

Reducing Fees

CASE STUDY

Challenge

Jennifer poured another cup of coffee and braced herself for today's board meeting. She was apprehensive about discussing the monthly statements for the investment accounts, but she knew that the board had to assess their current financial situation. The underlying expenses for the actively-managed funds for the Animal Sanctuary Trust were becoming excessive, and the trustees were starting to object. In addition to high fees, the investments did not align with the stated values of her organization.

As the director, Jennifer became frustrated because the financial advisors they had been using for years weren't helping much. Jennifer was passionate about protecting animals, but she wasn't sure how to proceed regarding investments. She remembered that a friend told her about Allodium Investment Consultants and how they had helped in their specific situation by reducing fees and finding investments aligned with the organization's values. Jennifer picked up the phone and contacted Allodium for advice.

Recommendation

Jennifer discussed her situation with Allodium. Allodium told her that because of the relationships they had with several investment managers, they might be able to negotiate lower fees on her behalf. Allodium could also offer her lower trading fees because of their relationships with the custodians that her current advisors did not have. In addition, Allodium offered to do a values assessment to better match her current investments to the values stated in her organization's investment policy statement (IPS) to build a customized and globally diversified portfolio.

Result

Jennifer deliberated with the board, and they decided to follow Allodium's recommendations. She was pleased with the substantial cost savings in investment manager fees and the ability to transition their investment portfolio to better align with their values of protecting animals and other environmental concerns that are important to their organization. Jennifer now looks forward to the monthly board meetings. With Allodium's help, Jennifer and the board can focus on the Trusts' mission to provide shelter for farmed animals without worrying as much about higher fees from investment managers.



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