



BEYOND EVERYDAY PORTFOLIO MANAGEMENT: AN OCIO'S TRUE ROLE

OVERVIEW

While Angeles' primary goal as an OCIO is to help our clients advance their core missions by delivering exceptional investment performance, our partnerships often extend beyond the boundaries of portfolio management. We embrace our role as a true extension of our clients' in-house resources and welcome the opportunity to help solve complex problems that require broader financial expertise.

Angeles can partner with higher education clients to evaluate essential strategic initiatives and enhance the process by developing a set of robust financial models. Coupled with the thorough qualitative analysis prepared by the school's staff, our analysis can help the Board of Trustees fulfill their fiduciary responsibility and benefit future generations of students, alumni, and members of the broader community.

CLIENT

The endowment for a historic liberal arts college, whose new leadership team has been taking steps to position the school as the flagship higher education institution in its region and further diversify its student body. The College's athletic program represents a key element of this broader strategic plan.

GOAL

To strengthen the longevity and diversity of the College by conducting a comprehensive cost/benefit analysis of moving to the NCAA's Division II ("D2") versus remaining in Division III ("D3"), of which it had been a charter member since 1973.

COLLABORATION PROCESS

Angeles developed a custom model that combined baseline financial projections with sensitivity analysis to properly characterize the potential net benefits of the initiative. A D2 reclassification would require certain expenditures, and it was important to provide visibility into how this could be accomplished without resulting in an increased burden on the College's endowment.

Throughout the process, we partnered with the Office of the President, the Athletic Department, and the Investment Committee to explore every potential expense and revenue enhancement associated with a D2 transition.

The model included key risk factors such as challenging regional demographics, uncertainties related to adding new sports, and the potential ongoing impact of COVID-19 on college athletics and enrollment.

RESULTS

Armed with our analysis, the Board of Trustees was able to understand a range of possible outcomes and was better positioned to mitigate risks when making investment decisions. The Board elected to move forward, and the NCAA approved the school's application to become a member of Division II. We believe the impact of the move to Division II and other strategic initiatives helped produce record enrollment for the current school year.

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Following the conclusion of this project, the College reached out to Angeles to model additional scenarios, such as establishing an academy that would act as a feeder to the College and upgrading the equestrian program to enhance the school's athletic program. Each initiative would require funding from outside of the institution's daily operations. Angeles partnered with the College to model various funding scenarios, which will help our client decide how to best fund the initiatives while maintaining the future financial strength of the endowment.

As the circumstances and decision-making process remain dynamic, Angeles continues to function as a key member of the team by updating analyses, modeling various scenarios, and providing guidance and support to the College's President and Investment Committee, enabling them to make informed decisions regarding the future of the institution.



ANGELES PARTNERS WITH ORGANIZATIONS

At Angeles, we want our clients to benefit from the resources and expertise that they would enjoy if they had in-house investment teams. Our work becomes more meaningful when the OCIO role extends beyond merely managing and reporting on portfolios. We approach each relationship from a holistic standpoint by truly understanding our clients' missions, strategic goals, financial objectives, and circumstances.

Serving clients for over 20 years, we have significant experience working with different departments within an organization, including executive leadership, finance, development, and external stakeholders, such as donors.

We work with each of our clients to identify issues particularly important to them. Some ideas for additional services may include situation or project analysis or communication or education sessions with large stakeholders. We encourage our clients to leverage our experience and knowledge to solve unique problems outside the scope of everyday portfolio management.



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