



The “Why” Behind Capital Allocators University

“Our community already knows most of what matters within the field. It’s the interdisciplinary education outside of investing that allows us to identify new sources of return.”

The hardest day to invest is always today. That investment truth seems particularly apropos today – a time managers competition has intensified and allocators are more sophisticated than ever before. In order to meet client needs, institutions will need to identify the next frontier, which I believe will come from inside organizations rather than from the external market environment. We’re here to help at Capital Allocators University.

Let’s set the table on the environment. First, assets seem priced to generate returns that fall short of spending needs. As Jeremy Grantham said on a past episode of *Manager Meetings with Capital Allocators*, “the market doesn’t care that you don’t have any easy or safe investments to make.” Sometimes the truth hurts.

Additionally, managers battle [Michael Mauboussin’s paradox of skill](#). They are more knowledgeable, better resourced, and have access to more information than ever before. However, the improvement in skill level across asset management is offset by the narrowing of skill relative to other participants. Although absolute skill has dramatically increased, its dispersion has narrowed and made outperforming others more difficult as a result.

Lastly, the allocator community has blossomed in breadth and sophistication since my early days working for David Swensen at Yale. A playbook that once commonly resulted in beating return hurdles - a thoughtful investment policy, diversification beyond traditional asset classes, rigorous rebalancing, manager selection in less efficient markets, and an alignment of interest with managers - is now little more than table stakes.

Without a tailwind of beta, investment leaders need to identify sources of value add to drive returns above spending needs. The margin of safety within portfolios appears thin, and fine-tuning elements of the investment process has become essential to minimize mistakes and squeeze out every basis point of return.

So, what can we do to reach our investment objectives?

Across over 400 podcast conversations, I have learned more from experts outside the investment field than I have from my many discussions with CIOs. I always pick up a nugget or two discussing the investment process, but in truth, our community already knows most of what matters within the field. It's the interdisciplinary education outside of investing that allows us to identify new sources of return.

After [publishing a book](#) earlier this year to share some of these concepts, I heard repeatedly from leaders in asset management that there's a gap in training investment professionals on the skills necessary to lead and deliver incremental returns.

So, we decided to do something about it.

We created Capital Allocators University to bring the book to life through in-person training with some of the best in the business. We learned that this training is most effective among *only* allocators, so we have prohibited managers and service providers from participating. We will build a community of institutional allocators and share the non-investment disciplines that strengthen their organizations and drive investment results.

Our third course will take place at the Harvard Club in New York City on March 9th, 2023. We will teach frameworks across four different subjects with pre-recorded interviews from an all-star roster of past guests on the show. Most important, we have created opportunities to connect and learn from each other. Learning in the company of others can be far more powerful than figuring things out on your own. We built Capital Allocators University as a community of like-minded peers. Our class cohort will engage throughout the course and stay connected once it's completed.

We welcome you to [reserve your seat](#) in our cohort today.