

# INVESTED IN ENDOWMENTS AND FOUNDATIONS

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Within the Endowment & Foundation segment, we see a number of trends. The first trend is an increased allocation to alternative assets. Clients are looking at this asset class due to the current low rate environment and seeking greater returns. The second trend we see deals with the increased need for regulatory reporting, because of these changing regulatory needs, clients want transparency throughout their portfolio. The third trend is a greater need for data and risk management solutions. Clients want to truly dig into their portfolio, understand their assets and be able to report on those assets.

Endowment & Foundation clients are facing a number of challenges. One challenge is the administrative burden surrounding the alternative asset portfolio. As you may know, with alternative assets, clients must track the liquidity provisions of each of their funds. Additionally, they also have to monitor the capital call and distributions received from their private equity managers. Lastly, clients must value their portfolio, which often isn't easy when prices are coming in days, if not weeks after month end books close.

In regard to the low yield environment, clients are increasing their allocation to alternative investments. In our E&F segment, the median allocation to alternatives is 40%. With the current regulatory environment, clients are re-evaluating their risk and data management needs to get full transparency of their portfolio. In an effort to reduce expenses, manager fees and expense ratios are under the microscope.

BNY Mellon is unique in a number of ways. We have a significant investment in asset servicing technology, which makes us a great partner for our clients. Clients can expect BNY Mellon to work with them in a consultative and collaborative manner to help them solve their problems and be successful.



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