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EPISODE 22:

Thinking Boldly

with Cheneae Edwards of NEPC



Robert Morier: Welcome to the Dakota Live podcast. I am your host, Robert Morier. The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, investment consultants, and other important players in the industry who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and their Dakota Live content, please check out dakota.com to learn more about their services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker who is not affiliated with Dakota. Not a solicitation, testimonial, or an endorsement by Dakota or its affiliates. Nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its supervised persons by Dakota. Today's episode is sponsored by Fuse for Salesforce. Do you struggle with outdated information in your Salesforce accounts and contacts? Fuse for Salesforce is here to solve that problem. Fuse is the innovative platform that updates your Salesforce data in real time. With Fuse, you can sync your Salesforce accounts and contacts with Dakota marketplace data, so you never have to worry about stale information again. Say goodbye to manual data entry and hello to a more efficient and streamlined work experience. With Fuse for Salesforce, you'll receive real-time updates, saving you time and increasing your productivity. You'll be able to focus on what really matters, closing deals and building relationships with your clients. Don't miss out on the opportunity to elevate your sales game. Try Fuse for Salesforce today and experience the difference it can make in your work life. I'm very happy to have that disclosure out of the way. And I'm very happy to introduce our audience today, Chenae Edwards of NEPC. Chenae, welcome to Philadelphia.

Chenae Edwards: Thank you. Glad to be here.

Robert Morier: Yeah, we're happy you're here. How was the train ride?

Chenae Edwards: It was great, very uneventful, a little tardy, but that's OK.

Robert Morier: Yeah, it has a tendency to do that, unfortunately, these days. It seems like it gets a little bit later and later every year. So, I think we just all bake it into our schedules these days.

Chenae Edwards: It makes sense. Makes sense.

Robert Morier: Well, it's wonderful to have you here. We greatly appreciate your time. We have a lot of questions for you. Before we start asking you those questions, I'm going to let the audience know a little bit about your background. Chenae

Edwards is a member of NEPC's Philanthropic Practice Group. She is recognized as an asset allocation specialist and serves on NEPC's Asset Allocation Committee, which oversees the development of asset class assumptions and general client actions for the firm. Cheneae authored the whitepaper Nonprofit Organizations Annual Audit Survival Guide focused on equipping nonprofit finance professionals with tools to prepare for their annual financial statement audits. She also co-chairs the firm's diversity, equity, and inclusion network. For those of you unfamiliar with NEPC, NEPC is one of the industry's largest independent full-service investment consulting firms, serving more than 400 clients with over \$1.4 trillion in assets under advisement. With over 350 employees, NEPC's five distinct practices in eight regional offices make it one of the more important consultants in the industry. Prior to joining NEPC in 2013, Cheneae worked at Goldman Sachs in private wealth management and its sovereign's capital as an analyst focused on investments in frontier markets. Cheneae also worked at PricewaterhouseCoopers as a senior associate in the financial services audit practice where she focused on the banking and asset management industries. Cheneae holds an MBA from Tuck School of Business at Dartmouth and a BS from North Carolina A&T State University. She is also a certified public accountant licensed in North Carolina. Cheneae serves as an executive advisory committee member for the School of Business and Economics at North Carolina A&T State University. She's also a member of Alpha Kappa Alpha Sorority. Cheneae and her husband call the Washington DC area home, and recently welcomed a baby girl to the world. So, congratulations. So most importantly, congratulations to baby Zora.

Cheneae Edwards: Thank you. Thank you.

Robert Morier: Well, we are very happy to have you here. You are closing in on your 10-year anniversary, as we were saying before, at NEPC. But before we dive into the consulting practice and how you think about working with your clients, can you take us back to Greensboro in your time at North Carolina A&T?

Cheneae Edwards: Sure. I look at that time as a time when I was just learning about and becoming my adult self. North Carolina A&T has a special place in my heart. And I definitely had a great deal of academic rigor while I was there. Growing up... I mean, I shouldn't say growing up. North Carolina A&T is one of those places where I was able to learn a lot about the rich history of African-Americans in the country as well as their contributions to society and business. It also gave me the opportunity to explore different areas of interest in terms of from an academic standpoint as well as from a social standpoint. So, it was a really great time.

Robert Morier: Tell me more about your adult self. Have you found that now fully or are you still working on that?

Chenae Edwards: I don't know if you ever find that quite fully. I'll have to ask some of my mentors, but I think I'm still working on it.

Robert Morier: I am too. So you're in you're in good company. Well, you did mention the African American history in North Carolina A&T. It's the largest public HBCU in the country. We're going to explore your work with TEI as it relates to our industry. But can you share your views on the importance of HBCUs and how you've remained involved with your alma mater?

Chenae Edwards: Sure. North Carolina A&T was founded in the late 1800s as a land grant institution. And so, it was founded at a time where there weren't many institutions for African Americans to attend or even welcome them, or us, I should say. So, it's been a university that has had many contributions to society. When you think about in the past and even today, it is the top producer of Black Engineers, Black Accountants. And so that's part of the richness of the history of the university. And coming out as a graduate of such a great school, but also as an accountant, I can look back towards the shoulders of the people that I stand on, and so that makes me super proud. And today, I am actively involved in the university through my role on the board, but mainly because I also want to contribute to this history and give back to the next generation of talent and leaders in our country as well as in society and business.

Robert Morier: That's wonderful. Thanks for sharing that. Well, I found the beginning of your career very interesting. Obviously, we met just before you went off to business school. But you began your career at PWC. You were working in the assurance financial services division doing banking for allowance for credit losses, I think, if I remember correctly. It doesn't sound that sexy. But it was in 2007 and 2008, I think, for hedge funds and asset managers. So, a very interesting time to be looking at credit losses. So, when you look back at your time at PWC, what did you take from those early days, particularly at that unprecedented time, coming into your career and trying to navigate those waters?

Chenae Edwards: In that time, I had no idea what I was being exposed to, how much I was learning, the importance of what I was doing. I was just doing the work. Looking back now, I understand that it is going to be, or it will be the global financial crisis, one of the biggest time periods of my lifetime as we think about capital markets and the evolution of capital markets. And my work particularly with the allowance for credit losses, as it related to banks and asset managers, was super foundational and understanding how those businesses are run. And how do you think about risk, managing risk, evaluating risk? Because the crux of the matter is we had a lot of these great tools and insights, but a lot of people got it wrong. And so now, as we think about future crises and maybe even what we're going through right now...

Robert Morier: I was going to say, I wasn't sure if you were talking about last month or 2007, 2008. But I agree.

Chenae Edwards: Yeah, it's just so much... it's so much that we can learn from the past. But I will say, oftentimes, we don't take all the lessons learned and bring them forward.

Robert Morier: That's interesting. It sounds historical context is very important to the way you think about your role and then your experience, where you went to school and then through.

Chenae Edwards: Absolutely.

Robert Morier: It makes a lot of sense, particularly with what you're doing today. But you made that pivot, as I mentioned before. So, you went for your MBA up at Dartmouth, at the Tuck School of Business. So how did you find Dartmouth? And what were you looking for in that pivot?

Chenae Edwards: Dartmouth is just this idyllic place in the Upper Valley region of New England. And I would say, the Tuck School of Business is a microcosm even within Dartmouth. And so, I wanted to take a step away from this hard-charging, fast-paced, super high stress environment that I was in previously and do two main things. One, to evaluate what a career would look like for me in the asset management industry. And then secondly, to broaden my global mindset and exposure. And so, Tuck was able to check the box on both of those. And I think, interestingly enough, I didn't go in looking for a community in the way that I found it. But I realized, coming from, I'm from small town USA, Hemingway South Carolina going to Hanover, New Hampshire, there are a lot of similarities in terms of community that I found there that really resonated with how I was also brought up.

Robert Morier: Usually, those two years are a whirlwind for people who are coming into business school, particularly when they're trying to get into a new industry. What were... and what were some of the things that stayed with you, whether it was teachers or experiences? I know you went abroad to Paris. I'm sure that's top of the list, but I'm always interested to hear... being someone now who's working in academia, I have these students who come through my classroom now once a semester, and I always wonder what they took away from it. So, I'm just curious what you took away from some of those classes?

Chenae Edwards: So, I took away a lot of things. I would say the relationships matter. That's the first thing I took away. Relationships with my classmates, with professors, with recruiters, with even Tuck staff people I call on this whole ecosystem of people

today, and those are relationships that I developed while I was there. So that would be the first thing. The second thing is the classes do matter. So hopefully...

Robert Morier: I'm going to be sending this out to all my students, by the way. Classes matter.

Chenae Edwards: Classes matter. And one that stands out was one that was led by Matt Slaughter who's now the Dean of the Tuck School. He's an economic economist by trade, and he taught this class called leadership in the global economy. And I would say, it's definitely one of a kind. The spirit of it is, you are a global business leader, and you are testifying before Congress on a very relevant topic. And he took the idea for the class, I want to say, from the auto leaders who were testifying before Congress right after they were bailed out by the government.

Robert Morier: I remember that—

Chenae Edwards: And so, those hearings were very tough. But the representatives provided perspective from their different geographies within the country and an everyday person's lens. And that's part of the challenge a lot of times that business leaders face, is you can see things from just your business perspective. But you can't really think about it how, maybe every day just someone walking by you on the street. And so that class really changed me in the way that, to think about how am I leading inside the office, but how would that translate to everyday people?

Robert Morier: Sounds like a good white paper and really interesting. So, leadership in the global economy. That's wonderful. Thanks for sharing that. Well, you began with NEPC. So, you're out of business school. You began with NEPC as an investment consultant, focusing on philanthropic institutions, which you still are today. The consultant industry as you also now being in it now for nearly 10 years has gone through a great deal of change, particularly as it relates to consolidation, lots of mergers. Seems like the consultants are getting bigger. And as a result, you've seen extensions of the business through OCIOs and other areas. That seems to particularly have affected in philanthropies, endowments and foundations. So how have you... I should say, could you tell us about the practice that you cover maybe in a little bit more detail for our audience? What does it mean to be someone who's covering specifically those philanthropic institutions? And how your responsibilities have evolved as a result of those changes that I mentioned?

Chenae Edwards: Sure, so I focus on nonprofits, and they mean a great deal to me because the work that I do helps health care systems be able to pay nurses and doctors and do research. It helps universities grant scholarships, foundations provide grants to the community, and so forth. And so, I'm very aware of what are the result of the outcomes for the investment advice that I give. That being said, I work with

these institutions on everything from asset allocation. How do you really build your portfolio from a strategic level? How does that connect with your spending if you have it? In the case of many health care systems, they have retirement plans. How do you help people build this nest egg so they can retire with dignity? And we do that from a strategic standpoint, but also on a more of a micro standpoint. Identifying investment managers, evaluating them for the portfolio, looking at a simply new mission aligned themes as it relates to maybe ESG or impact investing. So, it's a full spectrum of things that we do. And I would say, as my career has evolved over the past 10 years with NEPC, our roles have... the core role is the same. We're advising these organizations. But it's evolved and taking on new challenges. You mentioned outsourced CIO. So, we are working with a lot of organizations in a new capacity where it's beyond just advising. We're making decisions on their behalf. And so, there's a higher level of accountability and responsibility that we hold. And we take it very seriously. And so, I think the evolution of our industry, it's still shaping up and very dynamic. But that's just the nature of capital markets, and that's one thing that really excites me about the work that I do and why I'm still doing it after a decade.

Robert Morier: Well, speaking of asset allocation, it's one of your core functions in your role. In NEPC's most recent quarterly update, the firm suggested investors should hold equity allocations near strategic targets. So, I'm just curious how your clients are looking at the current opportunity set from an asset class perspective? Before we came on camera, I mentioned that we had Doug MacBean, the deputy CIO at Caltech here recently. And it's one thing for an endowment to say that they're looking at fixed income. It's another to hear Caltech say they're looking at fixed income as a strategic asset class. So, we'd love to hear your views from your seat. Thinking about your clients, what are some of the general asset allocation trends that you're talking about now with those folks?

Chenae Edwards: Asset allocation is... I think it's the lens that you look at an entire portfolio. Our way of doing it is aligning the individual organization's investment goals with their asset allocation. And so, you mentioned our current view of clients making their equity allocation, keeping it in alignment with their strategic targets. Because many of the organizations I work with, they may not have sources of additional capital. So, their primary growth engine for investment or revenues is their investment portfolio. And so, equities being the highest growth asset class within that portfolio context is where they're relying on for growth. And so, we recognize also that the duration or life of these organizations in many cases is perpetuity. And so, with that in mind, they can withstand short-term market volatility. And so, staying aligned with their strategic targets and equity is very reasonable. You mentioned Caltech and their CIO's view on fixed income. It is also a place where we're doing quite a bit of research. And I'll tell you, past 15 years, fixed income has been a pretty mundane place, I would say, at least on the public side

because rates have been so low. We're in this high inflation, high interest rate environment where we were to some degree when folks used to have portfolios that were 40% fixed income, 60% equities. And that fixed income really contributed to the return. And so, for a lot of the nonprofits that I work with, they've maybe minimized fixed income because they still had to meet those return targets, and a contribution to return of 1% to 2% wasn't really helping as much. And so now, they can reevaluate, and we would help them do that. Reevaluate the role of fixed income and how that asset class can contribute more to their overall return.

Robert Morier: That makes sense. Really interesting. Well, I'm going to be reading some of these questions more than I usually do because NEPC has a very rich library of market research that they put out through their insights. So, I'm going to say the website later, but nepc.com. So, some of this information, particularly on private markets. So, we've talked about public equities and fixed income. It's interesting to hear that those are particularly on the fixed income side. I agree, it's been relatively mundane. I'm sorry for all the fixed income managers that are listening to this now. But it is what it is. But you're going to be getting a lot of calls this year. So that is good for you. But you... NEPC, I should say, recently shared a few considerations with their family office and high net worth clients as it relates to private equity. The first was expect less activity, well into 2023. The second was, think boldly when others are fearful. And the third was, continue to show your commitment. So that means keep your checkbook open, I assume. So, thinking boldly and showing commitment, particularly when liquidity is a concern can be challenging for investors, particularly in times of uncertainty as we're feeling now. So how are you advising your clients as it relates to that commitment to private markets, particularly at a time where there is concern about interest rates and there are concerns about the... I'm trying to find the word right now, and I just lost it... but the appeal of the deals that are being presented to them?

Chenae Edwards: So, I think we as investors a lot of times need to remember that having a contrarian mindset is a little bit of what contributes to your investment edge. And so being committed, doubling down when others are fearful is a part of that contrarian mindset, I would say. And particularly, as you think about private investments or private equity, we all know that businesses are formed in all economic environments. And there's a lot of old adages that you can look to buy low, sell high. You need to be buying when there's blood on the streets. All those old adages, they're in our minds. But then we get in these environments where the newspapers are talking about, everything is losing money. There is a lot of fear with all of the—

Robert Morier: Your parents are calling you, asking if they should buy gold?

Chenae Edwards: Exactly. All those things are happening. And you forget this can be a great time for opportunity. And so, I think that's the spirit of that piece, in reminding people that there are a lot of opportunities. That we shouldn't let fear get ahead of us and blind us by these opportunities. And in particular, with private equity and new capital formation or new business formation, you want to buy at a point where it's a discount or you're at the beginning of this formation before pre-growth. And so, we think that while capital markets are quite slow or maybe closed down in some instances, we think that they're... this is just the beginning of just a new market cycle. And we don't want our investors to walk away from existing relationships that they've had because we all know in private equity sometimes, when you move away from a fund, you may not have access again. And so, we're cognizant of that. And so that's a little bit about the spirit of why we're reminding clients not just to say, I don't want to do this because of all the other stuff going on in the background. The one caveat I will note, because you did mention liquidity challenges. If an organization is experiencing some liquidity challenges, I think you have to go back to the basic fundamentals. Your organization's prioritization of being a going concern is super important. And you can invest in private equity. But if you can't remain a going concern, I don't know the benefit that you're going to get from that in the end.

Robert Morier: It's important to have the stomach. I agree. Well, just to round out the end of this top-down discussion, I do really appreciate it. And in honor of your daughter and her beautiful name, Zora, Zora Neale Hurston wrote that "There are years that ask questions and there are years that answer." So, what kind of year do you think that 2023 is going to turn out to be and obviously, not just yourself, but as a firm? And how do you see this year shaping out as we look at the next seven or eight months?

Chenae Edwards: I love that you wove that in because her name is definitely inspired by Zora Neale Hurston. And I would say that 2023 will be a year that asks questions. We are in May, I should say, and we're already asking some questions. Particularly of the banking sector, we're asking, what were the banking leaders thinking as they evaluated their asset liability mismatches? And we even saw more recently, regulators asking questions of how did we miss this? How did we not see this coming? And so, I do believe because we're in a more of an economic regime shifting environment that they're going to be a lot more questions asked as us as leaders not only in the asset management industry, but business leaders generally.

Robert Morier: That's interesting. During these shifts, there's usually less activity. So, as you think about your asset management partners, what advice are you giving asset managers? Is that they're calling you, they're asking your thoughts, they're asking you questions as well in regard to... as you're asking them questions? So, as it

relates to working with NEPC and your clients, how do you approach those relationships at times where there is less activity?

Chenae Edwards: So, I may have a little counter-answer because I don't know if there's less activity right now.

Robert Morier: I'll take it. It's funny... that's a great point because it depends on who you're speaking with. If I call a salesperson, they'll say there's less activity, there are less meetings, it's a little bit more difficult right now to get that call to talk about your product, talk about your strategy. So, I think it's a great point actually. So, I'll take it from the perspective of a lot of our audience that are calling and saying, I have this great strategy. And you're saying, well, we're in an economic regime change and we are we're still busy. So, I think it's more from that perspective, which is you're doing a lot of analysis, a lot of historic context work to try to figure out how this relates to... what happened in the past relates to today's environment. So, as you think about activity, maybe just in general, how are you approaching that with asset managers?

Chenae Edwards: I take your point. I think that there's a lot of mulling over ideas and not a lot of decision-making. And so, I would suggest that managers in this environment be prepared, or getting themselves prepared because I believe that investors will start re-underwriting their portfolios. And thinking about, these are the bets that we took in this extended low-rate environment, low inflation environment, low growth environment. And because where we are going is not that environment, they're going to reassess those bets and whether they should take them off the table and do things differently. And so, I think now is the time for managers to evaluate, is my, we like to say investment edge, that we put forward still relevant in future economic conditions? So, you may be redoing your pitch books to show a different side of your strategy. You may be... we have a lot of multi sector strategies. You may be moving to another sector as it relates to your area of focus. But I think that should be what is happening now. And still just being open to the fact that some investors will be your early adopters and want to move more quickly. And then there's the middle of the pack and then the late adopters. So, recognizing which segments of the limited partner community fit into each one of those buckets.

Robert Morier: I love the preparation. I always hear that quote in my head, "failing to prepare is preparing to fail." So, it is a good time to reset, making sure that your message, your mission, what you're trying to accomplish in your portfolio. You talked about your competitive edge. That's something that we all try to hone-in on when we're calling folks like NEPC. Which actually takes me to the next question. So obviously, NEPC is a large organization. There are lots of facets to the group, whether it's field consultants, manager research, and beyond. So, would you mind sharing

with our audience how NEPC just in general sources and evaluates managers as part of their manager research process?

Chenae Edwards: Yes. So, we source through a number of different channels. We use a lot of the investment databases to just identify or make sure we understand the universe of managers. But we all know that those universes don't necessarily capture everything. And so, we also rely on our individual networks, our client networks to bring us good ideas. And then just free... I should say, we also rely on inbound for managers. And all of those channels, all of those channels come together to funnel how we begin our evaluation process. Our evaluation process is qualitative and quantitative. So, we're doing meetings with managers that we've known a long time and those we've just met yesterday. But we're also incorporating a level of quantitative rigor to really understand and try to identify what is the investment edge of a particular strategy? I'll add that we also want to see great alignment of interests. We want our clients to know that the investment strategies that they're in, that the team is being compensated well and that it aligns with their insights, and that it aligns with their incentive compensation structure for them to do the right thing and make the best decisions for the portfolio.

Robert Morier: Other than alignment of interest, what other characteristics do you find that are common among the managers that are part of your clients' portfolios? Are there any of the attributes that really stand out that when you hear it, the light goes off?

Chenae Edwards: Yes, a repeatable process, a repeatable process that you really understand the linkages between what they're doing from an investment management team to how that leads to outcomes with your investment results. So, I think repeatable process, hands down, has to be a part.

Robert Morier: Makes sense. I'm just curious, as it relates to repeatable processes, when you're thinking about your emerging manager program. So, these are relatively new managers who are coming online maybe for the first time. Maybe it's an analyst that was part of a broader team or a portfolio manager who's spun out. How do you consider your emerging manager program in the context of how NEPC will typically look at a manager, whether it's public or private? Are there differences, nuances that an emerging manager should think about before making that call?

Chenae Edwards: There are. I would say that emerging managers typically, they've been able to demonstrate their ability at another firm or even at their firm. They just haven't had the strategy live, per se. And so, we try to take a very detailed evaluation of that before we would put them in front of a client. So, it's not necessarily just saying they're emerging because they have a new fund. They aren't just right out of college. They've done this. Now, they're just hanging a new, I don't know if this is a

good analogy, but I'll use it anyway. They're hanging a new shingle, a shingle on a new house, so to speak.

Robert Morier: Absolutely. Now, that makes a lot of sense. That's very helpful. We have a number of emerging managers that tuned into the program, so it's helpful insight and information. So, one of the questions that our audience also loves is, what are you working on today? So, are there any asset classes that are currently on deck that are a focus that you're looking for an asset manager to potentially fill a need or a mandate, or just as you're thinking about setting the playing field for the coming, like we said, six or seven months? We'd love to hear what you're currently working on.

Chenae Edwards: So, I'll give you two areas because I think they're very exciting. But we're working on a host of different things across asset classes. One, I will say, in the private market space or private equity space would be secondaries. Thinking about liquidity and how with this changing interest rate environment some limited partners or investors need liquidity. That's just the nature of the game. And so, they may have to or may want to sell some of their long-dated private equity interests. And secondaries would come in and buy them largely at a discount. And there's some benefit to being in secondary funds for those investors building out their private equity portfolios and the like. So, we're definitely looking at the secondary marketplace as it relates to private equity. I think we talked about earlier that we're looking at fixed income. And then we're also, and I think this is still quite early, but evaluating what's going on in the real estate sector. So, thinking about how the collapse of different banks that were the primary source of capital for commercial real estate investors and how that source of capital is likely not going to be there or not be there at the same level for the foreseeable future, given all of the challenges that banks, and particularly regional banks are going through. So those are a couple of areas that we're exploring and trying to find opportunity.

Robert Morier: I'm curious, does NEPC have a view on digital assets?

Chenae Edwards: We do have a view on digital assets. We've seen it pop up in different facets of in our business. Some of our organizations, particularly in the non-profit side of the business, they've been gifted digital assets and they've treated them like single stock positions and concentrated stock positions. So that's one. And we work with them to do that. We've also had, unfortunately, knowledge of different organizations that have had to use digital currency to pay for different cyber issues that they've encountered. And so that's been something that a lot of businesses have seen. And so, they keep a stash of digital currency. And then I think lastly, we've mostly seen exposure and access to digital currencies as it relates to private investments. And not necessarily directly the currency, but more so the infrastructure. And so, we have evaluated private equity funds that have had this

digital infrastructure as part of their opportunity set and worked with clients to make investments there.

Robert Morier: Interesting. Thank you for sharing that.

Chenae Edwards: Absolutely.

Robert Morier: Digital assets and governance have seemed to come closer and closer together, particularly in the last year or so. I partly raised that to bridge us into sustainability. Because like many gatekeepers in the North American market, NEPC has been focused on sustainability and measuring impact among asset managers and, of course, your investments. So, you released a very interesting three-part research paper on best practices in measuring impact. There's another one on the way. Can you share with us your approach to, I guess, maybe to start with DEI and sustainability as it relates to your consulting practice? So, kind of sustainability as the maybe is as the roof to the structure of getting into all of the nuances of where you're really looking to affect change and impact.

Chenae Edwards: Absolutely. So, we're also eating our own cooking from that standpoint. We are working with clients as it relates to sustainability, ESG, and DEI, or the word soup. But we're also doing it internally and shining the light on us to make sure we are doing what we are looking for in the industry. So, for example, as you think about one of the things that we were one of the first asset... one of the things that we were one of the first investment consulting firms to do was put out a DEI progress report a few years ago and being very transparent about what we're doing internally. And that progress report showcased the framework that we use. It's one that was developed by Cornell University. And it looks at three different facets of our business, our workplace, our workforce, and our marketplace, and evaluates how we are matching up to industry standards and what we're doing to either improve upon that or move the industry forward. So, for example, when you look at our workforce, evaluating what are our demographics. I think that's one of the more quantifiable pieces of the report. And we show how it's evolved over time. For example, thinking about 30% of people... 30% of women in leadership. That's one of the things that we've highlighted in the report and how we've gotten there. The other point I'd like to make is just in the marketplace. That's what we're doing in terms of engagement with our clients, investment managers, and then the local communities that we have offices in, a space in. And that really talks about what are our relationships with some of the industry players like the Toigo Foundation, like SEO year up for cities, particularly in Boston that have communities that Europe serves, and how we are essentially trying to make sure that we're not only talking the talk but walking the talk. The thing that I didn't highlight, but as well as the work that we're doing... some more work that we're doing in the marketplace as it relates to investment managers. And we are proud to say we're going to release our new

report this year, a DEI report that really focuses on the marketplace and puts a spotlight on our work with investment managers. How we're making sure that diverse managers get into client portfolios as well as the work that we're doing in communities.

Robert Morier: That sounds great. I'll look forward to reading that. Well, you put out some very... as I said before, you put out some very interesting research and it seems like you like these three-part series. You're into trilogy. Somebody's really into literature at your firm. You released a three-part ESG blog series. And ESG has been under both political and regulatory, I wouldn't say scrutiny, but certainly a spotlight over the last year or so. So how are you navigating that spotlight, the stage that it's currently on as it relates to your clients trying to figure out how they should be applying ESG? What does it mean to integrate ESG analytics into an investment process? And ultimately, what types of consistencies are you trying to see or gather from your asset management partners?

Chenae Edwards: Let me start by saying that any new phenomenon or being in the asset management industry is typically scrutinized. And I think that ESG is having its day. So, when you think about ESG environmental, social, and governance, our focus has largely been on integration of ESG factors that are material. And that goes back to my audit days where we're trying to think about and evaluate factors that are going to move the needle. If they're not material, then what's the point of trying to incorporate these factors when there are so many things that, as investors, that we have to think about. So that's the first part. I will say that in some cases, managers are already and have been for some time incorporating ESG factors as part of the process. We've always or for many decades, I should say, talked about governance as part of an evaluation of a company's sustainability and their ability to meet the needs of stakeholders. The social aspect is where we would typically put the DEI, and it's not only DEI, but other social factors that go into that category as well. The environmental piece, I think, is where a lot of scrutiny has been around climate change and how that will impact different constituencies. And I think that this isn't a one-size-fits-all... this isn't a one-size-fits-all... I can't think of the word, but it's just not a one-size-fits-all thing as you relate to ESG. Because in some communities, maybe you're dealing with climate in a way that your land is being covered by water in ways that you've never seen it before. You may be having historically larger and more powerful tornadoes and hurricanes. And so, you may look at it one way. And then in other communities, you may be at a place where oil and gas exploration is the heart of your economy and it's contributing to jobs and future generations of wealth. And so, you may look at it differently. And I think that investors come at it from their lens. And in our seat, we have to understand those lenses and understand how to evaluate this new thing for individual clients.

Robert Morier: That makes sense. I mean, I think particularly the market to market and geography to geography here in Philadelphia, I'm not sure if people would have been worried about rising waters. But if you talked to somebody last year when the Schuylkill River was on this Schuylkill Expressway, it changed the way that you thought about environmental and your environmental approach to you or your infrastructure. So, we've seen a lot of infrastructure thoughts and processes starting to take place that it's affecting asset managers as they're considering their investments here in the Greater Philadelphia area. So that's interesting. I appreciate that. It's a good insight. So, we're getting close to the top of the hour. And before we started our recording, we were talking about how we initially met, which was at a Toigo Foundation event in New York City with our mutual mentor Mel Lindsey of Nile Capital. And I always like to ask if you could share other than Mel, and please feel free to share how you feel about Mel. He'll love it. Those mentors who have helped you along the way, and why they've been important to you and your success.

Chenae Edwards: Sure. So, I'll start with my parents because I think they're... in my case, they were my first mentors. My dad very, hardworking person, worked his job, I want to say, for 30 plus years at the same job. And so, showing that you can have a long-term career at one place and be successful. And indefinitely my mom who instilled in me the value of education and why I continue to have this yearning for knowledge and love of trying to continuously improve. And then you mentioned Mel. As you think about... as we think about my professional career, he's really been helpful in terms of helping me understand the marketplace, really understand how I go into a lot of different places where I haven't been. I don't come from a professional background. And how I present myself as well as go in and really just have a confidence, a peace and calm in how I do things. So definitely my parents and I put Mel up there as well because he's just been great.

Robert Morier: That's great. Well, I put him up there as well. I started my career at Julius Baer back in 2002, early 2003. And I was very naive and not immature, but certainly immature professionally. And he was one of three institutional salespeople I was working with. He covered the West Coast. And he never he had a shortage of good advice. So, I appreciated that along the way, as with my parents as well. So, I can certainly understand that. Well, finally, just something for myself. I have two young daughters, Margot and Josephine. So, as I sit across the table from you, I can't help but hope that someday they watch this episode, and they see someone like yourself who's had success and continues to have success in their career. So, if you wouldn't mind sharing for them some advice and, of course, for your daughter Zora as well as to what they can think about as they think about their lives and they think about what's on the horizon?

Chenae Edwards: Sure. I would say a couple of things. One, be who you are. Just accept who you are. You're great. You're different. And that advice in and of itself

has allowed me to operate and show up in spaces in a way that allows me to be calm and just take in things. And so be who you are. Be happy about that. I think that's great. The second thing I would say is, continue to learn. I think that books have, for me, been my window into learning. And at this, I should say, point in my career, there's still so much for me to learn and to walk away with knowing that there's still levels to climb. And not necessarily trying to be in different organizations or different seats, but just flexing new muscles and expanding the things that I care about and things that I can have an impact on. And then I think the last thing I would say is, don't be afraid of challenges. You're going to have very difficult instances in your personal and professional life. And know that those challenges will make you a better person. They will make you a more resilient person. And they shape your view and vision of life of the world. And I think if I and hopefully Zora would want to listen to her mom when she gets older and her advice, that would be the advice I would give.

Robert Morier: That's wonderful Thank you so much. Thank you for being here today. Congratulations on all of your success. It's been wonderful speaking with you again and having this opportunity to learn more about you, your background, and of course, NEPC. If you want to learn more about Cheneae and NEPC, please visit their website at www.nepc.com. You can find this episode and past episodes on Spotify, Apple, Google or your favorite podcast platform. And before I close out podcast platform, I did want to ask you about your husband's podcast platform. I understand that he has a podcast as well and actually a few podcasts that he's working on as part of his business.

Cheneae Edwards: Yes, absolutely. So, my husband Joel Edwards has a podcast called The Moonlighters' Club where he spotlights entrepreneurs who work maybe a 9:00 to 5:00, many of them do. And they're moonlighting at night. Theoretically launching a new business, a new venture, and that type of thing. And so, it's super interesting. But he also spotlights how companies can support people who are moonlighting and really help them have a greater passion for what they're doing and contributing to society.

Robert Morier: That's great well we'll be sure to put the link to that podcast up on this podcast. So, when your daughter does look at this someday, she'll be able to see both her parents and their success. You can also catch this episode on YouTube, if you prefer to watch while you listen. And if you would like to catch up on past episodes, please check out our website at dakota.com. Finally, if you like what you're seeing and hearing, please be sure to like, follow, and share these episodes. We welcome your feedback as well. Cheneae, thanks for joining us today.