

Wealth Management for Foundations & Endowments

WEALTH MANAGEMENT can be best defined by the following equation:

$$\mathbf{WM} = \mathbf{IC} + \mathbf{AP}(\mathbf{MSL}) + \mathbf{RM}(\mathbf{CRM}, \mathbf{ERM})$$

— where —

IC = Investment Consulting

AP = Advanced Planning

Mission Statement Legacy: Insuring that the mission and guiding principles of the charitable organization is respected and properly managed. Being mindful of the portfolio's holdings with respect to possible restrictions due to this mission is a critical component.

RM = Relationship Management

Client Relationship Management—staying in contact—making sure the Investment Committee is well briefed on the portfolio and its exposures.

Expert Relationship Management—utilizing a network of attorneys and tax counsel to insure that every question or concern has the proper answer. Serving as the financial quarterback for the Foundation is an utmost responsibility.

Ok, so what does it all mean? Let's start with Investment Consulting (IC in the equation). All wealth managers say they do investment consulting—and some, admittedly, are more committed to it than others. It is an important part of the wealth management experience but it is only one part. What you need to look for with respect to investment consulting is not so much prior results (because that's rear-view mirror thinking and of course there are no guarantees that what has happened will continue to happen) but rather commitment. A commitment to the profession—to the science of investment management and portfolio management. What credentials does your advisor have? Have they invested time and resources to always remaining on the cutting edge of this fast moving science of finance? How long has he or she been in the business? In what capacities? So what we need to see here is someone who is passionate about the markets and the economy—that lives and breathes it—that understands how to navigate the capital markets.

But again IC is only part of the wealth management equation—being a steward for our client's charitable assets through a commitment to the Legacy—being respectful to the philanthropic mission of the organization.

Relationship management is serving as the organization's Financial Quarterback—the folks on the IC or the board need to know that they could call on us and we will get them the right answer on a timely basis. Through our network of expert attorneys and accountants—focused, as we are, on the philanthropic sector we are uniquely qualified to serve as the QB—and welcome the responsibilities to do so.

Wealth management is important for the philanthropic entity—be it a private foundation or an endowment. The folks that run these organizations need to have a partner on their side—a steward—who understands their mission and their fiduciary responsibilities.

