of the key concepts of CLO equity highlighting the often counter-intuitive nature of this rarely explored topic and discuss the most common routes for endowment and foundation investors to gain exposure.

CLOs are structured vehicles which issue debt and equity securities to investors and, in turn, use the capital raised to invest in a diversified portfolio of performing, floating rate corporate bank loans. The cash flows from this pool of loans are paid out to investors in a prespecified order called the cash flow waterfall. In a CLO, investors purchase specific tranches based on their risk appetite. The debt is split across multiple tranches, with the most senior tranche being the largest and receiving a AAA rating. Any flows in excess of the obligations to the note holders are distributed to holders of the residual, or equity interest in the CLO. It is this bottom, admittedly riskiest layer, that provides some intriguing structural features and historically has produced returns comparable to private equity.

Before diving deeper, it is important to understand that CLOs are actively managed vehicles that benefit from arbitrage. First, just a like an equity or bond fund, the issuing CLO has a manager who buys and sells securities in the portfolio. The manager can sell over-priced loans trading at tight spreads and, consistent with well-established credit guidelines, replace them with higher yielding loans trading at wider spreads. Throughout its life, the CLO benefits from a stable balance sheet with long-term, non-mark-to-market financing at a fixed spread over LIBOR. The stable balance sheet ensures there is no asset-liability mismatch and there are no margin calls or forced sales. To illustrate the arbitrage, the CLO, for example, may borrow at a blended rate of 150 bps but own a portfolio of loans yielding 300 bps. The 10x leverage magnifies this spread, so the equity tranche at the bottom earns the 150 bps spread or 15% when considering the leverage, before adjusting for credit losses.

With a resilient capital structure borrowing long with non-mark to market financing (the leverage for the vehicle itself) and lending comparably short (the underlying leveraged loans), CLOs begin with an advantage over many other structured credit strategies. Borrowing long and lending short is the opposite, for example, of how a bank functions with short-term deposits and long-term loans. Prolific author Frank Fabozzi describes CLO equity in a 2009 book on structured credit strategies as a "defensive investment strategy," in part, because of the resilience of its capital base and the ability to actively manage the portfolio. The 2007 vintage for CLOs provides a helpful case study. With locked-in, low-cost financing, CLO equity weathered the financial crisis in admirable fashion. The 2007 vintage for CLO equity produced a median annualized return of 18.3%, matching top quartile private equity funds of the same vintage. In that vintage, higher default rates were more than offset by wider spreads. Those wider spreads accrue to the benefit of the equity investors, and the long-term financing allows them to weather the inevitable storms.

Since 2003, CLO equity has generated an average 11.1% return, nearly matching the return for private equity and comfortably exceeding the return for the S&P 500 over this same period. The base case return for CLO equity is between 10% and 15% (nominal) under most scenarios. In certain circumstances, particularly a widening in spreads, potential returns could be higher. Conversely, a spike in defaults early in the life of a CLO will push returns into the single digits (or lower). With high and immediate cash flows (over 15% cash-on-cash), the probability of total capital loss is surprisingly low considering the amount of leverage utilized. Again, this is an advantage of the structure. The immediate, high level of cash flow is the opposite of the J-curve experienced by private equity investors. The high and near-immediate cash flow from CLO equity has led several of the largest private equity secondary funds to invest with CLO equity specialists.

Pause for a moment to consider the last sentence: several of the largest private equity secondary funds are invested in CLO equity funds. These secondary funds, in the arms race for higher IRRs which includes subscription facilities and the like, recognize that investing with a CLO equity fund results in an *[Continued on Page 10]*

CLO equity has generated an average 11.1% return, nearly matching the return for private equity and comfortably exceeding the return for the S&P 500 over this same period.

By Mark Baumgartner
Chief Investment Officer
Institute for Advanced Study

Minority Rapport: In Praise of Being Different

> **"Think different."**
> — Steve Jobs, 1997
>
> **"Easier said than done.**
> — Anon, 2018

In 1850, Danish writer, existentialist philosopher, and thinker Søren Kierkegaard wrote in poetic terms about the eternal struggle between the minority and the majority:

> **"Truth always rests with the minority, and the minority is always stronger than the majority, because the minority is generally formed by those who really have an opinion."**
> — Søren Kierkegaard, 1850

Over a century later, Thomas Kuhn published *The Structure of Scientific Revolutions*, asserting that scientific truth was nothing more than a consensus view that could be upended at any moment in a paradigm shift in which "normal science" gives way to "revolutionary science" in an abrupt and unconventional shift, and a new consensus and "truth" subsequently formed.

To be extrodinary, you must first be different.

Kuhn's ideas were powerful enough to be applied across disciplines, including economics, with the post-Great Depression Keynesian Revolution supplanting orthodox classical economics, itself ultimately challenged by Friedman's Monetarist Revolution in the 1970's.

The ethos of "truth defined by the minority" has important implications for investing as well, not just in diversity of gender, orientation, race, or religion, but even more fundamentally — in diversity of thought.

Why Think Different?

To be extraordinary, you must first be different

> **"Two roads diverged in a wood, and I — I took the one less traveled by, And that has made all the difference."**
> — Robert Frost, 1920

Another word for different is "unpopular." A team of researchers at Morningstar/Ibbotson Associates has just written a monograph entitled *Popularity: A Bridge between Classical and Behavioral Finance* which explicitly links differential returns to popularity: "Assets are priced not only by their expected cash flows, but also by the popularity of the other characteristics associated with the company or security. Less popular stocks have lower prices, thus higher expected returns. More popular stocks have higher prices and thus lower expected returns."

The authors tested their hypothesis by comparing equity returns for companies based on certain "popularity characteristics:" brand, strategic power, reputation, and prior performance. Not entirely surprisingly, returns were worse for the more popular companies, and better for the less popular ones. But — very surprisingly — the authors found that in many cases the better performing companies did so with lower risk! "Either risk is popular under some circumstances, or other non-risk characteristics dominate returns." In this new framework, unpopular assets produce better absolute returns and better risk-adjusted returns.

The authors also note that the only way to access these excess returns is to be different: "Going against the collective wisdom that drives popularity is inherently contrarian." In other words, being different creates alpha.

Edge depends on difference

> **"The reasonable man adapts himself to the world. The unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man."**
> – George Bernard Shaw, 1903

Edge is an important concept in both manager and security selection. Also known as competitive advantage, strategic advantage, or power, edge necessarily entails being different. In *7 Powers: Foundations of Business Strategy*, author, strategist, and investor Hamilton Helmer introduced the concept of counterpositioning. Counterpositioning occurs when a new entrant to an industry adopts a strategy that is so different from the prior norm, incumbents are unable to respond without destroying their own business model. Disruption (a paradigm shift) subsequently ensues, and value is created by the innovator and destroyed by the incumbents. Netflix checkmated Blockbuster using counterpositioning.

Difference is fleeting

> **"Our competitive myopia has created a dynamic in which our tendency to mirror the movements of our competitors has started to become reflexive."**
> – Youngme Moon, 2010

In sociology, the principle of reflexivity refers to the capacity of an individual to recognize forces of socialization and alter their place in the social structure. George Soros referred to reflexivity in his book *The Alchemy of Finance*, noting that the actions of investors can change based on the actions of other agents, actors, and counterparties, resulting in a highly uncertain and dynamic environment. An initially unpopular investment offering a higher return may over time become more popular, shifting potential future returns lower. This dynamic means the consensus is continuously migrating towards the truths revealed by the most successful investors (already among the minority) who must again depart from the mainstream in a continuous fight to maintain their edge.

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By Kelsey Deshler
Chief Investment Officer
Carleton College

A Solid Portfolio And Paper-Free Office: The Win-Win of Integrating Technology Solutions to Aid in Better Decision Making and Maintaining a Clean (And Green) Office

I often declined taking paper copies of presentations and other documents and took all meeting notes on my laptop.

Technology is clearly an integral part of our day-to-day personal and professional activities. (I, for one, cringe every time my iPhone alerts me to my increasingly dreaded usage statistics!) For our role as foundation/endowment managers and capital allocators, having a well-devised technology solution across portfolio management and business operations is critical to efficiently and effectively managing an investment office. Upon joining Carleton College earlier this year, one of my initial objectives was to identify and implement a portfolio management system to enhance our portfolio construction and investment selection capabilities and to create a seamless operational and investment process. Another, albeit less mission critical, objective was to work towards establishing an environmentally-conscious office by first reducing the vast amount of paper that is unfortunately standard when managing an investment portfolio. Once again, we looked to technology to help solve this problem.

Portfolio Management System

While we are currently in the final stages of onboarding a portfolio management system, I would like to share our experience of identifying and implementing our new application.

Identification

Like many of our peers, we invest across public and private asset classes and within liquid and illiquid structures where transparency levels vary significantly. I grew up on spreadsheets and they remain an important tool for assessing data today, but I am often reminded of their limitations and knew we required a more robust and dynamic tool to manage our portfolio. From my time at Credit Suisse and BlackRock, I had a good sense of what these systems are capable of, however, we operate in the non-profit sector and needed to be mindful of cost and resources to expend on this effort. Given these considerations, our initial search yielded a handful of viable options, which we largely identified through peers and other industry contacts.

Specifically, we were searching for a system that would provide a clear picture of our portfolio's current and historical exposures, run attribution and contribution to risk and return calculations, as well as other complex risk analytics, scenario analyses and optimizations to aid in portfolio construction and risk management. In addition, we preferred the system to be web-based so we could easily access it while traveling or on devices other than a PC. When we decided to move forward with one provider, we spent considerable time learning its capabilities and speaking to client references to ensure it was the best system for our needs.

Implementation and Integration

Onboarding a new portfolio management system is a tall order which, in our case, prompted a complete re-underwrite of operational processes and investment classifications. Fortunately, as my team and I are new to managing Carleton College's endowment, we found the exercise, and ensuing debates, incredibly beneficial and enlightening. It caused us to question our pre-conceived notions of how investments ought to be classified; whether by strategy, instrument, or risk level, as well as other characteristics, such as market-cap, geography, sector and rating.

Further, we needed to redefine how we interact with our service providers in the new setting. A key consideration during implementation is how the new system would integrate with the service providers we currently use, including our custodian, outsourced operations and private markets data aggregator, in addition to how it would process holdings level transparency delivered through separately managed ac- *[Continued on Page 14]*

By Susanne Gealy
Senior Director of Equity and Equity Hedge Funds
Dignity Health

Enhancing Investment Decisions with Intelligent Tripwires

The inclusion of intelligent tripwires in the investment process can enhance investment decisions, especially the multi-faceted, complex decisions.

All of us, from CIO to analyst, are deeply involved in important decisions with our investment programs. The inclusion of **intelligent tripwires** in the investment process can enhance investment decisions, especially the multi-faceted, complex decisions.

The word "tripwire" can evoke gut reactions. Beyond the linkages to violence are the connections within the decision science realm to automatic decisions – the systematic behaviors of a machine. I want to make a distinction between **action** tripwires, rules-based and automatic, and **intelligent** tripwires that are a kickoff to thoughtful, integrated review of data and information that can enhance investment decisions for foundations and endowments.

Definitionally, a tripwire is a predetermined threshold, actively monitored to draw attention to a change in conditions or event. The threshold could be independently material or a notable milestone. Tripwires, as a decision science concept, emanate from the cognitive biases of fallible memories, recency effects, confirmation bias, and too much information.

Daniel Kahneman elevated cognitive science awareness by investors through his seminal work, *Thinking Fast and Slow*. Included in his work is **memory bias**, the cognitive bias that enhances or impairs the recall of a memory and can even alter the content of the memory. **Recency effect** refers to the elevated significance or overweighting of recent memories over distant. **Confirmation bias** is the tendency to prefer information that confirms a viewpoint rather than refutes it. Situations where there is an overload of data (like investing) are especially subject to shortcuts to manage decision making process. Tripwires are a tool to navigate and conqueror these cognitive biases. Kahneman's book is foundational (and also a tome.) *Decisive* is Chip and Dan Heath's accessible and practical tour through cognitive bias science and useful processes to enhance decisions. The Heaths make the case for tripwires through successful and cautionary examples including Zappos, Eastman Kodak, and even brown M&Ms.

Beyond the Heath brothers' work, I distinguish **action** tripwires that often fall into the category of "the undebatable," like negative cash balances, a key person clause, or a fire drill, from **intelligent** tripwires that lead to transparency, inquiry, and timely evaluation to support effective decision making.

Intelligent Tripwires: Firstly, intelligent tripwires respect and align with the existing governance frameworks and decision making of established investment policies, not overturn them. They are a tool for transparent, comprehensive evaluation of potentially all components of investment decisions. Intelligent tripwires are a tool in the process of effective decision making – not the decision. That is still up to you.

In complex and multi-dimensional investment management decisions, there is rarely a clear cut action tripwire. **Intelligent tripwires** are the predetermined thresholds set under normal (non-stressful) conditions for the purpose of signaling in the future when conditions or events of significance arise. They are transparent and telegraph the initiation of timely analysis and evaluation work on a manager, portfolio, or market event. In many ways, the intelligent tripwires can create a safe space for risk taking through transparency of process, accountability or by capping risk.

It is the timely evaluation of predetermined focus points that manages the memory cognitive bias. The balancing of current information with the distant as the reference point is part of what levels out the perspectives on change. It is also okay to assess monitoring signals or thresholds as not useful. It is the initiation of analysis and thoughtful evaluation that produces insights that enhance investment decisions. The intelligent tripwires are a foil; they initiate the process of independent, less biased assessments of current conditions in comparison to the distant frame of mind or goal posts. Enhanced framing enhances investment decision making.

Effective intelligent tripwires: Be specific! Dates and measureable thresholds are the *[Continued on Page 13]*

FIG. 1 Underwriting a new investment

Examples	Investment Memo Evaluation	Intelligent Tripwire
Strength	Differentiated research insights drive conviction positioning and high alpha.	CIO has close relationship with research analysts and ideas. Organizational changes are worth evaluation: ◆ Head of Research role creation ◆ 50% increase in the number of analysts, or ◆ Departure of 2 analysts within a 12 month period
Risk	Higher volatility manager due to utilization of more leverage than peer group.	PM generates higher returns, in part through skilled use of leverage. ◆ Leverage increases by 30% over last 3Y average. ◆ 3Y information ratio decreases by X% compared to pre-funding since inception IR.

By Teresa C. Barger
CEO
Cartica Management, LLC

What Will Drive the Next Cycle of EM Performance?

We believe investing in Emerging Markets has always been about differentiation. The countries within the asset class are so diverse in terms of macroeconomic balance sheets, growth prospects, politics, governance, ownership structures, and so on, that it makes little sense to us to talk about them as a homogenous unit. Active country selection matters in EM investing, a point that is supported by empirical research. Successfully identifying the trends that led to the emergence of the equity markets of Southeast Asia's "tiger" economies in the 1990s, or the commodity producers between 2002 and 2007, paid off handsomely for those investors who embraced the importance of top-down selection.

Which countries are most likely to lead the next 10 years of EM growth?

The global economy is changing at an extraordinary rate and economic forecasting seems even more difficult today. To help clear the fog, we can go back to basics and identify a few key patterns that, in our view, will play a central role in determining the relative winners of the next EM investment cycle.

Since the early 2000s, globalization and the resulting developments in the Chinese economy post-WTO accession were the key drivers of the performance of EM assets. With its large debt load and aging demographics, however, China's potential growth is slowing at a time when populist and protectionist policies signal the waning of the globalization trend. In addition, global supply chains are undergoing transformational changes driven by new technologies such as artificial intelligence and robotics, leaving EMs' role as the "manufacturers for the world" at risk. Without the pull of China and globalization, EM countries will need to find new drivers of economic momentum and equity market returns.

What are the key drivers when projecting the winners of the next EM investment cycle?

Equity market returns are driven by the following 3 components: earnings (and dividend) growth, valuation (re- or de-rating), and currency movements. How individual EM countries rank on each of these factors provides valuable insights as to where the most fertile investment opportunities lie within the EM universe.

1 – Earnings Growth

Over a full business cycle profits and corporate earnings often correlate with GDP growth, more or less. While not perfect, potential GDP growth can be a rough proxy for the trajectory of long-term equity earnings. There are several factors that determine an economy's potential output, including demographics and productivity improvements (i.e. capital depending or technological advancements).

- **Demographics.** Since the start of EM as an asset class in the late 1980s, most EMs benefited from the fruits of the "demographic dividend". Going forward, however, large parts of the developing world – including China, Russia, and South Korea – will have to grapple with the challenges of an aging population. Countries that can benefit from a growing workforce and a declining dependency ratio have an advantage. Among the larger developing countries, India, Indonesia, Mexico, and Egypt stand out as potential beneficiaries. But simply having more citizens of working age does not guarantee high growth. These people must have access to productive jobs.

- **Productivity.** For much of the past 20 years, some of the most successful EM economies created jobs and raised their productivity through integration into global manufacturing value chains, which helped them to attract capital and technologies in order to "upgrade" their economies. However, trade as a share of global GDP stopped expanding after the Global Financial Crisis. The increasingly protectionist political moves around the world today mean that export-driven manufacturing is unlikely to remain the panacea for EMs' productivity challenges. In this "de-globalization" environment, the small, export-dependent countries that benefited most from the integration of global production may suffer relative underperformance. Large, domestically oriented economies with positive or reasonable demographics – such as India, Indonesia or Brazil - should continue to attract investors with the promise of buoyant consumer demand.

  To make matters more complicated, protectionism doesn't only apply to trade of goods and services, but also to the free exchange *[Continued on Page 15]*

Countries that can benefit from a growing workforce and a declining dependency ratio have an advantage.

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◆ **Sensible:** Our approach to investing is easily explained and without unnecessary complexity. We are guided by clear and timeless economic principles so that despite not knowing the future, our process seems a sensible path to follow.

◆ **Efficient:** As a steward of these assets, we seek efficiency in all that we do: Reducing investment complexity, prudently managing costs, effectively using our time and increasing the risk-adjusted returns that we seek.

◆ **Robust:** All elements of the process are effective, repeatable and transparent. This is delivered through helpful governance, a knowledgeable team supported by a good systems architecture, clear policy documentation and strong relationships – both internal and external.

◆ **Excellent:** Guided by these principles of stewardship alpha, we seek to deliver top-quartile, risk-adjusted performance that is tailored to our dynamic financial needs.

Stewardship Alpha

Defining our process in this way and relentlessly pursuing improvement and implementation is what we call 'stewardship alpha.' The true value of this focused approach was well explained by our former CEO, Don Jernigan, in a book he wrote in 2016.[2] Generating this form of value entails being relentless stewards of our organization through an investment process that is directly tied to our core mission.

For our investment team this is more than a concept; it is a state of being. Focusing on stewardship alpha compounds value persistently and generates greater organizational resiliency and alignment. Stewardship alpha is persistent and can only be built within your organization. We believe that this pursuit is a higher priority than the pursuit of traditional alpha, which is sought relative to a market index or a peer group and is less aligned with an organization's true mission.

The best ideas are formed in an environment of partnership.

Core Skills

To accomplish these goals, our team employs skills that are essential to building a successful investment process:

◆ **Listening:** We learn when we listen. To create value, we listen to our management, governance, industry, academic research, partners and to each other.

◆ **Defining:** When we listen, we hear concepts. Our technical knowledge allows us to translate concepts into specific and measurable goals and requirements.

◆ **Engineering:** Solutions are crafted at the intersection of requirements, preferences and deep technical knowledge. Process engineering seeks this intersection and is consistently focused on improvement.

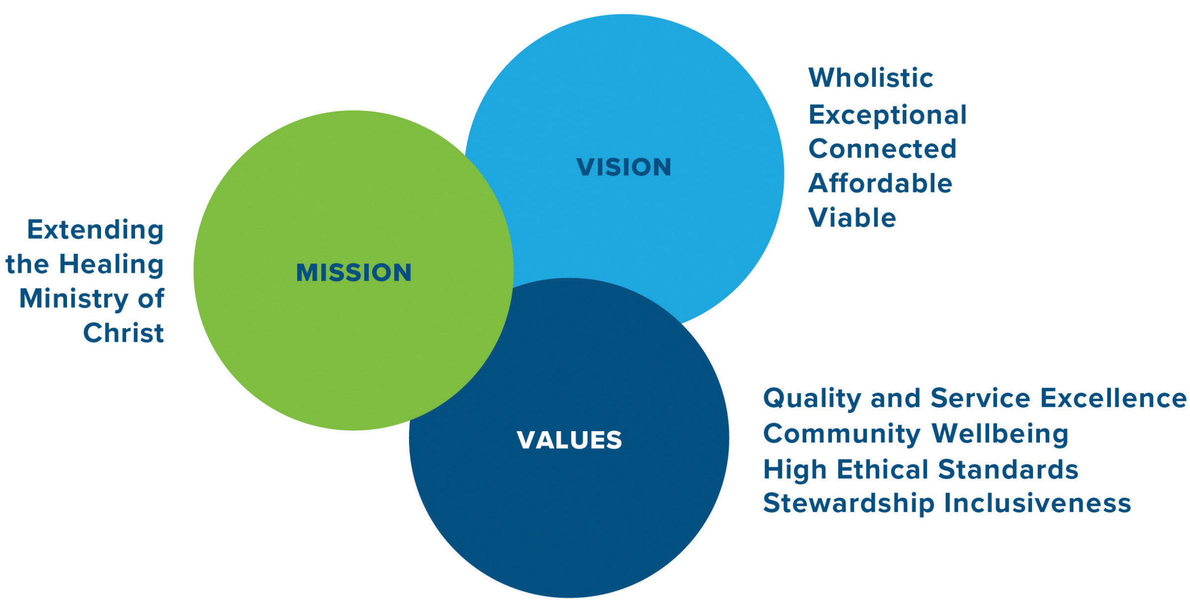
◆ **Implementing:** Stewardship alpha is created in the precise daily execution of a well- formulated plan.

◆ **Communicating:** Timely, clear and appealing information enables good decisions, effective governance and process improvement. Communication skills are vital to educate, inform, set expectations and report results. An environment of open dialogue allows us to seek the best methods for supporting our core mission of 'Extending the Healing Ministry of Christ.'

Strength of Partnerships

The best ideas are formed in an environment of partnership. To build our investment process, we rely heavily on the strength of partnerships built internally and externally. As stewards of our organiza- *[Continued on Page 8]*

FIG. 1 Mission, vision and values guide our actions



[2] Don Jernigan, *The Hidden Power of Relentless Stewardship: 5 Keys to Developing a World-Class Organization*, July 1, 2016.

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FIG. 2 Organizational forces culminate in key components to investing

tion, we rely on our partners to help us succeed with our investment process.

Partnerships are strengthened when we can spend substantial amounts of time being completely open and transparent about the issues that we are working through. These issues are not solely investment concepts, but also encompass the business of running an investment team: governance, mentoring, reporting, systems architecture, etc.

In pursuit of traditional alpha, it's common to employ many external managers, often exceeding 100 relationships. Because we pursue stewardship alpha through deep partnerships, we engage with less than 10. By limiting this number, we make certain that we're jointly dedicated to working to solve a range of impactful issues. Our principles and goals would be incompatible with having a large array of relationships. The open exchange of ideas fosters learning for our team and is significantly more valuable to us than spending short amounts of time reviewing performance each month or quarter.

Our external relationships are with large and well-resourced partners who have built their business models around crafting client solutions; not just products. We choose them to create a diversity of investment philosophies and we grade the success of these partnerships on the time and effort that both sides expend in pursuit of the partnership goals.

The strength of this approach has been even more apparent during periods of market volatility.

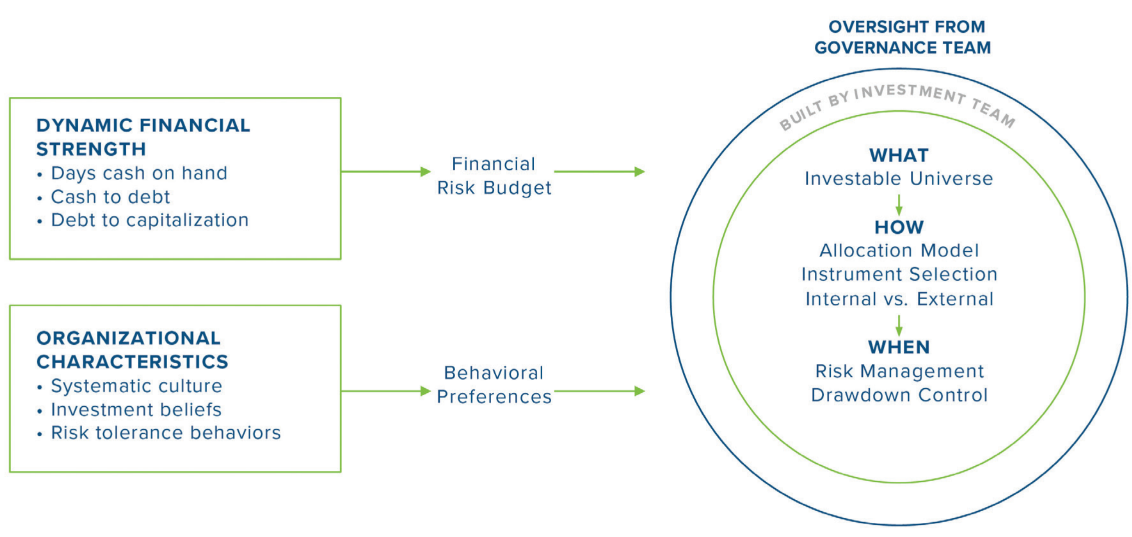
Technical Knowledge

Our skilled investment team allows for deep engagement with our partners. The intersection of this technical knowledge that's built through partnerships, along with our understanding of Adventist Health System's cultural framework and beliefs, gives rise to our internally managed strategy – 'Global Core.'

Reflecting all of our principles, the strategy employs liquid asset classes and seeks to diversify the process at multiple levels: What we invest in, how we allocate the capital and when we adjust our portfolio (as seen in Figure 3). By incorporating a range of simple investment techniques, we have built a sensible, efficient and robust portfolio process that is well understood internally and performs within expectations under a wide range of scenarios.

The risk profile of Global Core is set to support the specific and dynamic financial strength of the total organization. This evolving risk budget is the glue that binds the investment portfolio to the over- *[Continued on Page 9]*

FIG. 3 Continuous inputs drive investable universe, allocation and risk management



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all organization. This dynamic process means that if the financial strength of our organization increases, there is flexibility to increase the risk from investments; if financial strength decreases, then investment risk is decreased in line. The purpose is to dynamically support our core mission through an integrated plan of financial management.

Value and Resiliency

The financial transformation of Adventist Health System has occurred by following a disciplined approach that unites all aspects of the business to one mission and purpose. By creating a disciplined, systematic, and integrated approach with our investment process, we create lasting value which goes beyond investment returns. Like the worthy steward in the parable, we've been rewarded with a steadily growing set of assets as we have expanded the mission of Christian healthcare to new communities. By looking beyond investment return measurements and designing a process that is integrated with the overall organization, we have shown that we are 'greater as a whole.'

The strength of this approach has been even more apparent during periods of market volatility. For example, during the 2008 financial crisis, our financial metrics remained relatively stable. During the tumult, our core mission and patient services were not impacted, and the operating business retained its capacity to implement growth.

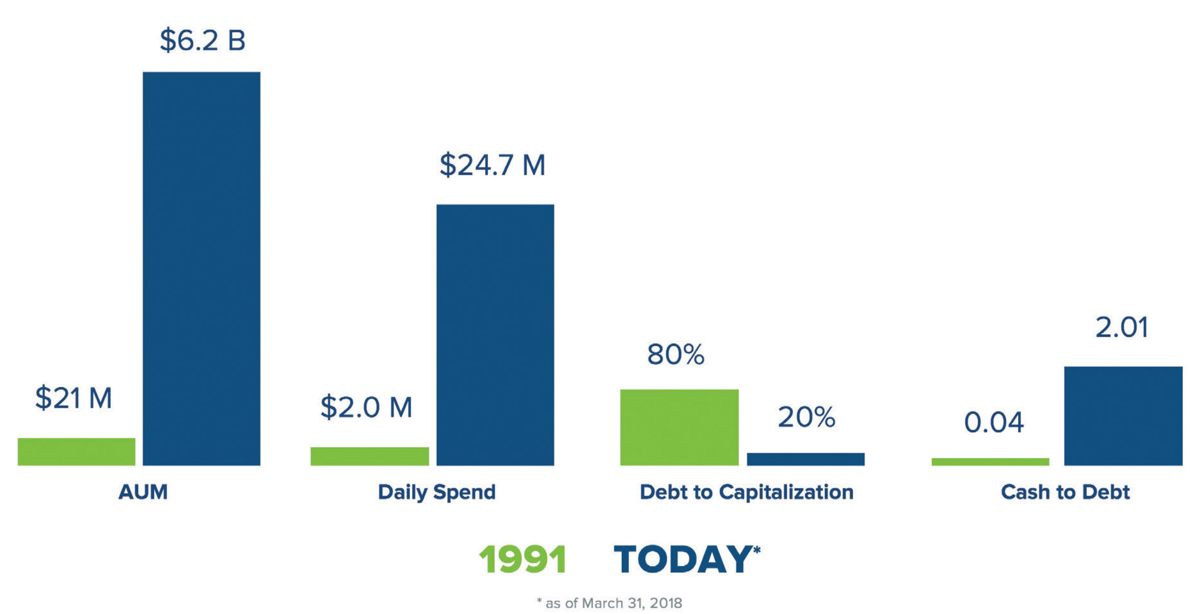
Staying centered on our organization's goals by matching dynamic financial strength with investment risk levels has ensured that our process has persistently supported our true reason for existence. This focus allows our management team, employees and those in our care communities to maintain peace of mind during periods of market instability.

Path to Success

Your path to success will be unique, but it is paved with deep and meaningful work that begins at an organizational level and extends well beyond markets and traditional alpha. The world around us is constantly evolving: market forces and instruments change, systems capabilities improve and the skills of your teams will improve. Importantly, your organization will change through time as the requirements shift and generations of leaders pass through the management teams. The Adventist Health System investment process is constantly evolving to pursue our 'best fit' along this ever-winding path. Over many years we have followed the path that's focused on generating stewardship alpha and building organizational resilience. To us, this has made all the difference.

Your journey begins inside of your organization, clearly identifying the mission, vision and values, and defining your purpose within the organization. By following this path, you can design the best possible process and then effectively allocate time and resources to meet your strategic priorities. Through careful process engineering and constant monitoring and adjustment, you create a positive feedback loop that generates lasting value for your organization, well beyond getting the next macro call correct or finding that rising star of a new investment manager. It's a long journey which will be different for each investment team and organization, but each step in the journey creates true value.

FIG. 4 Approach pivotal in steady growth of Advent Health



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attractive level of immediate cash flow. What these secondary funds further understand is that the loans underlying the CLO's assets are overwhelming from the same private equity-backed companies where they are already invested. In this case, they are investing on the credit side of the ledger instead of the equity side, but the underlying exposures are remarkably similar.

At the bottom of 10x levered capital stack what could go wrong? Obviously, a lot could go wrong. The scenario modeling and historical experience though shows the likely outcomes are superior to what intuition suggests. For example, in one risk model, CLO equity breaks even with a constant default rate (CDR) of 7.5% and recoveries of 70% or approximately equal to the historical recovery rate of senior secured first lien loans. At recoveries of 60% and 50%, the breakeven CDR lowers to 5.8% and 4.7%, respectively. It is important to note that the constant default rate does not measure defaults at a single point in time. Rather, the CDR represents the annualized default rate over the life of the CLO. While defaults rise during periods of market stress, they typically remain elevated only briefly. There is no precedent for a sustained period of defaults like the ones that the model suggests would be necessary for CLO equity to return 0% annualized. In practice, the single worst CLO we could find in our research still returned half of investors' equity capital after a long series of almost-comical operational and investment errors. Losses are possible, but a modicum of effort spent on manager selection to avoid the lowest quality tier substantially improves the odds of success.

On the other hand, there are meaningful differences between CLO equity and private equity.

A few final observations on how CLO equity is in several respects similar to private equity may be helpful. First, like private equity, vintage selection can be as important as manager selection. The ultimate return to the equity tranche is heavily dependent on financing costs, especially for the AAA-rated tranche at the top of the structure, at the time when the CLO is launched. The performance of the underlying loans in the portfolio is also important, but secondary to financing costs in most scenarios. Also, like private equity, we find that the spread between median and top performing CLO equity managers is substantial. With CLO equity the spread averages nearly 500 bps, slightly less than we see in private equity, but still significantly larger than observed in traditional equity or fixed income strategies. The final similarity is that like in most opaque markets, better-informed investors should be able to generate an outsized return. There are superior managers in the CLO space who tend to exhibit serial outperformance if you can identify and access them.

On the other hand, there are meaningful differences between CLO equity and private equity. To begin with, unlike private equity funds, CLO equity typically generates a full return of original capital via a steady stream of quarterly payments in about five years. Also, it is important to remember that CLO equity is still dependent on credit investments: there are no unicorns or fund-makers in CLO equity. At the same time, the level of diversification inherent on the credit side (the collateral pool) of the structure means that a single, troubled investment will not torpedo results. Finally, CLO equity is regularly traded and thus it will not provide the illusion of low volatility that private equity enjoys.

For most endowment and foundation investors, there are two primary methods to invest in CLO equity. The first is direct with one (or more) of the more than 90 managers that issue CLOs in the U.S. (there are a few dozen more in Europe) or with one of the approximately 15 third-party managers that specialize in building diversified portfolios of equity stakes in CLOs issued by others. When investing with the CLO managers themselves, what until recently were called risk retention funds, there are issues with the alignment of interest that need to be addressed. The manager has duties to all of the investors in the vehicle, not just the equity holders. Moreover, the manager is paid on the entire capital stack and may have an incentive to keep the vehicle active and generating fees for as long as possible. CLO equity specialists, when they hold at least 50% of the equity tranche, are in the driver's seat. While they don't decide which loans are bought and sold in the collateral pool, they control the timing of when to refinance, reset, or liquidate the vehicle. Unlike private equity funds, CLO equity managers often negotiate discounts and fees to compensate them for investing in the equity tranche. It becomes, at least in part, the opposite of the fee burden that private equity funds labor under. Third-party CLO equity managers typically also have the flexibility to buy smaller, non-control equity stakes from hedge funds or others who need to raise cash. The ability to act opportunistically provides optionality when others with more transient capital come under pressure.

There are many features of CLO equity which make it an interesting complement to a private equity program. As always, there are no free lunches. Weakening lending standards are likely the foremost concern of CLO investors at this stage in the cycle. Credit quality ebbs and flows but the structure of CLOs with long-term, non-mark to market financing and the ability to benefit from widening spreads may make them a welcome addition to a portfolio - even if they are known by a scary three letter acronym.

Minority Rapport: In Praise of Being Different
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While the benefits of diversity in thought and action are clear, the pursuit of independence is not easy, costless, or riskless.

What Pushes Us Toward Conformity?

Human instinct and ambiguity aversion

> **"The yardstick for a human being is: how long and to what degree he can bear to be alone, devoid of understanding with others."**
> — Søren Kierkegaard, 1850

In his book *Influence: The Psychology of Persuasion* Robert Cialdini identified six biological instincts that drive our behavior. Among them is our natural tendency to conform, the so-called "bandwagon effect," and our natural tendency to defer to authority. Perniciously, when these two instincts converge in a highly uncertain, unknown or risky situation, they amplify each other — when faced with ambiguity, individuals are more likely to accept the actions of "experts" as correct, and to follow the crowd.

Comparative performance measurement

> **"Nothing generates conformity quite so organically as a comparative metric. When someone shows us the areas in which we are lagging our rivals, it is almost impossible for us to resist the urge to play catch-up. The result is a degree of competitive herding that can border on the nonsensical."**
> — Youngme Moon, 2010

Performance matters in investment, and we have a myriad of ways of measuring it. Unfortunately, the very act of measuring performance in a comparative way (e.g., versus competitors or peers) can result in increased conformity. It is human nature to focus on fixing flaws rather than extending advantages. Unsurprisingly, when weaknesses are identified in comparative performance measurement, eradicating them typically becomes a focus, resulting in atrophying advantages and decreased diversity. The maxim "compare and despair" truly applies in investing!

Governance

> **"Worldly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally."**
> — John Maynard Keynes, 1936

There may be principal-agent style incentive misalignment between an institution's board (the principals, who may prefer to minimize the risk taken in the portfolio) and the investment team (the agents, who are likely motivated to seek higher return, but potentially riskier investments). Unless there is strong alignment of beliefs and significant trust between the board and the investment team, when a unconventional approach results in relative underperformance, there is often pressure to shift towards a more conventional approach.

A multitude of forces is pushing us to conform. How can we fight our natural instincts, develop more comfort with ambiguity, improve our governance processes, and better align incentives to give us a greater chance of meeting our long-term objectives?

Strategies for Effective Independence: Resisting the "Urge to Herd"

Think

> **"The Thinker... will never be popular, not because he is difficult, but because it demands quiet and prolonged working with oneself and intimate knowledge of oneself as well as a certain isolation."**
> — Søren Kierkegaard, 1850

First and foremost: "Think." I have been given this simple, direct, and unsolicited advice independently from two of the smartest, wealthiest, and most successful investors I know. Kierkegaard, the aforementioned protagonist of the minority, believed that our inability to pause and think deeply — "to go alone into that secret closet to commune quietly" — is what causes us to relinquish our independence and instead adopt a view based on the "very loud talk" of the crowd.

Nobel prize winner and behavioral psychologist Daniel Kahneman identifies two types of thought processes in his book *Thinking Fast and Slow:* System 1 ("intuition" or your "gut") and System 2 ("analytics" or your "brain"). While System 1 helps us to quickly, confidently, and effortlessly synthesize the world, it often suffers from irrationality and overly creative pattern recognition, sometimes confusing signal with noise. System 2, more time-consuming, inefficient, deliberate and rational than System 1, works to avoid those mistakes, reduce overconfidence, and to flesh out the necessarily limited and illusory world created by System 1. However, System 2 is not perfect either — it can fail if it bases its analysis on information that is not representative.

Both systems have advantages and disadvantages. Both should be used when making decisions. Listen to your gut *and* use your brain. Make time to develop your own views, whether they end up aligned with consensus or not. Think.

Emphasize the long-term

> **"If we want to build innovative organizations, we need to create environments in which we are comfortable suspending our disbelief enough to let it happen ... to give our most unconventional ideas a chance to breathe a little bit, before subjecting them to the scrutiny of the naysaying sides of our brain."**
> — Youngme Moon, 2010

Benjamin Graham wrote about the risks of contrarianism in his book *The Intelligent Investor:* "Buying a neglected and therefore undervalued *[Continued on Page 12]*

Minority Rapport: In Praise of Being Different
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issue for profit generally proves to be a protracted and patience-trying experience. And selling short a too popular and therefore overvalued issue is apt to be a test not only of one's courage and stamina, but also of the depth of one's pocketbook."

The risks of being different have recently been further quantified by Fama and French, whose paper Volatility Lessons (2018) confirms the strong long-term value creation potential from investing in traditionally less popular small/value stocks, but highlights the not-inconsequential possibility of the factors substantially underperforming the overall market at times. Alas, even three- or five-year periods may not be long enough to validate the effectiveness of an unconventional strategy.

As investors, we are all beset with feelings of uncertainty, skepticism, and doubt when outcomes are not as expected. Remembering that unpopularity is one path to higher returns can be a touchstone for keeping the faith. Investing in the unpopular is ultimately a "long-term right" strategy that can often be "short-term wrong."

Be humble: focus on process, not outcome

> **"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so."**
>
> — Mark Twain, 1874

Many investors are familiar with the quote above, which was featured in the opening of the movie *The Big Short.* In a wonderful ironic twist, it turns out that the quote is actually misattributed! Josh Billings, an American humorist, should be credited with originating the sentiment in 1874. As an investor, I have trained myself to welcome that feeling of surprise when a strong belief I've held is overturned. It reminds me to stay humble.

When we bask in the confirmatory glow of a good result, it is easy to believe we "knew for sure" that it would occur, and when we experience the sting of a poor result, it is instinctual to want to abandon the process that generated the pain. Neither posture is optimal — overconfidence causes us to bear unnecessary risks, and underconfidence causes us to forego potential returns.

In her book *Thinking in Bets: Making Smarter Decisions When You Don't Have All the Facts,* professional poker player and cognitive psychologist Annie Duke writes about the dangers of "resulting" — the tendency to judge decisions based on outcomes. Resulting is inefficient at best, conflating skill and luck, and destructive at worst, reinforcing poor decision-making and impairing future outcomes.

No matter what has happened, good or bad, the best path forward is to ensure that subsequent decisions are sound. Focus on process, not outcome.

Conclusion: Celebrate the Different

> **"It is not the critic who counts; the credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."**
>
> — Teddy Roosevelt, 1910

To those in the extraordinary minority of outperformers, I congratulate you and urge you to stay humble. To all those in the besieged minority of underperformers, I thank you for your contributions to dispersion and wish you well in your continued fight against conformity.

And to all who are truly different, striving to be extraordinary, I offer words of solidarity and support: Think. Cherish the unpopular. Challenge consensus. Balance humility and hubris. Look forward, not backward. And focus on the long-term. Paradigms eventually shift…

Related Readings

Cialdini, Robert (1996) *Influence: The Psychology of Persuasion.*

Duke, Annie (2018) *Thinking in Bets: Making Smarter Decisions When You Don't Have All the Facts.*

Fama, Eugene, and Ken French (2018) *Volatility Lessons.*

Graham, Benjamin (1949) *The Intelligent Investor.*

Kahneman, Daniel (2012) *Thinking, Fast and Slow.*

Kierkegaard, Søren (1850) *The Diary of Søren Kierkegaard.*

Helmer, Hamilton (2016) *7 Powers: The Foundations of Business Strategy.*

Ibbotson, Roger, Thomas Idzorek, Paul Kaplan, and James Xiong (2018) *Popularity: A Bridge Between Classical and Behavioral Finance.*

Moon, Youngme (2010) *Different: Escaping the Competitive Herd.*

Shaw, George Bernard (1903) *Maxims for Revolutionists (in Man and Superman).*

Soros, George (1988) *The Alchemy of Finance: Reading the Mind of the Market.*

[Continued from Page 5]

FIG. 2 Monitoring of manager performance and exposures

Characteristics	Intelligent Tripwire (examples)
Liquidity	◆ 50% increase in level 3 assets, or ◆ 30% increase in days to liquidate 90% of NAV
Concentration	◆ 25% fewer positions, or ◆ Top 10 positions greater than 80% of NAV ◆ Top 10 positions less than 60% of NAV
Tracking Error	◆ Increase by 50% ◆ Decrease by 50%

most useful. Fuzzy language like "improved," "stabilized over the medium term," or "normalizes in time" need to be converted to more exact "We will reevaluate by X when Y happens" signals according to *Decisive*. Effective intelligent tripwire development requires experience and many years of decisions, market cycles, and pattern recognition. There is an art to being usefully specific.

Intelligent tripwires from the initial underwriting report are a part of the solution.

Applications for Investment Portfolios: To go beyond the abstract labels of decision tools and intelligent tripwires, some potential applications for investment programs are outlined below. The complexity of investment management decisions necessitates multiple intelligent tripwires; I recommend 3 to 7 monitoring signals per manager or market event. Each intelligent tripwire is part of a mosaic of insights, to be effective it is necessary to balance how many areas are important enough to deserve the monitoring signal. *All examples below are for illustrative purposes only.*

Underwriting a New Investment: (Figure 1) The section of the memo that reviews a manager's strengths and risks is an opportunity to introduce intelligent tripwires for both attributes. The improvement of risk traits strengthens the manager, while new concerns erode a manager's advantages. Escalating risks expand awareness of concerns.

Monitoring of Manager Performance and Exposures: (Figure 2) Establish predetermined changes to manager return, alpha, risk, and exposures. Absolute, relative, or risk contribution thresholds can be considered for long only and hedge fund investments, as well as volatility, tracking error and beta thresholds. For hedge funds, intelligent tripwires focused on leverage, concentration, and liquidity can identify changes in the investment organization or environment worth paying attention to. In particular, gradual changes are harder to identify without these risk management, quantitative tools.

Reunderwriting of Managers: (Figure 3) The reunderwrite/fire decision for an underperforming manager is one of the most important and difficult responsibilities for institutional allocators. As such, the analysis and evaluations germinating from intelligent tripwires have the opportunity to make a real difference. For context, the research paper "The Selection and Termination of Managers by Plan Sponsors" by professors Amit Goyal and Sunil Wahal analyzes the impact of allocator termination of underperforming US *[Continued on Page 14]*

FIG. 3 Reunderwriting of managers

Reunderwriting of Underperforming Manager – Hold Recommendation Examples		
Underperformance Driver	**Manager Addressing Issue**	**Intelligent Tripwires**
Overconfidence in an outsized risk position drove outsized portfolio losses	◆ Holding the position at resized allocation ◆ Appropriately acknowledged mistakes in analysis and ownership of decision ◆ Realigned the research process	◆ Monitor that no position sized greater than X%, per stated risk controls ◆ Discuss year-end compensation of analysts and alignment with "one P&L philosophy" ◆ Departure of 2 senior analysts over next 18 months signal of lack of buy in of new process
Large overweight to Healthcare sector drove underperformance during severe sector rotation over period	◆ Reunderwrote each investment and reconfirmed thesis with 1 exit ◆ CIO not paying themselves this year to keep team intact	◆ Monitor locking in losses from Healthcare over next year. ◆ Monitor HC research team departures over 18 months. Senior departures a red flag ◆ Monitor Home Run/ Strike Out ratio in HC for return to pre-investment level in 1 year

Enhancing Investment Decisions with Intelligent Tripwires
[Continued from Page 12]

managers and other asset classes. The post-firing US managers achieved a 3.4% statistically significant 3-year cumulative alpha compared to -3.3% cumulative alpha in the two year pre-firing period. The investment decision to fire occurred at trough alpha levels and preceded a recovery of excess returns — a terrible result.

Tools to support decision making and manage the cognitive stresses of underperformance can achieve material benefits to a portfolio. Intelligent tripwires from the initial underwriting report are a part of the solution. The decision to hold onto an underperformer can be difficult, incorporation of intelligent tripwires can support the judgement to remain invested through transparent, predetermined thresholds to monitor the manager. The monitoring signals create the safe space for risk taking, as well as, potentially cap the risk through a defined process. In addition, rebounding performance can be contextualized against the intelligent tripwires and evaluated as mean reversion, luck or skill. A thorough performance evaluation can point to a graceful exit opportunity or reconfirm the manager's value-add process

In Conclusion: I hope that if tripwires were considered too rigid for your investment process, that the reframing as a tool, as **intelligent tripwires**, has you curious to explore further. I recommend reading *Decisive* by Chip and Dan Heath as an investment team "book club." Broken into four, manageable sections, the stories and explanations create a deeper understanding of the cognitive biases, their impacts, and their practical tool and processes that lead to more effective decision making. The effort will produce a level awareness of cognitive biases and a common language across the team. Not everything the Heaths suggest will resonate, which is an opportunity to individualize the ideas to your organization - your team. For me, years ago, the insight was **intelligent tripwires**. For your team, the insights, tools and processes customized for your organization will elevate due diligence and the information used in decision making.

A Solid Portfolio And Paper-Free Office: The Win-Win of Integrating Technology Solutions to Aid in Better Decision Making and Maintaining a Clean (And Green) Office
[Continued from Page 4]

counts and limited partnership arrangements. Thus far, we have been pleased with how smooth the implementation and integration phase has been and look forward to using our new system very soon.

Paper-Free Office

While we are optimistic that our new portfolio management system will aid in better investment decision making and help streamline our processes, we also looked to technology to help us create an environmentally-conscious office.

When starting at Carleton College, I worked out of New York City for a few months before relocating to Minneapolis and spent the majority of my days meeting with investment managers and other stakeholders. I often declined taking paper copies of presentations and other documents and took all meeting notes on my laptop, as my "mobile office" was incapable of handling more than a few items that fit in a small computer bag. I feel the stigma of appearing like a court reporter when typing during meetings has thankfully faded and upon my move to the Midwest have continued to espouse this paper-free concept. As a team we now make every effort to conduct our affairs electronically.

One area where technology has been useful in this regard is our use of a CRM in which we type meeting notes directly or copy/paste from a word processor or email. We are reluctant to handwrite and scan them as once they are in the CRM in text format, we can easily search for keywords, people, etc. within our large and growing database of notes. An additional way to prevent unnecessary paper usage is to make the process to print more challenging than a push of a button. We purposefully have only one small printer into which we are required to physically plug our laptops to operate and print. Even though we are constantly reminded to leave our desks and move around more and more throughout the day (thank you, Apple Watch), the annoyance of this particular exercise undoubtedly prevents us from over-printing. Finally, we request that our subscription forms and any other legal documents include the ability to complete electronically.

Still More to Come

While incorporating a portfolio management system and establishing a paper-free office were early objectives for us, I'm confident we will continue to identify processes that can be improved by technology. We believe that rather than sticking to the status quo, the modern investment office should evolve alongside technology, and we look forward to integrating these and other new tools into our workflow.

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of technological innovation. While it used to be "enough" for developing countries to adopt innovations developed elsewhere, trade barriers and the rapid pace of technological change now require the leaders of the future to innovate themselves, at least to some extent. In this respect, EMs are not particularly well positioned, but there are a few important exceptions. China and its North Asian neighbors are spending enormous resources to become global leaders in selected areas, while India has built one of the world's largest digital infrastructures that should allow it to leapfrog in many industries with low costs and better efficiency.

◆ **Structural reform.** We believe political and economic reforms remain the most important tool in the EM development "toolbox". Building robust institutions, promoting good governance, creating a market-friendly climate, and providing basic physical infrastructure is pivotal in attracting necessary investment and will continue to define success. Countries like India that embrace such reform programs are positioning themselves to be among the growth leaders of the future.

◆ **Leverage.** Leverage is important as an enabler and a constraint to growth. Leverage in general, and private sector leverage in particular, is an important component of long-term growth potential. But if leverage increases too much, it impairs the ability of firms to invest and the ability of consumers to spend, adversely impacting growth potential and creating macroeconomic vulnerabilities. With a few exceptions (China being the largest and most important and Turkey being the most drastic), most EM countries score well on this measure, especially relative to the developing world – despite headlines you may have read to the contrary.

2– Valuation

Across most metrics, EM stands out as one of the most attractively valued asset classes globally. While valuation is a poor timing tool, it matters over a long period of market cycles. No single valuation measure is perfect, but the cyclically adjusted P/E ratio (CAPE) has proven to be a useful asset allocation guide. Measured by the 10 year-CAPE, EM is currently valued at a 23% discount to its long-term average. But this discount masks rather large differences between the individual index components. Crisis-hit Turkey, for example, trades at a 57% discount, while Thailand is at a 5% premium. Commodity producers such as Brazil — which suffered the consequences of deep macroeconomic adjustment following the collapse in commodity prices earlier this decade — are valued at a 30-60% discount to their long-term averages. China is trading at a 25% discount, and India at a 16% discount. Cheap valuation is a key supporting factor for the broader EM asset class, but selected countries are set to benefit more than others from mean reversion.

3– Currency

Notwithstanding the current concerns of continued US dollar appreciation, USD-based investors are unlikely to suffer large currency headwinds in EMs on a long-term investment horizon, as most currencies are valued close to or below their fundamentally suggested fair value. This assessment is also reflected in the recent trends of EM external balances, namely the significant shrinking of both large current account deficits and surpluses in the emerging world. On average, the GDP-weighted EM current account deficit is zero. While few exceptions remain in terms of long-term depreciation risk, notably Saudi Arabia and UAE which peg to the USD, exchange rates in most EMs have adjusted already. The Malaysian Ringgit and the Thai Bhat remain among the most undervalued exchange rates globally.

Today, China, Korea, and Taiwan make up 52% of the MSCI EM index, which is not surprising as they were also the largest beneficiaries of globalization. They are not, however, as well positioned in today's de-globalizing world. Large domestic markets, young populations, reform-minded political leadership, low leverage, and attractive equity and currency valuations, on the other hand, place the likes of India and Indonesia at the top of our ranking. While we never forget that, as equity investors, we are buying cash flows generated by companies and not countries, we won't be surprised if the best EM investment stories of the coming decade emerge from places where the most attractive combination of the above top-down tailwinds are found.

Mark Your Calendar for Upcoming NMS Management Forums

NMS FORUMS AND ROUNDTABLES FOR THE ENDOWMENT AND FOUNDATION COMMUNITY

Membership Forums

The Winter Investment Management Forum for Endowments & Foundations
February 9 – 12, 2019

Networking Event for Service Provider Members
June 13, 2019

The Fall Investment Management Forum for Endowments & Foundations
September 15 – 18, 2019

Holiday Forum for Members
December 5, 2019

Roundtable Programs

(BY INVITATION ONLY)

Alternative Investing and Hedge Fund Roundtable
April 7 – 9, 2019

CIO Spring Roundtable
June 2 – 4, 2019

The CIO Roundtable
November 3 – 5, 2019

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