AN EDUCATIONAL PAPER FOR CATHOLIC INSTITUTIONAL LEADERS

# DO INVESTMENT COMMITTEES PICK WINNERS?

*What three decades of research says about the advice institutions buy — on manager selection, alternatives, and cost*


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# Do Investment Consultants Pick Winners?

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The quarterly investment committee meeting follows a familiar script. Members work through thick, spiral-bound reports filled with pie charts, performance tables, and pages of individual manager data, supplemented by economic indicators, market commentary, and expert opinion on where the opportunities and hazards lie ahead. All of it serves a single purpose: helping the committee decide which investment managers are most likely to pick winners and avoid losers.

Presenting the material, in most cases, is an investment consultant retained to advise on asset allocation and strategy, offer investment ideas suited to current conditions, and recommend which managers to hire and which to terminate.

The committee relies on the consultant's expertise. Together they examine every facet of the performance and suitability of the investments under their care and chart the best course for the portfolio — or do they?

The question this paper asks is narrow and answerable: do the consultants' recommendations work? Three decades of research — spanning several continents, thousands of hiring decisions, and trillions of dollars in delegated assets — has measured the value of consultant advice in the terms consultants themselves invoke: above-benchmark returns, diversification, and reduced risk. The answer is strikingly consistent.

## What the Recommendations Delivered

Reliance on investment consultants is now close to universal. Researchers at the University of Amsterdam, De Nederlandsche Bank, and the Federal Reserve Board report that 96% of pension funds employ a general investment consultant, and that consultants collectively advise some $19 trillion of U.S. public and private retirement assets. Use of a specialized consultant alongside the general one climbed from 13% of funds in 2001 to 44% by 2020.[1] A decade earlier the numbers were already large: 82% of public plan sponsor committees and 50% of corporate sponsors retained a consultant.[2] Yet as the authors of "Picking Winners? Investment Consultants' Recommendations of Fund Managers" observed, "Despite the large volumes under advisement [by consultants], little academic attention has been paid to the impact of investment consultants on plan sponsors' performance."[3]

That study, peer-reviewed work by three Oxford University professors, measured the value consultants added by examining the aggregate U.S. equity products recommended between 1999 and 2011 by consultants who together held 91% of the U.S. consulting market.

On a value-weighted basis, the recommended products showed no evidence of outperformance against an appropriate benchmark. Equally weighted, they fared worse: average returns ran "around 1% lower than those of other products." The conclusion is uncomfortable but plain — consultant recommendations move enormous sums of money, yet there is no evidence they add value to client portfolios.

Why, then, do plan sponsors keep hiring consultants to select fund managers? The study offers three explanations.

**1. "Money doctor" handholding.** Borrowing Nicola Gennaioli's analogy of consultants as "money doctors," the authors concluded that "plan sponsors value the hand-holding service provided by consultants." Committee members come to trust their consultant much as a patient trusts a physician. Gennaioli's study, published in the February 2015 Journal of Finance, notes that "Many investors pay substantial fees to brokers and investment advisors, who then direct them toward the mutual funds that underperform,"[4] and that "Once all fees are taken into account, some studies find 2% investor underperformance relative to indexation."[5]

**2. The fiduciary shield.** Committees believe a consultant gives their manager decisions a built-in defense. The study points to "headline risk," an issue first raised in Goyal and Wahal's landmark 2008 study of manager selection and termination. The more a committee worries about public scrutiny of its decisions, the more likely it is to retain a consultant, often choosing to "ignore their own expectations of fund managers' performance in favor of the recommendations of investment consultants." The problem is that the shield may be illusory. A consultant selling a service for a fee may not bear fiduciary liability, leaving the committee with a false sense of security.

**3. Lack of awareness.** Plan sponsors follow consultants' recommendations, the study found, because "they are simply unaware of how accurate or inaccurate they are." That blindness takes hold when a committee operates in an information vacuum, relying only on information supplied by a non-fiduciary consultant and failing to benchmark properly.

Later research has confirmed and extended the finding. The same Federal Reserve–affiliated study concluded that consultants' recommendations significantly influence where money flows without adding value, and that deeper reliance on consultants may raise a fund's total investment costs while exposing it to additional agency conflicts.[6] A companion study by the Oxford team, joined by the Financial Conduct Authority's Gordon Cookson, turned the question on the consultants themselves. Among the three largest UK consultancies it found "no out-performance of recommended managers" — even as those firms claimed significant outperformance on their own behalf.[7]

## Manager Selection and Termination: A Costly Cycle

"The Selection and Termination of Investment Management Firms by Plan Sponsors"[8] set out to quantify the success of hiring and firing decisions. Amit Goyal and Sunil Wahal analyzed 3,700 selection and termination decisions made by plan sponsors from 1994 through 2003, covering $737 billion allocated to newly hired managers and $117 billion withdrawn from fired ones.

That record is, in large measure, a record of consultant advice. Consultants do not merely

**Figure 1. Historical study results, 1994-2003.**


The bar chart reflects the results of the study minus an estimated annual 0.5% management fee and an annual 0.5% cost of transition in the after hiring manager returns.

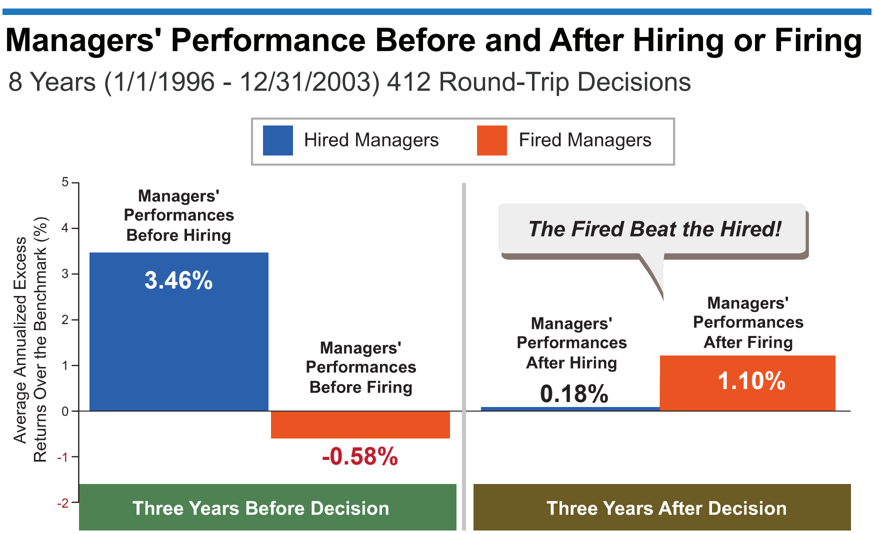
Source: Amit Goyal and Sunil Wahal, "The Selection and Termination of Investment Management Firms by Plan Sponsors," The Journal of Finance, Volume LXIII, No. 4" Published August 2008.

opine on asset allocation; most investment managers are hired through one.[9] When a plan sponsor appoints or dismisses a manager, it is usually ratifying a recommendation.

Predictably, sponsors hired managers after three years of large above-benchmark returns. In the three years after hiring, however, those same managers' above-benchmark returns averaged roughly zero before costs — and about −0.47% after costs.

The authors then traced what happened after termination, examining 660 matched pairs of decisions in which a fired manager was replaced by a new hire. The result was an ironic twist: "if plan sponsors had stayed with fired investment managers, their excess returns would be larger than those actually delivered by newly hired managers." Put simply, the fired beat the hired.

**Figure 2. Historical study results, 1994-2003.**




Note: Investment managers' performances is measured by their average annualized excess returns over the benchmark. The bar chart reflects the results of the study minus an estimated annual 0.5% management fee and an annual 0.5%; cost of transition in the after hiring manager returns.

Source: Amit Goyal and Sunil Wahal, "The Selection and Termination of Investment Management Firms by Plan Sponsors," The Journal of Finance, Volume LXIII, No. 4"

Their conclusion: "Given the magnitude of the return differences, an the transaction costs associated with transitioning portfolios from fired investment managers (legacy portfolios) to hired investment managers (target portfolios), our results suggest that the termination and selection of investment managers is a costly endeavor."

## Choosing Managers: Returns and Relationships

Goyal and Wahal later returned to the subject with a third co-author, M. Deniz Yavuz, in a study published in the Journal of Financial and Quantitative Analysis. It examined how 2,005 plan sponsors worldwide — public plans, corporate plans, endowments, and foundations — chose investment management firms when delegating roughly $1.6 trillion between 2002 and 2017.[10]

Two factors dominated the hiring decision: pre-hiring returns (the return-chasing pattern shown in Figure 1) and pre-existing personal connections between people at the plan, or its consultant, and the management firm. The pull of personal connections rivaled that of past performance itself. Yet the study found that these connections did not improve outcomes. Post-hiring returns of chosen firms averaged about 1% below the returns of the investable alternatives the sponsors passed over, and connected hires did no better, and often worse, than unconnected ones. The authors concluded that plan sponsors displayed no discernible selection ability. Relationships help managers gather assets; in the study they did not produce

## The Move Into Alternatives

Since the financial crisis of 2008–2009, institutional money has shifted steadily into alternative investments — private equity, hedge funds, real estate, and commodities. The shift has not slowed. Alternatives now account for roughly 35% of public pension assets and about 65% of the assets of large endowment funds.[11] The aim is threefold: returns above what stocks and bonds are expected to deliver, another layer of diversification, and dampened volatility.

This shift was not made in isolation either. Access to boutique alternative managers — hedge funds, private equity, private credit, infrastructure — is among the services consultants most actively market, and introductions to them are a recognized part of the mandate. Whether the strategy worked is therefore a question about the advice as much as about the asset class.

Has the shift delivered? The Center for Retirement Research at Boston College took up that question in its study "A First Look at Alternative Investments and Public Pensions."[12] The Center's academic and industry researchers study every aspect of retirement readiness, from income-replacement projections to asset/liability modeling and investment efficiency. Drawing on the Public Plans Database, which covers roughly 95% of all pension assets, allocations to alternatives grew from an average of 9% of portfolios in 2005 to 27% by 2018.[13]

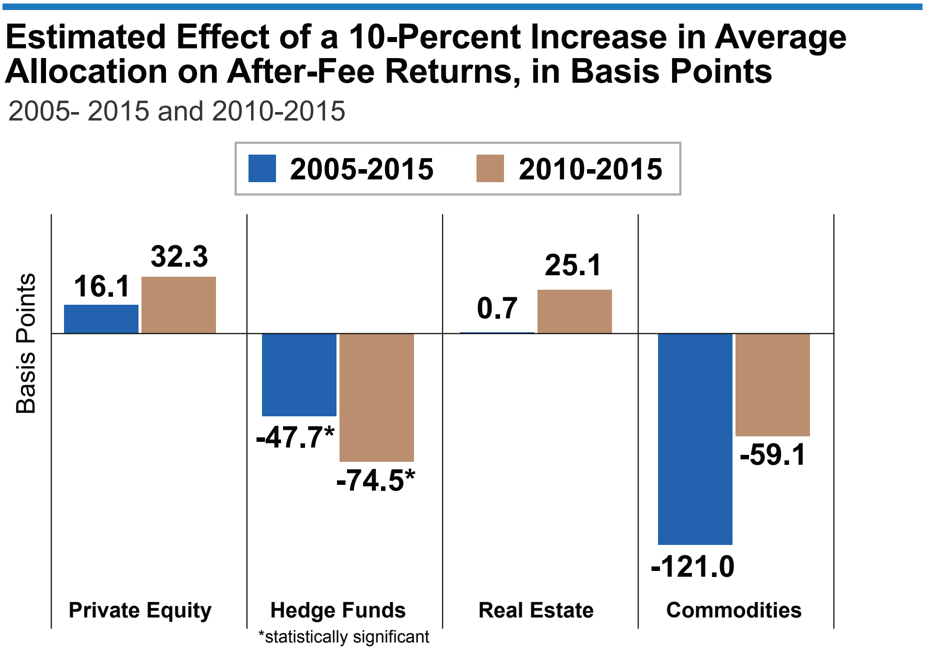
The findings were not favorable. Over the decade studied, neither higher returns nor lower volatility materialized. The reverse occurred: each 10% of a portfolio held in alternatives lowered returns by 0.32% (32 basis points) per year from 2005 to 2015. Using the study's estimates, a 27% allocation would amount to a performance drag of approximately 0.864% per year.

## What's Inside the "Alternatives" Label?

The catch-all label covers investments with very different characters. Private equity, hedge funds, real estate, and commodities behave differently from one another and should not be treated as a single homogeneous asset class. The researchers therefore examined each in turn.

Over the ten-year period, every 10% of a portfolio invested in hedge funds reduced annual returns by 47.7 basis points (0.477%), and every 10% in commodities cut returns by 121.0 basis points (1.21%). Private equity and real estate contributed modest positives — 16.1 and 0.7 basis points, respectively — far too little to overcome the drag from hedge funds and commodities. Notably, the hedge fund results were statistically significant, suggesting, as the study puts it, that "some plans may have done just as well investing in traditional equities."

**Figure 3. Historical study results.**




Source: "A First Look at Alternative Investments and Public Pensions", July 2017

# Do Alternatives at Least Lower Risk?

Higher expected returns are only half the case for alternatives; the other half is volatility reduction. That aim also failed to materialize. The researchers found that "as a group, alternatives did not have a statistically significant effect on volatility," and concluded:

> *"The empirical results revealed a consistently negative and statistically significant relationship between alternative investments and returns on the total investment portfolio."* [14]

Beyond weak results, alternatives carry structural burdens:

- They are complex, and many investors struggle to understand their characteristics and risks.
- Their value is hard to measure, since "data for private equity and hedge funds are supplied on a voluntary basis, and strong performers have a greater incentive to report than those who perform poorly."
- Liquidity restrictions can trap capital at exactly the moment an investor wants out; if a hedge fund implodes, investors may be unable to exit.
- Fee structures are both high and complicated.

The research offers plan sponsors little justification for accepting these risks.

## The Cost of Complexity: Pensions and Endowments

Later research has generally supported and extended that conclusion. Richard Ennis, a co-founder of the modern investment consulting industry (Ennis Knupp) and former editor of the Financial Analysts Journal, concluded that alternatives account for essentially the entire margin of institutional underperformance since the financial crisis. Consistent with the sub-asset-class results in Figure 3, private-market real estate and hedge funds did the damage, while private equity was roughly neutral after costs.[15]

Ennis identifies cost as the central culprit. Ennis estimates that institutions pay roughly ten times as much for alternatives as for traditional stock-and-bond strategies — private equity costs at least 6% of asset value per year, and non-core real estate 4% to 5% — even though diversified bundles of alternatives behave much like ordinary stock-bond portfolios.[16] The market that made the endowment model's reputation in the 1990s was small and inefficient; it has since absorbed trillions of dollars and more than 10,000 competing managers, eroding the edge that early adopters enjoyed.

The cleanest test is the gap between the two kinds of institution. Adjusting for differences in market exposure and risk, endowments holding roughly 65% of assets in alternatives have trailed public pension funds holding roughly 35% by about 143 basis points a year. The analysis suggests the two groups differ mainly in how much complexity they adopted.[17]

The consequences show up in the funds themselves. A composite of dozens of the largest U.S. public pension plans trailed a passive benchmark constructed in the study by roughly 1.0% to 1.5% per year in the years after the 2008 crisis, lagging in 11 of 12 years in one study period.[18] In cross-section, just one of 46 large public funds produced a statistically significant positive alpha over the decade ended June 30, 2018.[19] Based on that analysis, the annual cost to stakeholders may run to tens of billions of dollars.

In Ennis's research, educational endowments, which he reported hold roughly twice the alternatives exposure of public pensions, fared worse, trailing passive benchmarks by about 2.2% per year over the same period. Even the Ivy League, the most celebrated practitioners of the endowment model, averaged 8.3% annually since the crisis against 9.8% for a simple indexed benchmark of 85% stocks and 15% bonds matching their risk profile — a shortfall of about 1.5% per year and a cumulative opportunity cost near 20% of wealth.[20]

The most recent industry data make the same point without needing a model. In fiscal 2025 the 657 institutions in the NACUBO-Commonfund Study of Endowments, holding $944 billion between them, returned 10.9% net of fees, and 7.7% a year over the preceding decade. Global public equities, as measured by the MSCI ACWI index, returned 16.2% in that same year. Endowments above $5 billion — the cohort most heavily committed to private assets — returned 11.8%, and for the first time in many years size conferred no advantage, as smaller, equity-heavy funds kept pace with their alternatives-laden peers.[21]

There is also a reason so few committees notice, and it echoes the "lack of awareness" explanation above. Ennis argues that many institutions report performance against self-selected benchmarks that he estimated were biased downward by 1.4 to 1.7 percentage points per year— enough fora majority of funds to claim outperformance while trailing an appropriate passive benchmark by a wide margin.[22]

Ennis is blunt about how that happens. The agents responsible — chief investment officers and their consultant-advisers — have, in his words, "mastered the black art of custom benchmarking."[23]

## Why Consultants Are Still in Business

Why does the practice endure in the face of this evidence? One veteran institutional investor answers: because it is a path that once genuinely added value.

Charles Ellis — former chairman of the Yale endowment, finance professor, and author of many books and academic papers — takes up the question in "The Rise and Fall of Performance Investing."[24] Ellis traces the growth of investment consulting to real early success at beating the market:

"Fifty years ago, beating the market (i.e., beating the competition: part-time amateurs and over-structured, conservative institutions) was not just possible — it was probable for hardworking, well-informed, boldly active professionals. Today, the statistics are upended. More than 95% of trades in listed stocks, and nearly 100% of other security transactions, are executed by full-time professionals who are constantly comparison-shopping inside the market for any competitive advantage."

Data, technology, and regulation have since produced a fiercely competitive marketplace, one in which "collective skills at price discovery have increased so much that most of us can no longer expect to outperform the expert consensus by enough to cover costs and management fees and offer good risk-adjusted value to our clients." Wall Street Journal columnist Jason Zweig puts it more plainly: "Active fund management is outmoded, and a lot of stock pickers are going to have to find something else to do for a living."

Ellis is equally blunt about why the establishment holds on: "Members of the establishment have much to lose in institutional stature, their reputations as experts and their earning power." He blames "the human desire to do better by trying harder," amplified by consultants' "yes, you can" encouragement — and helped along by selective reporting.

"Advertising notoriously concentrates on the superior performance of a small and ever-changing minority of managers," Ellis observes. "Little is said, however, by insiders about the numbing consistency with which a majority of active managers fall short of the index or how seldom the past years' winners are winners again in subsequent years."

He foresees a reckoning when "clients decide that continuing to take all the risks and pay all the costs of striving to beat the market with so little success is no longer a good deal for them … Selling such services after passing that tipping point would clearly raise the kind of ethical questions that separate a proud profession from a crass commercial business."

Ennis locates the persistence in incentives rather than in belief. The people who formulate and implement institutional investment strategy can earn considerably larger salaries and fees advocating complex strategies; complexity also burnishes a reputation for sophistication, and it is all exercised with other people's money.[25]

Fairness requires noting the competing explanation. Begenau, Liang, and Siriwardane argue for something simpler and less cynical: that chief investment officers and their consultants sincerely expect alternatives-heavy portfolios to produce superior risk-adjusted returns, and allocate accordingly.[26] The two accounts are not mutually exclusive, and neither alters the measured result.

## The Scorekeeper's Verdict

Since 2002, S&P Dow Jones Indices has published the SPIVA (S&P Indices Versus Active) Scorecard, the de facto scorekeeper of the active-versus-passive debate. Its methodology corrects the very survivorship bias Ellis warned about: funds merged or liquidated during a measurement period stay in the data rather than vanishing from the record.

The results echo everything above. In 2025, 79% of actively managed large-cap U.S. equity funds trailed the S&P 500, up sharply from 65% in 2024 and the fourth-worst showing in the scorecard's 25-year history.[27] Over the 20 years through 2025, roughly 92% of domestic equity funds lagged their benchmarks, and underperformance rates generally climbed as horizons lengthened. At 15 years, not one U.S. equity, international equity, or fixed income category saw a majority of active managers beat their index.[28]

For taxable investors the picture is bleaker still: after taxes, the median active large-cap core fund trailed the S&P 500 over every horizon measured, by as much as 4.4% annually.[29]

In fairness, the methodology is not uncontested. Industry researchers have argued that asset-weighted results are more favorable to active management than SPIVA's presentation suggests, since investor dollars concentrate in a subset of funds.[30] That debate is worth following. In the author's view, it does not materially disturb the direction of the evidence, which points the same way across the independent datasets examined in this paper.

The objection is also answerable, because a second scorekeeper measures active management the way its critics prefer. Morningstar's semiannual US Active/Passive Barometer compares each active fund not to an index but to the asset-weighted average of the real, net-of-fee passive funds an investor could have bought instead. Its year-end 2025 edition spanned roughly 9,248 funds holding some $26 trillion — about two-thirds of the U.S. fund market. Only 38% of active funds both survived and beat their passive equivalents during 2025, four percentage points worse than the year before; U.S. equity managers managed 37%. Over the ten years through 2025, just 21% both survived and outperformed.[31]

The Barometer also isolates the variable this paper keeps returning to. Sorting active funds by expense, those in the cheapest quintile succeeded roughly 27% of the time over the decade against 15% for the priciest — cost, rather than insight, separating the two groups.24

## Winners Rarely Repeat

A consultant might object that the goal was never the average manager but the exceptional one — and identifying that manager in advance is precisely the service being sold. S&P's Persistence Scorecard tests exactly that claim by asking whether past winners stay winners. Of funds ranking in the top half of their active domestic equity categories in 2021, only a handful remained there over the following four years. Among large-cap funds, persistence was worse than chance alone would predict — evidence that outperformance, when it occurs, "tends to be the result of luck rather than genuine skill."[32]

The finding strikes at the quarterly ritual with which this paper opened. If top-half performance cannot survive even four years, the thick binders of trailing manager returns that anchor committee deliberations contain little reliable information about who will outperform next.

## Concerns About Private Equity in 401(k) Plans

Even as this evidence has accumulated, policy has moved in the opposite direction. In August 2025, Executive Order 14330, "Democratizing Access to Alternative Assets for 401(k) Investors," directed the Department of Labor and the SEC to ease the path for private equity and other alternatives into defined contribution plans, and the DOL promptly rescinded its 2021 cautionary guidance. In March 2026 the DOL proposed a safe-harbor rule designed to shield plan fiduciaries who add such investments from litigation, setting out a six-factor process addressing performance, fees, liquidity, valuation, benchmarks, and complexity. The comment period closed on June 1, 2026; the rule is not yet final, and a final version could arrive by the end of 2026.[33] With roughly 90 million Americans holding some $14 trillion in defined contribution accounts, even a modest reallocation could direct significant retirement assets into private markets. The research discussed above suggests doing so could compound many of the problems documented above, for three reasons.

First, the research raises significant questions about the return case. Oxford's Ludovic Phalippou found that private equity funds have returned about the same as public equity indexes, net of fees, since at least 2006 — a period during which the industry collected roughly $230 billion in management fees over a single ten-year stretch on the promise of superior returns — and rigorous risk-adjusted studies consistently find negative alpha.[34] Ennis's work reaches the same place: private equity was roughly neutral after costs even for the professionals. The products now being engineered for 401(k) menus stack additional layers — liquidity management fees, distribution fees, platform charges — on top of a fee structure that already consumes an estimated 6% of asset value per year. An asset class that could not beat an index fund for pension staffs paying institutional rates may face additional challenges doing so for employees paying retail-level costs.

Second, the structure of a defined contribution plan is fundamentally mismatched to the asset. Many defined contribution plan participants are accustomed to daily valuation and liquidity; traditional private equity structures generally involve self-reported, quarterly, lagged valuations and multi-year lockups. A laid-off worker who needs a hardship withdrawal, or a retiree drawing down an account, cannot wait for a fund's exit cycle. And because stale net asset values misprice the fund between reporting dates, participants who happen to trade at the wrong moment quietly transfer wealth to those who trade at the right one — a problem pensions, which have no daily-dealing participants, never face.

Third, and most fundamentally, the sophistication gap raises significant prudence concerns. The research above documents that professional investment committees — advised by consultants commanding 91% of the market, staffed by credentialed professionals, buying at institutional scale — systematically failed to select winning managers. Their manager choices trailed the alternatives they passed over; their alternatives allocations account for their entire margin of underperformance. The DOL itself warned in 2021 that many plan fiduciaries — the experts responsible for the menu — were "not likely suited" to evaluate private equity in individual account plans, guidance rescinded in 2025.[35] The individual participant is several rungs further down: research on financial literacy consistently shows that most participants struggle with basic concepts of fees, diversification, and compounding, let alone internal rates of return, capital calls, continuation vehicles, and carried interest. As Wharton's Bilge Yilmaz cautioned when the executive order was signed, unsophisticated defined contribution members "may end up paying large fees without the benefits of superior returns."[36]

The timing sharpens the concern. Private equity is courting retail retirement savings precisely because its traditional institutional clients have reached their allocation limits, exits have grown difficult, and unsold companies are piling up in continuation funds. When the most sophisticated buyers are stepping back and the least sophisticated are being invited in, that may reasonably be read as a warning sign. If professional committees could not win this game with every advantage, plan fiduciaries and participants— with fewer of those advantages and their retirement security at stake —should carefully evaluate the risks, costs, liquidity, valuation, and suitability considerations of such investments. Plan sponsors who add these options will also inherit the burden of proving prudence: safe harbor or no, they must document that an expensive, illiquid, hard-to-value asset serves participants better than the simple indexed alternatives it displaces — a case this research suggests may be difficult to support.

The proposal itself leaves that burden squarely in place. Its safe harbor reaches only the selection of an individual designated investment alternative, not the composition of the menu as a whole, and the DOL has indicated that separate guidance on prudently curating a lineup may follow.[37]

## Is the Game Worth Playing?

The research cited above tests the same proposition on different datasets, over different periods, with different methods, and generally reaches a similar conclusion. Active managers as a group trail their benchmarks, and the shortfall widens with time. The few who outperform cannot be identified in advance, because outperformance does not persist. Institutional hiring remains driven by trailing returns and personal relationships, neither of which predicts results. And the flight into alternatives, far from rescuing performance, appears to account for much of the observed underperformance.

Committees retain consultants for many reasons: manager selection and termination advice, guidance on asset classes, introductions to boutique alternative managers such as hedge funds or private equity. Whatever the intended purpose, the studies detailed here reach the same verdict — the value of these exercises appears negative on the evidence reviewed, and the benefits may not justify the costs.

## Where Do We Go From Here?

Should committees, facing this evidence, go it alone? No.

Sound investment policy and disciplined management still matter enormously to portfolio outcomes. Committees may be well served by examining what their consultants do, what value it produces, and how their own processes might be rebuilt around what works.

What institutions need are advisors whose asset allocation advice rests on quality long-term data; who implement and manage portfolios with care; who bring method to spending and liquidity; and who commit to an ongoing fiduciary partnership, in writing. Demand for such services, delivered by fiduciaries who accept responsibility in writing, may continue to grow.

Advisors who accept fiduciary responsibility in writing, and who are compensated transparently for doing so, may help committees implement a prudent process and reduce reliance on the costly ritual described here while supporting prudent portfolio management.

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33 Executive Order 14330, *"Democratizing Access to Alternative Assets for 401(k) Investors,"* August 7, 2025; U.S. Department of Labor rescission of the 2021 supplemental statement, August 12, 2025; DOL EBSA proposed rule, "Fiduciary Duties in Selecting Designated Investment Alternatives," March 30, 2026 (comment period closed June 1, 2026; not final as of this writing).

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# IFC'S OUTSOURCED CHIEF INVESTMENT OFFICER SERVICES

For pooled trusts, foundations, endowments, and defined contribution retirement plans, partnering with an investment fiduciary — one to whom investment selection and portfolio management can be delegated — may offer benefits and protections. The right fiduciary brings a prudent, efficient process aligned with the goals of the hiring organization and the particular portfolio over which the fiduciary takes discretion. Where engaged under a written advisory agreement, IFC can serve in that fiduciary role.

Under the applicable advisory agreement, IFC accepts responsibility and potential liability for selecting, monitoring, and replacing the funds in the account, using them as building blocks for its managed portfolios. Under the applicable advisory agreement, IFC likewise accepts responsibility and potential liability for trading the account, meeting withdrawal and spending needs, investing capital inflows, and rebalancing to maintain targeted risk exposures.

IFC implements the portfolio according to the process agreed upon by the sponsoring organization's decision makers, documented in the Investment Policy Statement and delegated to IFC. Because IFC can accept the trustees' delegation of fiduciary responsibility and potential liability for these matters, delegation may reduce the need for committee-level investment decision-making on delegated matters, along with related meetings and analysis. Day-to-day management of delegated matters passes to IFC's internal investment committee and portfolio managers, which may reduce staff time and attention devoted to those matters.

# ABOUT INVESTING FOR CATHOLICS

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Mary Brunson is a Vice President and Wealth Advisor (Series 65) at Index Fund Advisors, Inc. and at Investing for Catholics, a division of Index Fund Advisors, Inc. She is an Accredited Investment Fiduciary (AIF), co-founder of Investing for Catholics, and a speaker and author on investment policy and prudent investing.

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Mary is the author of Your Church Retirement Plan Needs Fixing, co-author of Tending the Flock: Shepherding Catholic Retirement Plans, and author of numerous articles and papers, including two co-authored with IFA President Mark Hebner and Nobel laureate in economics Harry Markowitz: *"Can You Do Well While Doing Good?"* and *"Does Portfolio Theory Work During Financial Crises?"*

Mary Brunson earned the Accredited Investment Fiduciary (AIF®) designation in 2013. Attainment of the AIF designation demonstrates understanding of the Prudent Practices® and methodology.

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