

## **DePauw Investment Group Receives \$1 Million Allocation of DePauw's Endowment (4/7/19)**

The DePauw Investment Group, a student-run organization, was recently awarded \$1 million of university's endowment from the Board of Trustees. This award is in addition to the \$170,000 that the group currently manages. This initial allocation is separate from the traditional endowment and grew from a \$4,000 gift from Herman Crown (now known as Crown Family Philanthropies).

The group's primary goal is to increase capital while successfully implementing a growth-oriented investment philosophy. An additional purpose is to complement the university's strong liberal arts curriculum with an investment-focused organization, while enabling undergraduate students to pursue internships and careers in finance. As an integral part of the McDermond Center, the organization reinforces DePauw's emphasis on the importance of intellectual curiosity, critical thinking and communication skills while providing students with exposure to capital markets, thus serving as an educational platform and experiential learning opportunity. This is accomplished through weekly meetings to discuss markets, learn new skills, and gain insights from guest speakers from the finance industry.

Current Co-President, Brooke Bandy '19, presented to the Board of Trustees in December 2018 to discuss the benefits of the additional allocation. She explained, "Former President Mitch DeShurko '18, began this process during the 2017-2018 school year. While the Investment Group funding existed for decades, it has evolved in the past few years. Membership increased, and so has the overall dedication, leadership, and investment knowledge of the executive team, portfolio managers, and analysts. As a result, in the fall of December 2018 myself, faculty advisor Dr. Gropp, and the members of the Board of Trustees thought that the capital allocation was appropriate and timely to help us achieve our future goals. I spoke to the Board of Trustees about our investment approach, group structure, and how the allocation would benefit both the current members of Investment Group and the DePauw community as a whole."

Dr. Jeff Gropp, professor of economics and director of the Management Fellows Program, worked with Mitch DeShurko '18 to develop the group's current structure and strategic goals. In his role as faculty advisor, he works with the group on short term projects, analyzing and approving investments, and assisting in strategic planning for the group. When asked about the recent capital allocation, Gropp said "There are many benefits of increasing the assets under management (AUM) by \$1 million, including, but not limited to, greater access to additional asset classes and international markets, lower trading costs, and, in the long-run, increase the size and scope of the group across all organizational roles."

This spring, the \$1 million allocation formally entered the Investment Group's account. Currently, the group utilizes a top-down approach, and has portfolio managers in charge of eight separate sectors (Healthcare, Technology, Financial, Consumer Goods, Consumer Services, Energy, Utilities, and Industrials). In addition to expanding its holdings in these sectors, the additional capital will allow the group to expand into international stocks, as well as option writing strategies in 2019 and consider investing in fixed income and alternative investments in the future.

Ultimately, the allocation will benefit students at DePauw and members of the Investment Group: "The long-term objective of the investment group is to enable DePauw University to systematically prepare students with meaningful experience in applying critical thinking and a sense of intellectual curiosity to roles involved in capital markets," says DeShurko. By increasing capital and the investment opportunities available to members, the group will continue to expand its knowledgebase, teach future students about investing, and prepare members for interviews, internships, and full-time positions.

Understanding the significance of the responsibility of managing funds related to the sustainability of the institution, the group is incredibly grateful for this award from the Board of Trustees and would like to thank them for their conviction to support the students of DePauw.

To learn more about the DePauw Investment Group, visit the site [www.DePauwInvestmentGroup.org](http://www.DePauwInvestmentGroup.org)