

Media Release

## **Volatile markets reshaping the way universities invest: Perpetual Private**

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Rising inflation, political instability, recessionary fears and income stability are key issues that will impact how universities invest over the next three years, a report released today by Perpetual Private and Laminar Capital has found.

*'Investing in uncertain times: Insights into university investment decision making'* explores how Australian universities are making and implementing investment decisions, where and how they seek advice, and their areas of focus over the short to mid-term.

The report draws on the responses provided by 10 universities across Australia who collectively hold more than \$1 billion in assets under management, and utilise a range of funding structures including foundations, endowments, philanthropic trusts and bank debt.

Highlighting the diverse investment approaches the sector is taking, no two universities were identical when it came to how they were thinking about and implementing their investment strategies. All organisations were investing across a broad range of asset classes, including more complex alternative strategies such as unlisted property, unlisted infrastructure, absolute return strategies, private equity and private debt.

Perpetual Private Investment Director, Emily Barlow, said: "Over the last 10 years we've seen favourable economic tailwinds that have allowed most asset classes to perform strongly, which in turn has resulted in strong investment returns irrespective of what investment approach has been implemented.

"These returns are being challenged in this new high inflation, higher interest rate world. We believe the next ten years are going to look different to the last and so investment strategies may need to evolve to navigate the future landscape more successfully."

When it comes to investment implementation, universities have been at the forefront of responsible investing in Australia, like other countries around the world; however, 4 of the 10 participants were still looking to develop their responsible investment strategies.

"This is a great reminder for all investors that responsible investing is not a set and forget strategy. As data improves and new solutions are launched, investors can and should be looking at how they improve their approaches."

The report also highlighted the investment decision-making and advice framework, with all 10 universities employing both an internal and external approach to cover matters including manager selection, strategic asset allocation, investment implementation, alternative investing, cash management and responsible investing.

"Investment and finance teams at universities tend to be small, and it's important to consider what expertise and decision making should be kept inhouse – which is vital – and what advice can be sought from outside the organisation.

“Naturally, as the investment landscape continues to evolve, finding this balance becomes even more important, particularly for more time intensive areas such as investment manager due diligence and investment implementation,” Ms Barlow said.

[Download a copy of the report here.](#)

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**About Perpetual Private**

Perpetual Private provides tailored, holistic financial advice and solutions for successful individuals, families and community-based organisations. Our advisers provide strategic advice on superannuation and retirement planning, general investment, asset protection, insurance, tax management, estate planning, aged care, social security, succession planning and philanthropy. As one of Australia’s largest managers of philanthropic funds, we manage approximately 1000 charitable trusts and endowment funds, which support medical, social, environmental, religious, cultural and educational causes.

**About Laminar Capital**

Laminar Capital, part of the Perpetual Group, provide fixed income options that make the most of liquid capital. They provide a simplified investment and reporting process that gives clients significant efficiency gains and information to help ensure compliance with investment policies. Their end-to-end solution creates enhanced efficiency and governance in how clients manage their short and long-term treasury needs. Laminar Capital also provide Chief Finance Officers and Finance Managers with the confidence that they have the tools on hand to help manage a wide range of cash and fixed interest investment types as they look for alternatives to help improve investment returns.