

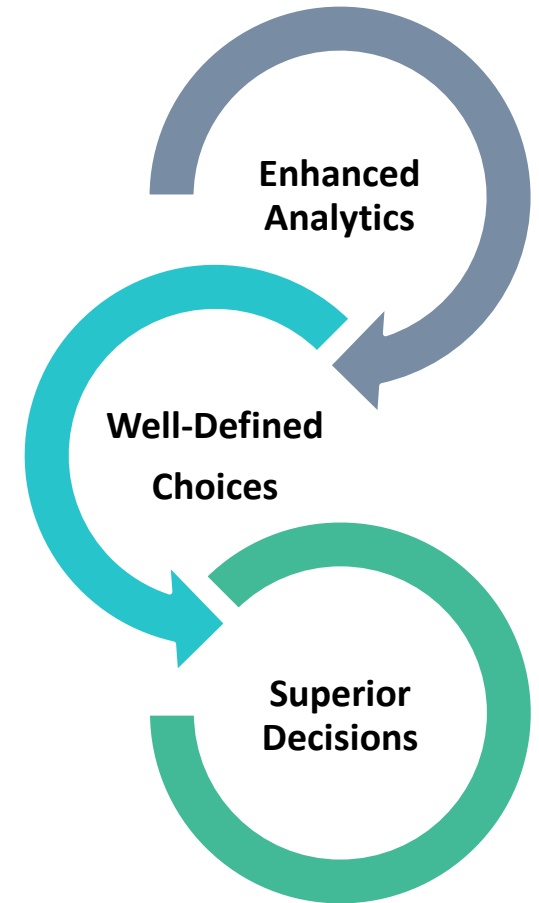
# ACHIEVING LONG-TERM FINANCIAL STABILITY

*(in an increasingly uncertain environment)*

---

SOLARIS ADVISORS ENHANCED ENDOWMENT SERVICE  
FOR COLLEGES + SCHOOLS

[solarisgroupllc.com](http://solarisgroupllc.com)



October 2018

**Decisions Today Preserve Choices For Tomorrow**

# THE ROAD TO STABILITY

Today's Challenge

Our Solution

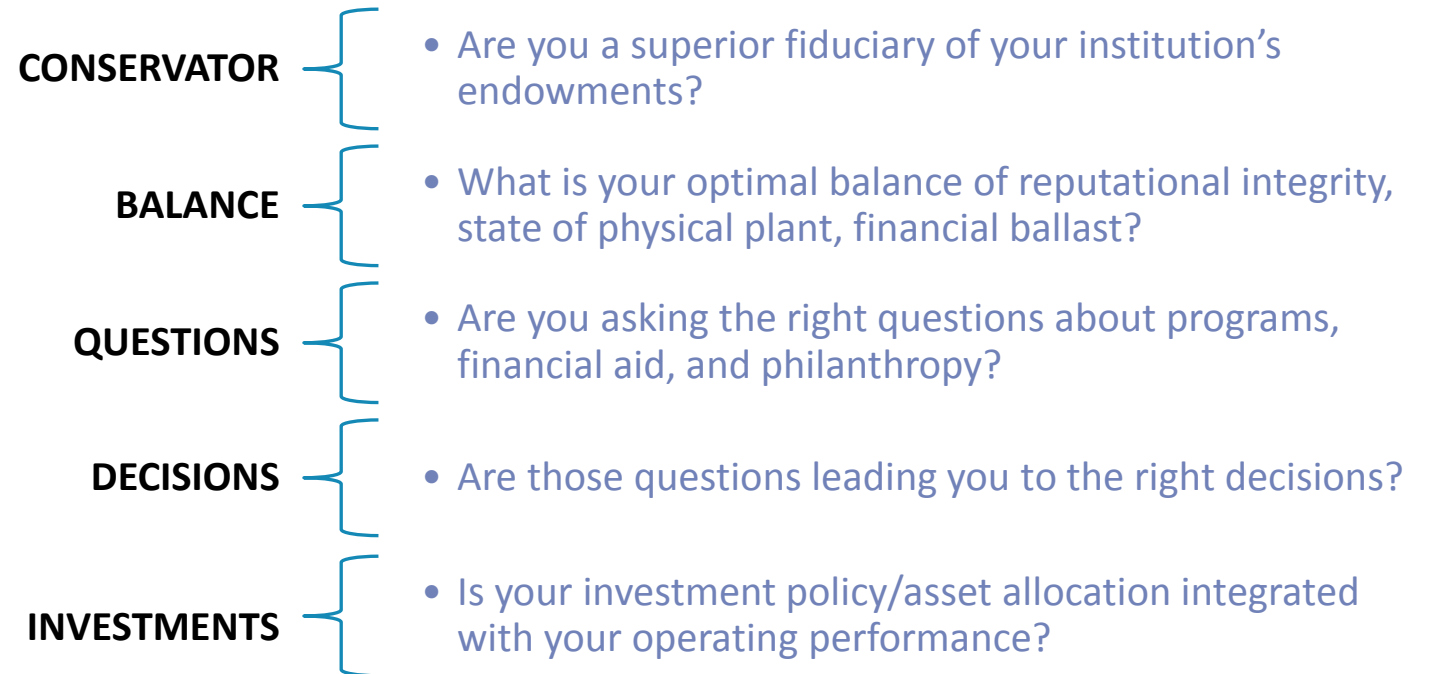
A Clear Direction

Why Solaris?

# ENTERPRISE CHALLENGE

“You’re going to see, over the next five years a real increase in the number of schools in serious trouble.”

-Dr. Richard Vedder, Director of Center for College Affordability and Productivity at Ohio State\*



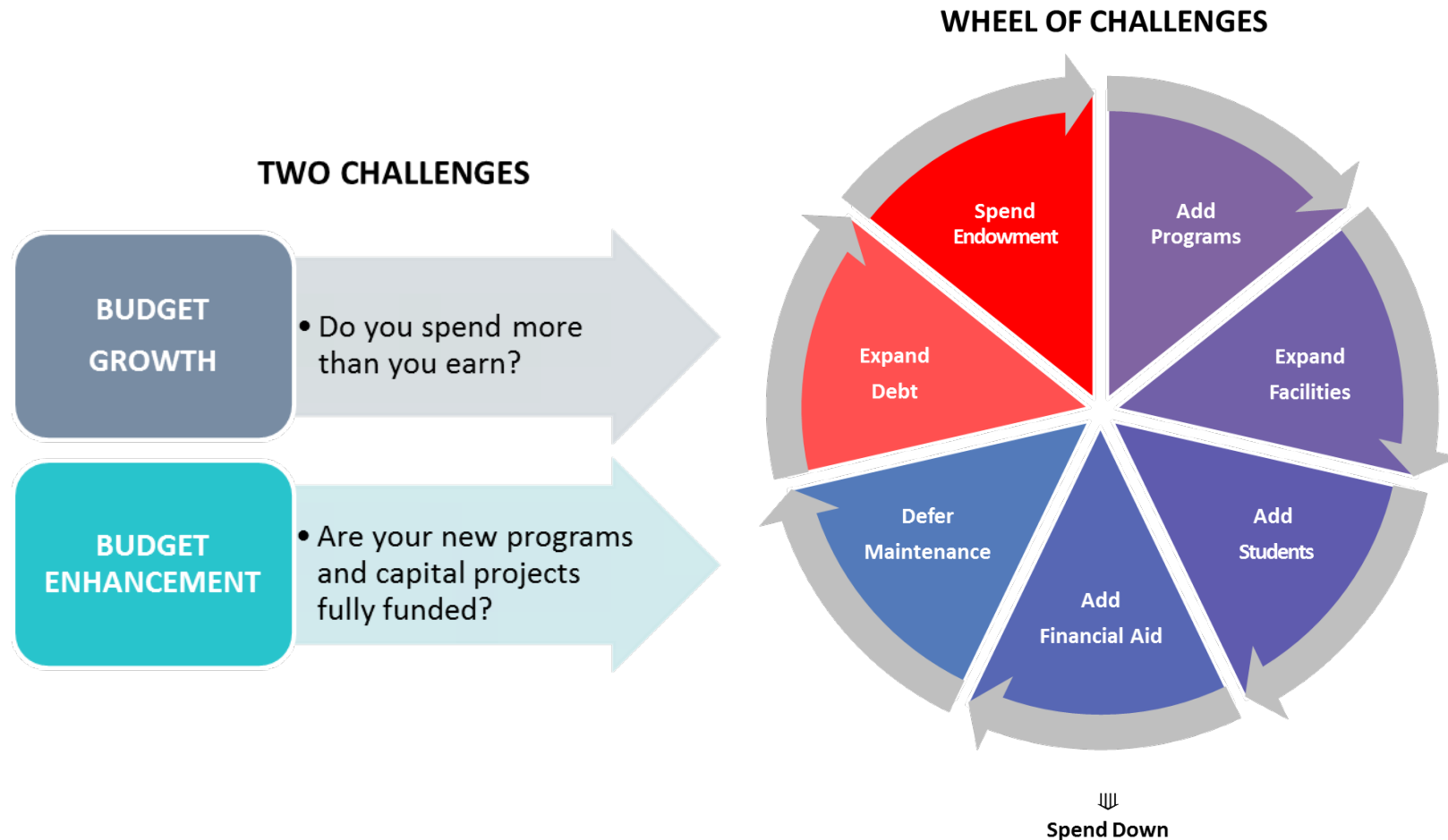
\*(U.S. Colleges Are Separating Into Winners and Losers: WSJ 2/21/18)

“The inability of small colleges to increase their revenue will result in triple the number of closures in the coming years”

-Inside Higher Ed 2015 (Data from Moody's)\*

# HISTORIC CYCLE

Basic economics of non-profit management point to seemingly insurmountable hurdles to achieving and sustaining financial success.



# A PROACTIVE APPROACH TO FINANCIAL STABILITY

“In this environment, governing boards need to undertake a serious strategic analysis of the strengths and weaknesses of their colleges, looking out over the medium to long term to assess the steps that their institutions will need to take in order to survive.”

-Commonfund Institute, 2017

DECISIONS TODAY PRESERVE CHOICES FOR TOMORROW  
WHERE DO YOU WANT TO GO FROM HERE?

The Solaris Solution:

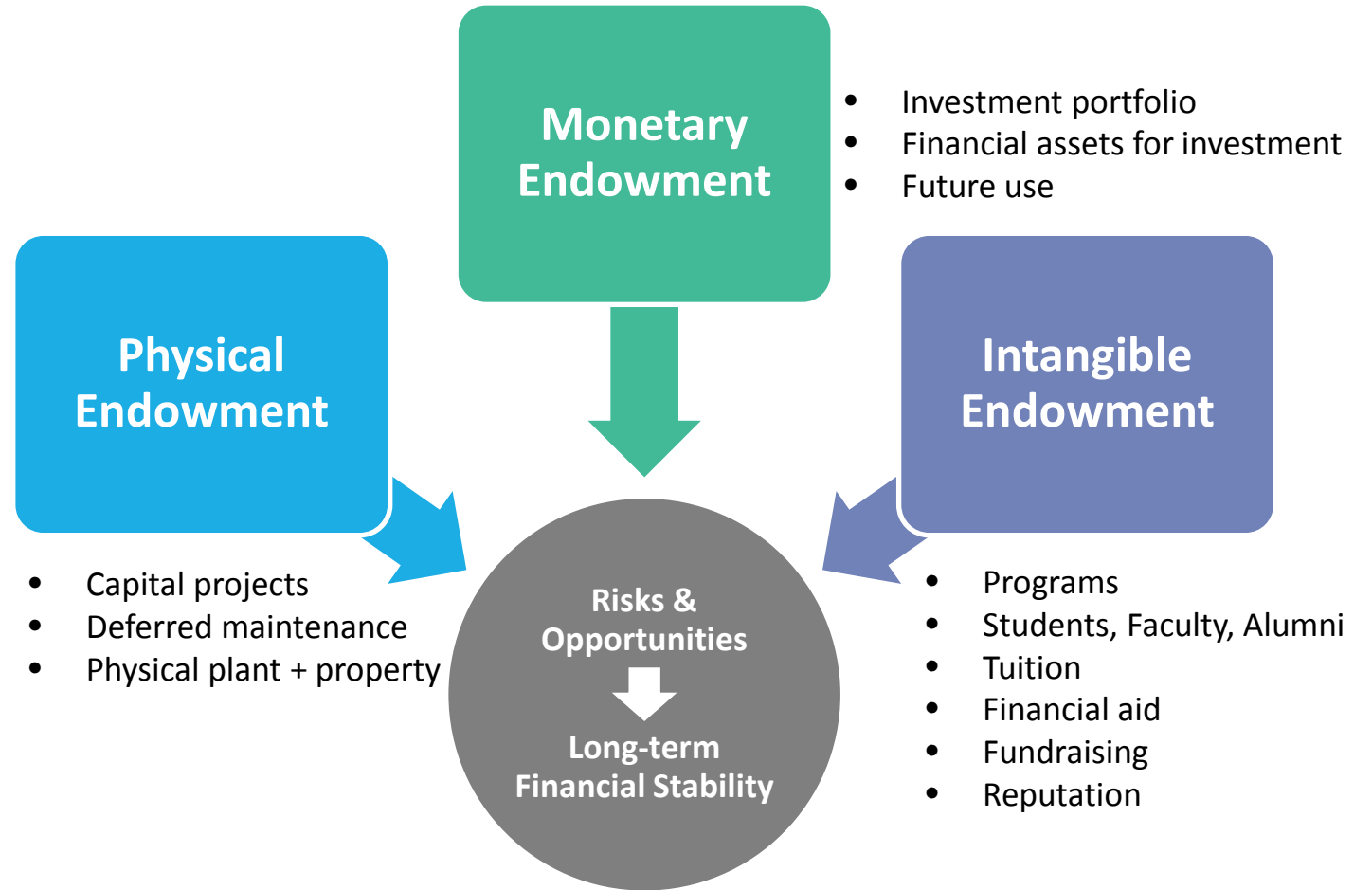
Educational institutions need a comprehensive, proactive approach that integrates their endowment management with their current and future budgetary and project requirements over an extended time horizon.

# NEW LOOK AT ENDOWMENTS

BREAK THE HISTORIC CYCLE:

An institution's endowment encompasses multiple resources, all critical to its future. By sorting the endowments into these three categories it is easier to understand how they interrelate and balance outcomes needed to achieve goals.

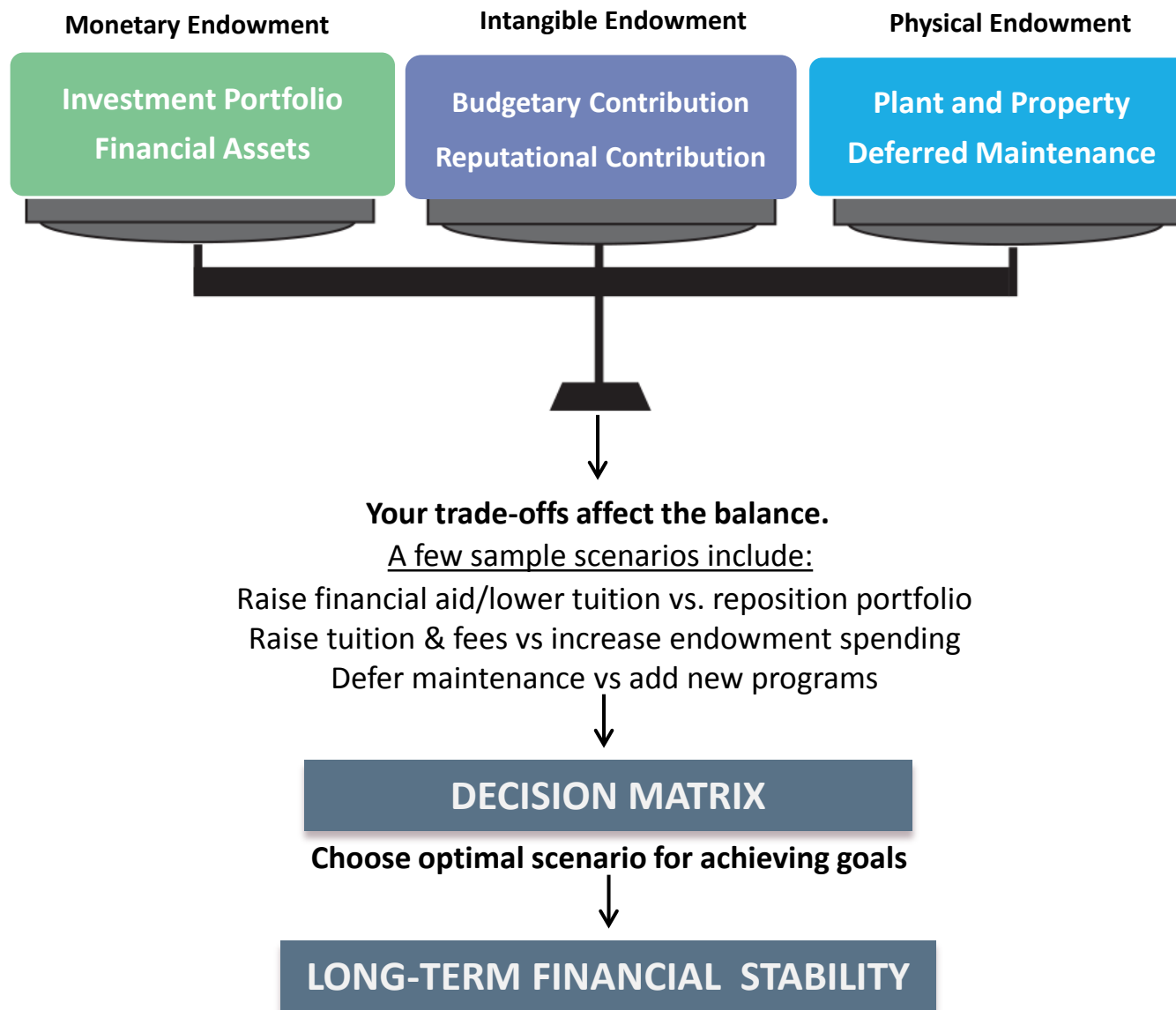
## THE THREE ENDOWMENTS



# BALANCE AND LEVERAGE YOUR ENDOWMENTS

Prudent and skillful management requires consideration of all three endowments to maximize institutional strengths and provide clarity to long term objectives.

## BALANCING THE TRADE-OFFS

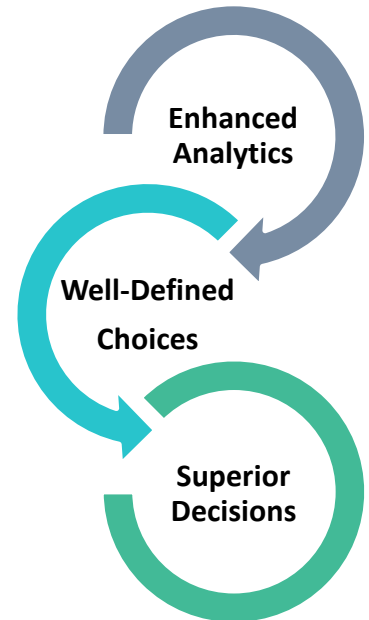


# OUR PROPRIETARY ANALYTICS ALLOW SCHOOLS AND COLLEGES TO KNOW EXACTLY WHERE THEY ARE GOING

## A CLEAR DIRECTION

An integrated roadmap,  
analytic methodology,  
performance benchmarks,  
and decision-making matrix.

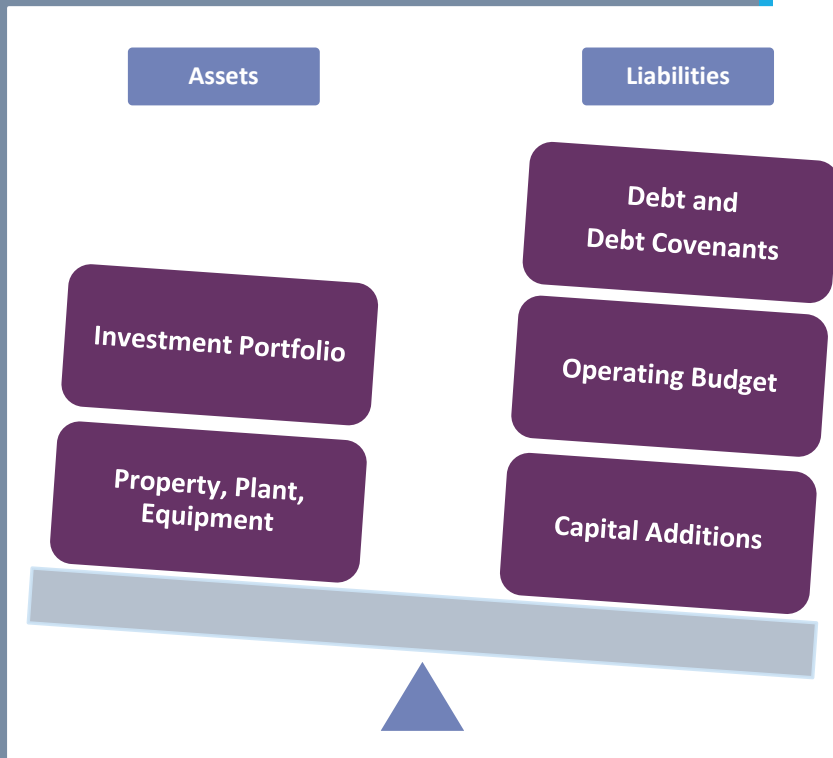
- Review historical growth and define future goals
- Re-define their endowment assets
- Analyze and evaluate peer groups and benchmarks
- Model their financial future with greater understanding by assessing the:
  - Appropriate levels of tuition, financial aid, and faculty salaries
  - Opportunities and risks of academic program alternatives
  - Feasibility of current and future program and capital projects
  - Context for informed, disciplined decision-making
- Design integrated investment programs



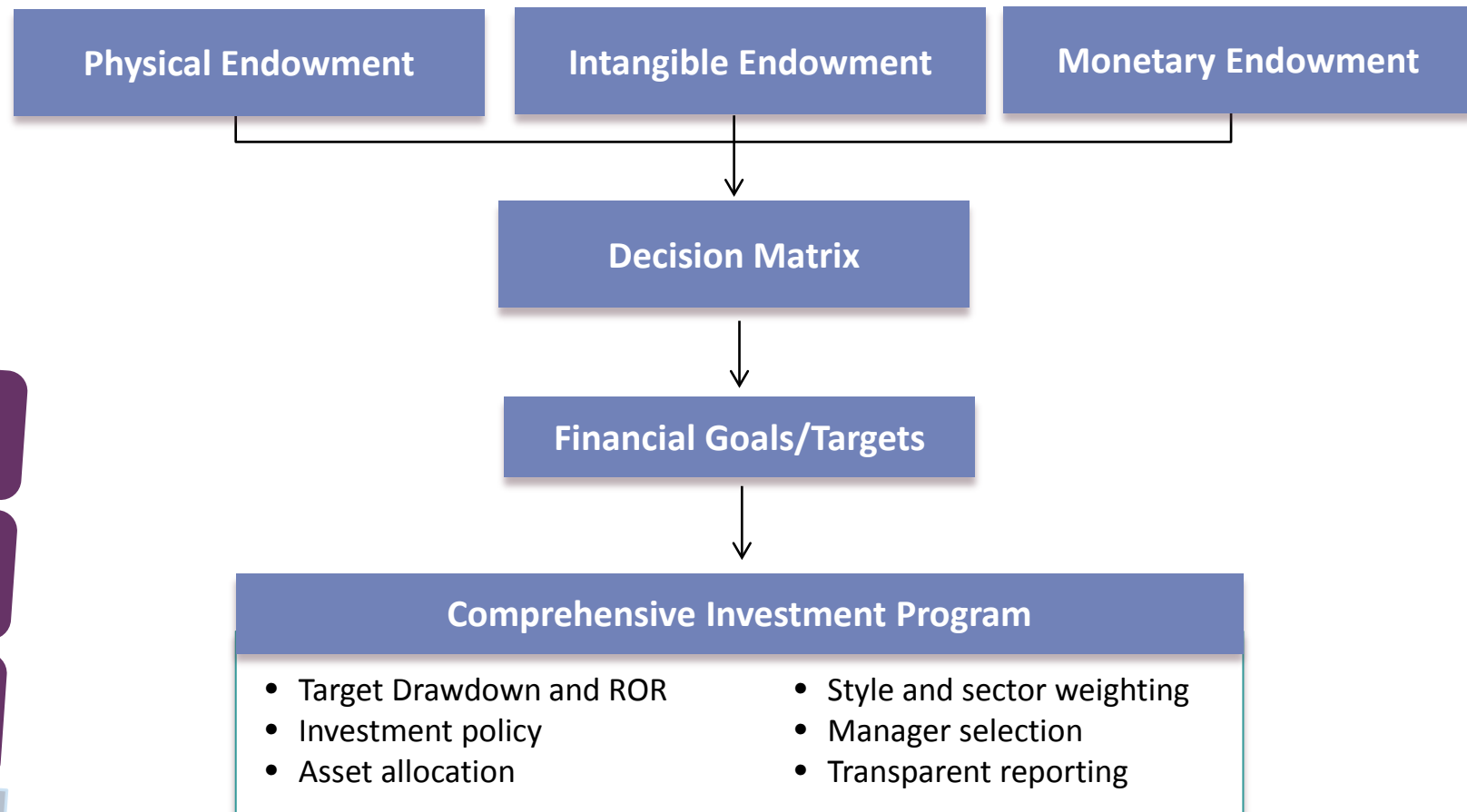


# OPTIMIZE YOUR ROUTE

Co-ordinate with your investment program.



## SOLARIS' COMPREHENSIVE SOLUTION TO LONG-TERM FINANCIAL STABILITY



# WHY SOLARIS?

## Experienced as Board Trustees... and as consultants to Board Trustees

- We use our extensive backgrounds in public finance, on non-profit boards, finance and audit committees to develop strategies based upon the financial strength, liquidity needs/preferences, organizational growth, regulatory compliance and risk appetite of each of our clients.

## Helping Board and Management fulfill fiduciary obligations

- We understand that our role is to facilitate better and more prudent decision-making by Management and the Board / Investment Committees.

## Value-added advice specific to schools and colleges

- Clients have sought our advice on financing, investments, including the investments of bond proceeds such as debt service reserve funds, liquidity support funds, project funds, as well as bond and interest rate swap structuring, debt retirement, and bond pricing.

## We sit on the same side of the table as our clients

- We marshal our collective expertise to be a valuable resource to the management of an operating nonprofit.

# FOR FURTHER INFORMATION

## The Solaris Group

645 Madison Avenue (8th Floor)

New York, NY 10022

(212) 582-4500 | [solarisgroupllc.com](http://solarisgroupllc.com)

Stephen Wells: [wells@solarisgroupllc.com](mailto:wells@solarisgroupllc.com)

Albert Bellas: [bellas@solarisgroupllc.com](mailto:bellas@solarisgroupllc.com)



SOLARIS Advisors

**Albert Bellas**



**Stephen Wells**



**Tim Lindsay**



**David Raphael**



# IMPORTANT DISCLOSURES

**Solaris Advisors, LLC (“SA”) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. SA is a wholly owned subsidiary of The Solaris Group, LLC.**

This is the proprietary work product of SA provided for informational purposes on a confidential basis for recipient’s internal use only. The information contained in it, including but not limited to any forecasts, predictions, hypothetical analysis and opinions (“Information”), has been obtained or derived from a variety of public and private sources (“Sources”). A number of different databases and Sources are used to aid in our analysis and hypothetical illustrations. All Sources are believed trustworthy but accuracy is not verified. Certain Information contained in this presentation includes assumptions and observations which involve significant elements of subjective judgment and analysis and maybe entirely hypothetical. SA does not accept any responsibility for accuracy or completeness. There can be no assurances that actual events will not differ materially from those assumed. In the event any of the observations or assumptions in this document do not prove to be true, results are likely to vary substantially. This Information is provided 'as is', subject to change without notice, and the user assumes the entire risk of any use or reliance it may make or permit to be made. Neither SA nor any of its affiliates or any other person or entity involved in compiling, computing, creating, reporting or providing this Information make any express or implied warranties or representations, and they expressly disclaim all warranties including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose.

Authorized recipients of this presentation may disclose Information or material from this presentation to its staff, advisors, trustees, or members of its Investment Committee with the understanding that these individuals will treat it confidentially.

Neither the Information nor any opinion or suggestion expressed constitutes an offer of an invitation to make an offer, to buy or sell any securities or other investments or any options, futures or derivatives related to such securities or investments.

Non-profit institutions who are interested in utilizing these strategies should consult with their own advisors regarding the appropriateness of employing, based on their particular circumstances, any of these strategies. There is no guarantee that any forecasts, predictions and opinions expressed or inferred in or from this presentation will be realized, and no representations are made that any of those forecasts, predictions and opinions will or is likely to (i) meet the institution’s objectives, (ii) achieve results shown in this presentation, (iii) make any profit or (iv) avoid incurring substantial losses. Outcomes can and will change based on a variety of factors, known and unknown, and values will fluctuate and may be worth more or less. Every investment and project has the potential for loss as well as gain and good past performance does not guarantee good future results. **Future performance and risk may differ from the past, and prior results are no guarantee of future success.**