

CLIENT CASE STUDY

Safeguarding Growth: A Charitable Foundation's Journey into Alternative Assets

A Charitable foundation sought to secure and preserve its assets in a world of unpredictable financial markets. **With a portfolio worth \$100 million**, the foundation recognized the need to diversify and protect its assets beyond traditional stocks and bonds. Faced with uncertainties in the market, they decided to enlist the expertise of MacNicol & Associates to explore new avenues of investment.

The Foundation's Challenge

Before seeking assistance, the foundation found itself in a delicate balancing act between maintaining its spending rate and safeguarding against potential market downturns. Traditionally, **their portfolio was divided into 30% public equities and 70% bonds**, which provided stability but limited growth opportunities.

With global economic uncertainties and concerns about stock and bond market valuations, the foundation was eager to explore alternative investment options that could offer greater resilience and outperformance.

MaNicol & Associate's Advice

Our primary objective was to propose a strategic shift in the portfolio composition while maintaining the spending rate and reducing the foundation's exposure to the traditional public markets. We brought forward a bold plan that included the introduction of the Alternative Asset Program. This program would entail reallocating some of the foundation's assets from bonds to alternative assets.

As a result, their revised portfolio composition stood at:

- 30% Public Equities
- 35% Bonds
- 35% MacNicol & Associates Alternative Asset Trust

The Outcome: A Triumph of Prudence

MacNicol & Associates Alternative Asset Trust had surpassed expectations, delivering an impressive outperformance of 7.85%. By introducing the foundation to alternative assets, MacNicol & Associates was able to help them reduce their reliance on traditional asset classes and safeguard their portfolio against the inherent risks of public markets.