

# Transforming an investment strategy to secure a museum's future

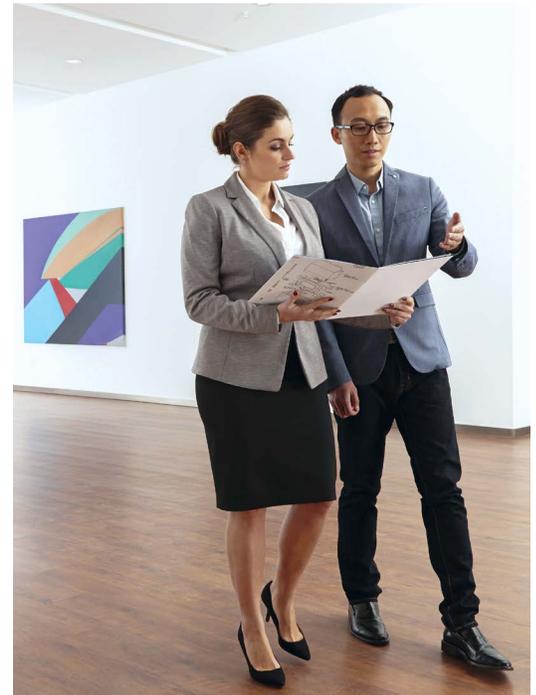
## CLIENT PROFILE

U.S. Trust's client, a well-regarded contemporary art museum in the Midwest, was faced with complex challenges as it sought to strengthen the institution's financial footing. The museum needed to find a better way to manage its finances and its endowment investments, and had to greatly improve how its Investment Committee functioned.

## APPROACH

Although it has no permanent collection, the museum had garnered national acclaim for its acumen in exhibiting new artists. As the institution's program had matured, it was clear that it needed to rethink how it managed its finances. Its Investment Committee was not functioning effectively, and the approach to endowment management was not optimal.

- Thanks to an existing client relationship with a board member, a U.S. Trust Philanthropic strategist was introduced to the director, who appreciated Bank of America's stalwart support of the arts.
- U.S. Trust learned that the Investment Committee had been focused on debating tactical decisions—such as which specific funds to invest in—and that some committee members had disproportionate influence on manager selection. The chief financial officer position was also not structured to handle the museum's increasingly complex financial needs.
- The museum's Investment Committee invited U.S. Trust to pitch for the investment management accounts.
- After winning the business, U.S. Trust consulted on the Investment Committee structure and governance practices, as well as the investment portfolio, but the scope of assistance soon broadened.
- Impressed with U.S. Trust's initial ideas, the director asked the team for a full range of recommendations to improve the institution's fundraising and donor development strategy.



**For more information, contact your private client advisor or the U.S. Trust Art Services group at 646.855.1107 or visit [ustrust.com/art](https://ustrust.com/art).**

## SOLUTIONS

- The museum engaged U.S. Trust as an Outsourced Chief Investment Officer (OCIO), which would act as a co-fiduciary and assist with investment decisions with guidance from the Investment Committee.
- U.S. Trust also educated committee members around roles and responsibilities and best practices, allowing the committee to focus on shaping an overall investment strategy, outlining policy and risk characteristics.
- The museum empowered its Chief Financial Officer and leadership and development teams to gain clarity about their fundraising effectiveness through a rigorous analysis of return-on-investment and systematic expense management.

## RESULTS

**By working with the U.S. Trust® team of Philanthropic strategists, our client is:**

- Benefiting from an OCIO model for portfolio management, which has freed its Investment Committee to serve as a sounding board and focus its attention on governance.
- Achieving competitive portfolio performance with 6% endowment returns, while accommodating existing alternative investments and mission-aligned values.
- Embracing a strategic planning process that is leading to more structured, transparent decisions about how money is raised and spent, resulting in a \$400,000 year-over-year increase in donations.

## COMPREHENSIVE ART SERVICES

■ For individual collectors ■ For arts institutions

ART LENDING	ART PLANNING	CONSIGNMENT SERVICES	NONPROFIT SERVICES
Leverage your collection to unlock capital	Plan for the disposition of your collection	Arrange for the sale of art and collectibles through our partnerships with auction houses	Engage our bespoke consulting and investment management services for museums, foundations, and institutions

## MANAGING YOUR WORTH WITH U.S. TRUST

Your wealth is not measured by numbers alone, but by the extraordinary opportunities and complex challenges that define your life. At U.S. Trust, we apply our deep insight and broad expertise to help you make the most of the things that matter most to you.

We begin by listening to you, learning about your life, and we work with you to understand your priorities. Your advisor and your team of specialists then build a wealth plan that aligns with your personal values and family goals.

Whether we are managing your portfolio, serving as trustee, or administering an estate, our focus is what best meets your objectives. Together, we develop personalized solutions that address the dimensions of your worth today and the legacy you're building for future generations.

**For more information, please contact a U.S. Trust® advisor.**

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Keep in mind this asset class may not be appropriate for all investors and can be a component of an overall investment strategy. Leveraging art involves risks including lack of liquidity and yield production and may restrict some movement and lending of the artwork. If default, sale of the collateral could result in distressed circumstances.

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