



Fund Evaluation Group®

investment advisors

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Q Describe your firm, its offerings and its mission.

Fund Evaluation Group, LLC (FEG), founded in 1988, is an institutional investment consulting and federally registered advisory firm. Total client assets under advisement are over \$32 billion (as of 12/31/10). Primary services include investment consulting and research, hedge fund management, and managed portfolios (discretionary portfolio management services). Clients include institutional investors and financial professionals. FEG is a 100% employee-owned firm and our revenues are derived solely from our clients, both of which ensure that FEG remains an objective investment advisor.

Our mission is to provide investment solutions to assist our clients in achieving their missions through superior long-term investment performance and individualized client service.

Q Describe your investment strategy and how it might be unique.

FEG's investment philosophy is centered on the belief that consistent excess return can be generated more effectively through managing broad factor exposures (such as asset classes, investment styles, market capitalization, and geographic exposure) rather than through an exclusive focus on individual security selection. This proprietary approach is founded upon decades of collective experience researching thousands of investment managers and advising institutions comprised of billions of dollars in investments.

Q Describe how your investment products fit into a well-rounded asset allocation strategy.

FEG's approach is to ensure each portfolio benefits from diversifying sources of alpha beyond security selection in order to provide more consistent relative and absolute returns.

FEG takes a broad-based view of asset allocation, with investments generally falling into one of four asset categories: global equity, global fixed income, real assets and diversifying strate-

gies. Each category serves a specific role within a portfolio. An allocation to all four categories provides diversification to major market risk factors and provides a simple framework to view the exposures within the portfolio. The four broad categories are further broken down into sub-categories with more specific risk / reward characteristics and market behavior.

Q How has your firm adapted during the recent economic downturn?

After the market correction in 2008, investors feared further losses in the stock and credit markets. Once the economy stabilized and thoughts of a depression dissipated, the markets rallied. Investors who did not panic and sell, but rather, rebalanced to the equity and credit markets were handsomely rewarded.

The opportunities in 2011 are not nearly as compelling as they were two years ago and economic headwinds still present challenges. Investors should review their risk appetite and consider how to best structure portfolios to meet their long-term investment objectives. Part of this process may include investing in hedged strategies that limit downside risk but still present attractive long-term returns.

AT A GLANCE

Firm name: Fund Evaluation Group, LLC

Principals: 16

Employees: Over 80

Location: Cincinnati (HQ); Boston; Chicago; Detroit; Indianapolis

Years in business: 23

Assets under management: Approximately \$32 billion

Minimum investment: \$50,000