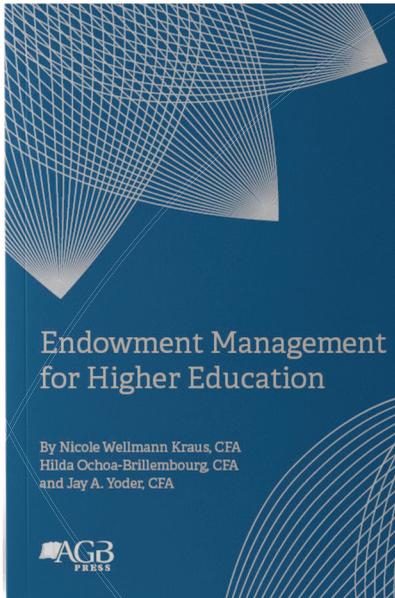


ENDOWMENT MANAGEMENT FOR HIGHER EDUCATION



COMING SOON!

AN UPDATE OF
EMHE AND A NEW
VERSION FOR
NONPROFITS.

Given the success of *Endowment Management for Higher Education* (EMHE) and the issues highlighted by the COVID pandemic, we are working on two new books: one is an update to EMHE and a second is a version for other nonprofits.

These new books are both scheduled to be available before AGB's 2022 Leadership Forum. New or updated topics include:

- **A roadmap on how to align your portfolio with your mission.** Responsible investing continues to grow in importance for a range of institutions, and solid governance is fundamental to designing appropriate policies and ensuring that they are followed. We document the key steps every committee can take to comprehensively determine the approach best suited to the institution, as well as how to measure and monitor outcomes.
- **Diversity, equity, and inclusion.** We discuss how considerations of diversity, equity, and inclusion can be incorporated throughout your policies and deliberations as you lead your institution.
- **Key learnings from COVID on enterprise risk.** Although the importance of maintaining adequate liquidity was discussed in the prior version, we emphasize the particular lessons provided by the COVID pandemic relating to enterprise risk.
- **Importance of continually engaging with donors.** Transformational endowment growth requires regular development contributions to the endowment portfolio. We discuss engagement with donors through all types of environments.
- **Stress tests and other scenario planning.** Although few anticipated a global pandemic, those institutions that had conducted stress tests and scenario planning were better prepared for the challenges presented by COVID. We update our discussion of the utility of these exercises.
- **Importance of a solid foundation of good governance, trust, and communication.** Institutions that constructively weathered the challenging period had taken the time to build a strong foundation of good governance, trust, and confidence among decision-makers, with open and frequent communications across their board. Although COVID presented many stressful situations, we illustrate how this solid foundation helps institutions navigate unforeseen crises constructively.
- **Reviewing the long-term asset allocation each year.** We address the value of confirming that the strategic asset allocation continues to be optimal and that nothing has changed with respect to key enterprise-wide considerations, including the ability to take risk. This exercise is also vital to ensuring that every new member feels ownership of the asset allocation framework so that the group is better able to navigate times of stress.
- **Additional considerations as you build your investment committee.** Getting the right people on the committee is critical to success and we will provide additional ideas to incorporate in forming the right group.
- **Documenting your investment beliefs as part of your Investment Policy Statement.** We share how memorializing the investment beliefs of the committee can help chart a path to investment success by getting the group on the same page about what they believe is important.
- **Educating on underwater endowment policies and potential impacts to the operating budget in times of stress.** We have found that a surprisingly high percentage of board and committee members are unfamiliar with underwater endowment policies. We provide relevant considerations.



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