

# LEGACY ASSETS

It's important to understand how an OCIO will handle the organization's existing investments.



## MARKETABLE

Keep or sell?  
Review carefully!

- Communicate organization's preferences, if any, on retaining particular investments.
- Will the OCIO sell all existing investments, or will it carefully consider whether any fit its strategy requirements?
- For assets that will be sold, how will the OCIO minimize transaction costs and avoid "fire sale" losses?



## ILLIQUID

Don't "orphan" these investments.

- **Fund-of-Funds** - continued reporting
- **Hedge Funds** - ongoing manager due diligence, secondary sales opportunities, timed redemption
- **Private Equity/Real Estate** - ongoing manager due diligence, secondary sales opportunities, capital calls, distributions, voting, side letter compliance, blocker elections



## FEEES

There is no free lunch.

- **No Fee?** Don't expect much.
- **Discounted Fee** - Assets managed at a discount to OCIO's percentage of AUM rate.
- **Full Charge** - OCIO includes legacy assets in overall AUM fee calculation.
- **Fund-of-Funds Fee** - In the case of illiquid fund-of-fund investments, the OCIO charges a flat fee per fund.