

Mr. Chris Shepler, an Endowment Expert, Offers Customized Investment Advice to Non-Profit Organizations, Sustaining Their Portfolio and Supporting Their Values

There's no denying that anyone with investable assets needs good advice about how to get the most out of their portfolio's growth. This is true for non-profit organizations, too. Mr. Chris Shepler, Vice President and Investment Officer at Fiduciary Trust Company in Boston, Massachusetts, was kind enough to spend his time outlining the concerns and goals, chiefly of his institutional clients, and why he is known as an endowment expert.

Having previously worked at some of the larger institutional consulting organizations, he was exposed to some of the most sophisticated endowments and foundations in the world. He noticed that institutions with assets below \$50 million were an underserved segment of the market. He has now made it his mission to bring those same best practices to these smaller yet deserving organizations.

Fiduciary Trust Company (Fiduciary) is privately owned and independent, and does not sell proprietary products, which can create a conflict of interest. Instead, as a fiduciary, the prime responsibility the company has is to align its interests with its client's interests. Understanding what those interests are includes a discussion with clients about the core values of their organization. "They still need valuable assistance, and they want a portfolio that reflects their values," he acknowledges.

To put that into context, Chris mentions the example of a charity in Massachusetts that has a fabulous donor base. "They do great work, and they recently sold a conservation easement to the state of Massachusetts, which resulted in a multi-million-dollar windfall," he raves. But because they've never had an endowment before, they were uncertain about what to do. This is when a board member called him.

As in similar situations, the first order of business is to understand what the purpose of the money is going to be, and how it's going to supplement the organization's operations. In this instance, as Chris relates, "They didn't know how to create an investment committee to oversee the money. So that was the next thing to work on, the governance of the endowment, and then to figure out what their values were, what was important to them, and what their overall financial situation was." This level of understanding enables Chris to write a full investment policy statement, encapsulating each important detail, including strategic asset allocation intended to support necessary spending within the confines of their risk tolerance. "It's not just about the investments," Chris asserts. "It's also about everything that goes into the process of developing that foundational document¹, that we manage by. That's really where we add value," he states.

¹ Chris has authored an article entitled, "[Building the Right Endowment Portfolio](#)." This article goes into the entire process that he undertakes with a new client to fully understand the organization holistically, prior to making any investment recommendations.

Chris also works with clients who have an existing investment committee and likely have some semblance of an investment policy statement, but it's unclear when it was last reviewed. Such a circumstance triggers putting them through a more involved process of understanding the organization's holistic agenda. In one example, a long-time client had an investment policy statement, but the board had a lot of turnover, and none of the board members who had originally adopted that investment policy were still serving. Chris intuited that there wasn't enough proper buy-in from the existing board, so he initiated dialogue with each board member individually. This ensured that everyone had the opportunity to speak freely. Ultimately, all that was needed was to make a few tweaks to the investment policy, so it would be sustainable for their mission. These are the types of projects that Chris enjoys.

When it comes to endowment and foundation investing, organizations have particular values that they might wish to express in their investment portfolios. For example, appreciating that a school does not want its students smoking, Chris notes that a community scholarship fund he manages does not allow any tobacco stocks in its portfolio. Sometimes, as Chris expressed, such sensitivity is a delicate balance. In 2022, after the Russian invasion of the Ukraine, oil companies were some of the best performing stocks in the world. "If you were concerned about contributing to the fossil fuel industry and didn't own oil companies, you might have missed out on some of that," he illustrates. Determining what is important to the organization, making the investment committee aware of the ramifications of applying those values, and what it's worth to express those values in their portfolio, demands clear communication so that the program Chris recommends will cover all of those bases.

It's not just the investment committee, the board, or senior staff members who have a vested interest in an organization. The donors and those in the fundraising business have a set of values, too, Chris highlights. Asking rhetorically, "When giving money to an organization that fulfills a mission that you care about, do they also invest the money that you give them in a responsible, sustainable way that's aligned with those values that you support?" Donors appreciate knowing that the organization has a robust platform that is copesetic with their own values, making fundraising a more fulfilling endeavor.

Across the charitable landscape, Chris works with schools, religious institutions, cultural institutions like museums and libraries, community organizations, nursing homes and more. His clients are any charitable organization that has assets to be stewarded for the long term, and his clients span the country. His goal is to lift up the underserved.

With a desire to reach as many in the endowment space as possible, Chris speaks at different events. These include investment conferences and charitable forums. He is often asked about how a nonprofit can best posture itself to its donor base, which, he reminds them, includes assuring the donors that there's a sustainable investment plan in place.

Chris also works directly with charities under the auspices of donor engagement. When a nonprofit is courting large individual or corporate donors, Chris is available to directly share

key aspects of the investment program with these potential supporters so they develop additional confidence the charity aligns with their values. “People make donations for all kinds of reasons, starting with their charitable inclinations and their values, but there can also be tax benefits. We can discuss those, too, to figure out strategically how best to spend their charitable dollars,” he explains.

As a resource, the [Fiduciary website](#) hosts an abundance of helpful information for foundations and donors. Additionally, Chris provides research which helps donors identify organizations whose missions match their own.

Concluding our discussion, Chris mentioned that the best referral sources are the people who have the most direct responsibility for the endowment or foundation: the investment committee, the board of directors, the trustees, or senior leadership. Estate planning attorneys are also good referral sources because they often help wealthy individuals plan to leave a charitable legacy.

As an endowment expert, it is clear that Chris is dedicated to helping organizations build sustainable investment programs while adhering to their values and is enthusiastic about this exceptional and virtuous mission.

Chris can be reached at cshepler@fiduciary-trust.com. The website is <https://www.fiduciary-trust.com/our-services/nonprofit-investment-advisors/>.