

INSIGHT: Making the Transition to a Firm Offering Investment Advisory & Consulting Solutions

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John Platt and Lyndon Fournier are both experienced Investment Professionals who also sit on a number of foundation boards. Both John and Lyndon are members of the Appleby College Foundation (ACF) and work with BULLWEALTH's investment advisory and consulting solution.

FOUNDATIONS:

Can you tell our readers about yourself, the work you do and the various foundations you are members of?

JOHN PLATT (JP):

I am currently a partner with Manitou Investment Management, a boutique investment counsellor in Toronto. I work directly with Institutional and Private Client investors. Manitou manages six private foundations.

I am fortunate to be able to share some of my professional experience within the community I live. I am currently chair of the Appleby College Foundation, and was the Investment Committee Chair prior to Lyndon. Also, I am currently the Treasurer of Lighthouse, an Oakville not-for-profit organization focused on children grieving due to the loss of a parent, Treasurer of the Knox Church Oakville Memorial Trust and Treasurer of The Canadian Foundation for Economic Education. I am also the past Investment Committee Chair of the Oakville Hospital Foundation and I have sat on the Board and Investment Committee of the Oakville Community Foundation.

LYNDON FOURNIER (LF):

I am a Vice President and Wealth Advisor at RBC Dominion Securities and have been in the industry for 30+ years. I joined the Appleby College Foundation Board in 2010 when John was Chair of the Investment Committee. In 2015, I became Chair of the Investment Committee.

FOUNDATIONS:

What was the ACF Investment Committee's main reason for deciding to change from your previous advisor to a full investment advisory and consulting solution?

(JP):

What I have noticed from my work on various Investment Committees is that their biggest issues are related to *access* and *reporting*. By access I mean the wide array of investment managers and various asset classes that are offered by a firm like BULLWEALTH to offer the right amount of diversification needed for capital preservation and prudent growth. Reporting is also a key piece of the puzzle and is extremely important for the education of Investment Committee members as it allows them to understand the historical changes and future expectations of the investment portfolio. The reporting is vital as it shows the fiduciary responsibility your advisor is providing and, in turn, you are providing the foundation you are serving.

(LF):

The Appleby College Foundation was managed by the same investment firm for 58 years since its inception in 1959. We had many exceptional lead advisors along the way. We had the highest regard for them and they had great performance throughout the years. The committee's main concern however was our need to build a fully diversified portfolio using various asset classes to achieve the Foundation's objectives to continue growing the portfolio, while at the same time protect its capital. Additionally, our decision to switch to BULLWEALTH not only gave us more advanced investment solutions, but also more extensive reporting, which greatly facilitates our quarterly Investment Committee meetings. Finally, when your donor base sees the in depth reporting that BULLWEALTH provides, they are more inclined to donate due to the thought process in place to protect their funds, while achieving the Foundation's end mission.

FOUNDATIONS:

Did the RFP process uncover other alternatives?

(LF):

We selected BULLWEALTH after looking at a few different alternatives that offered similar services, but we concluded that we wanted to maintain our role in the decision making process. Our search objective was to find a consultant who could give us a thorough, exhaustive analysis of the best in class investment options available. The key word here is 'consultant,' and the reason I say this is when we were considering the alternatives to BULLWEALTH, these other organizations used a less consultative process, which took away from our decision making abilities. What we wanted was a consultant to offer advice but at the end of the day we wanted to remain as the decision makers.

FOUNDATIONS:

Since switching to an investment advisory and consulting solution, what have been some of the positives?

(JP):

The full integration of the foundation's cash management with the school has been much more effective than in the past. The school is in the middle of a significant capital campaign, so there is a lot of "money in motion". Having close ties between Appleby's finance department and BULLWEALTH makes the process much simpler and more efficient, and in my opinion is unique to a smaller firm such as BULLWEALTH, and couldn't be replicated by one of the big banks or larger money managers.

(LF):

To add to that, Appleby's CFO has become more directly involved in our investment portfolio and relationship with BULLWEALTH. This has definitely been a positive step, so we can more effectively utilize her expertise and knowledge of the school's finances, thereby developing a closer relationship between the Foundation, the school and our advisors.

FOUNDATIONS:

When conducting your RFP for your investment advisor, how important were the advisory fees in your decision making process?

(JP):

Well the short answer is very important!

The longer version is that when the ACF investment portfolio was first set up 58 years ago with a contract where the advisor would manage the portfolio for a low fee in perpetuity. So we knew going into the RFP that lower fees would be a challenge than what the incumbent advisor was offering. The Foundation's all in fees at BULLWEALTH (including manager, custody and administration) are a little over 100bps, so of course there were members of the Investment Committee who were wondering what extra value we were going to get. But everyone knows *it costs more to be driven than to drive yourself*, so when you are in a fiduciary capacity you must be both economical and ensure that you are getting good value – And we are!

(LF):

We understood that our fee with our previous advisor was an amazing deal, however as the Foundation's assets continued to grow, we believed it was our fiduciary responsibility to become more diversified with access to higher quality investment managers and different asset classes. With the growing complexities in the marketplace, the single investment advisor option we were equipped with for many years was no longer the best fiduciary option, and therefore the change was necessary.

FOUNDATIONS:

What has been your greatest challenge as a member of an Investment Committee and has this issue been resolved since implementing an investment advisory and consulting platform?

(JP):

I believe what is most important when being a member of an Investment Committee is to know that you are doing the best to ensure your fiduciary responsibility is being achieved. Job one is to ensure that the money you are charged with stewarding is being managed prudently and in line with the goals and objectives of the foundation. The selection of BULLWEALTH has definitely increased our confidence in what we are doing and the decisions we are making. We are now more aptly served than we were in the past. Lyndon already mentioned that our past investment managers hadn't done anything wrong but were rather limited in their investment options, whereas BULLWEALTH has guided us through building an enhanced asset allocation and selecting excellent investment solutions. As members of the ACF Investment Committee and Trustees of the Foundation, we feel our fiduciary responsibility is being well met.