



INNOVEST PORTFOLIO SOLUTIONS LLC

Founded 27 years ago, Innovest leveraged its institutional investment consulting roots into a Family Chief Investment Officer (CIO) practice that provides robust due diligence, portfolio construction, and high-quality reporting for single- and multi-family offices. Based in Denver, Colorado, Innovest advises on nearly \$35 billion for families, non-profits, and retirement plan sponsors. CEO and co-founder Richard Todd explains, "Most family CFO's have the responsibility of approving investment strategies and products, but they don't have the expertise or the research to make quality decisions. Consequently, the CFO is forced to rely on Wall Street brokers for advice that is often conflicted, expensive, or both." Innovest's deep team can objectively research recommendations and evaluate and negotiate fees on behalf of the family office.

President and co-founder Wendy Dominguez states, "We are retained by families as a CIO and are often able to more than offset the cost of all our services by renegotiating the fee that the families are being charged by their brokers, managers, and other service providers." Innovest's experience is that families pay more for money management than institutions, and Innovest's influence in the marketplace comes with heavy leverage to bring down fees. Dominguez continues, "Wall Street likes to tout their size and

ability to bring down pricing, but often part of their compensation comes from that fee that they are presumably negotiating for the client. The conflict is that a higher fee provides more compensation to them!"

Dominguez notes that there can be quality professionals that work at these firms, but the culture is sales focused. In fact, that very Wall Street culture was the impetus for Todd and Dominguez to leave such a firm to start Innovest in 1996 as a fee-only, independent fiduciary. Today, Innovest has nearly 60 employees and is often named as a "Best Place to Work." Todd explains, "Our culture is key to our success. Our mission is 'stewardship' and our clients give us their undivided trust, not only because of their experience with us, but because of our fiduciary structure and client-driven values."

"The old adage is that if you've seen one family office, you've seen one family office. That is definitely true!" explains Kristy LeGrande, CFA and partner at Innovest. "Our roles and responsibilities vary from client to client as a CIO, and our custom work is the basis for the fee that we charge. Our fees are based on the value that we add." Family offices often have multiple investment advisors and brokers managing different segments of the family's portfolio. But having

multiple advisors, all working independently, can decrease the likelihood of meeting overall objectives, managing risks, controlling costs, and generating quality returns. Innovest devised a multitude of custom services to help solve this problem.

Innovest has developed a high-quality, independent family CIO practice that:

- Manages and quantifies the family's overall investment objectives, downside risk tolerances, and time horizons based on forward-looking views of the capital markets.
- Develops an investment governance structure, including processes and policies.
- Negotiates manager, advisor, and broker fees, especially important in an environment of aggressive cross-selling.
- Provides sophisticated and customized performance reporting, including details on alternative investments, fees, benchmarks, asset allocation, and liquidity.
- Monitors portfolios and managers on an ongoing basis.
- Conducts thorough diligence on investment strategies brought to the family by all advisors,

friends, and acquaintances and provides quality, unbiased, conflict-free opinions.

- Works with the family to educate the next generation and to review succession planning.
- Considers the family's unique circumstances, including values-based and impact investing considerations.
- Can provide services on either a discretionary or non-discretionary basis. In the institutional world, a CIO often has authority (discretion) to make investment decisions on behalf of the institution.

Any firm providing independent CIO services needs to be thoroughly vetted, including its experience and reputation, conflicts of interest, the experience of the team, and the firm's investment due diligence and reporting capabilities. A quality independent CIO like Innovest can pay for itself, over and over again, by providing objective services and reducing fees, making a significant difference for a family's future generations.

For more information on Innovest Portfolio Solutions LLC, please visit:

www.innovestinc.com

