FIRM PROFILE

MISSION

We seek to provide the highest level of innovative and customized investment services to endowments, foundations, qualified plans, and individuals. Beyond the traditional role of investment consultant, we seek to be a strategic partner with our clients by helping to facilitate the specific goals of each organization. We believe it is through building strong relationships with our clients, employees, community, and professional colleagues that we achieve our mission.

ORGANIZATION

Inception: 2004

Ownership: Independent, employee-owned firm

Professionals: 12

Services: Investment consulting; Ongoing investment manager research and due diligence; Dynamic, forward-looking advice; Educational workshops

Expertise: Proprietary research; Investment policy development; Asset liability analysis; Spending analysis; Asset allocation and portfolio construction; Performance and attribution analysis; Custodial searches

Assets: $1.6 billion

Clients: Endowments; Foundations; Defined Benefit and Defined Contribution Plans; Individuals

# of Clients: 41

PHILOSOPHY

Innovative investment structures and thorough manager research enable us to provide superior investment opportunities:

Research-driven Approach

- Extensive, ongoing, and proprietary investment manager research and due diligence
- Analyst team works in a collaborative environment to facilitate effective solutions

Independent Investment Advice

- Experienced and objective investment advice by analysts with over 65 years of combined experience in investment management consulting
- Flexibility to research new and esoteric vehicles and strategies

Service Commitment

- Employee-owners have a vested interest in the success of each client
- A limited number of clients allows us to provide superior service

CAPABILITIES

Endowments and Foundations

We specialize in building investment structures that provide stability to the fund to accommodate fluctuations in donor contributions and asset values. Analysts develop future spending models to help assess the fund's ability to make future commitments.

Defined Benefit Plans

We consider the effect of each investment strategy on the balance sheet and on the company's projected cash flows. Additionally, we evaluate the pension liability term structure and cash flow requirements to develop strategies that mitigate the volatility of the funded status and build plan surplus.

Defined Contribution Plans

Our comprehensive fiduciary oversight program, required under ERISA, provides documentation of our investment manager due diligence and research.

Individuals

In addition to implementing a prudent investment process, we coordinate with our clients' other professional advisors to ensure that all related financial objectives are addressed.

INVESTMENT PROCESS

Our dynamic process facilitates the ongoing success of each client's investment plan:

1. Define investor goals and objectives/spending policy
2. Review capital markets and modern portfolio theory
3. Develop and maintain Investment Policy Statement
4. Complete asset allocation analysis and portfolio design
5. Perform due diligence and select investment managers
6. Implement investment policy
7. Monitor investment performance and activity in relation to stated objectives
8. Provide annual fiduciary audit support

CAPITAL MARKETS RESEARCH

Asset allocation is the most critical decision in portfolio construction. WaterStreet allocates significant resources to capital markets research and the development of capital market assumptions that we use in strategic asset allocation. To increase the probability of generating the required rates of return, we apply a forward-looking process to the strategic asset allocation. This dynamic process considers asset class valuation, global monetary policy, country and regional GDP growth, trade and budget balances, and currency trends.

INVESTMENT MANAGER DUE DILIGENCE

Thorough and ongoing research is the foundation of our consulting process. We continuously examine investment vehicles and structures to identify the most appropriate and effective investments for our clients. Recommendations are based on thorough qualitative and quantitative analysis, including onsite visits to the managers we recommend.

PUBLICATIONS / REPORTS

WaterStreet Quarterly (Capital Markets Review and Outlook)
Research Perspectives (Proprietary research papers)
Market Performance and Industry News (Available at www.waterstreetconsultants.com)

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