A Conversation with the COO

KRISTINA ALIMARD, CFA
Chief Operating Officer

Q: You've served as UVIMCO's Chief Operating Officer for an impressive eighteen years. Your long tenure speaks volumes about the organization. What has kept you here for almost two decades?

I feel very fortunate to have worked at UVIMCO since graduating from UVA's Darden Graduate School of Business in 2003. It sounds trite, but what has kept me at UVIMCO for so long are the mission and the people. Our staff represents an exceptional team of people who are truly grounded in the mission and values of the University of Virginia. We are driven by returns but are also fully invested in the success of the University and the impact our efforts will have on future generations of students and faculty.

During my time at UVIMCO, our assets under management have grown from $1.8 billion to $14.5 billion, and the size of our staff has tripled. We have managed UVA's investments through countless market events both big and small: the Great Financial Crisis; the swift ascendency of Chinese companies accompanied by the increasing dominance of a handful of U.S. companies, including Google and Amazon; Brexit; incalculable progress driven by technology and innovation; persistently low interest rates and a corresponding reduction in required return for all forms of risk; the adoption of cryptocurrencies by mass markets; significant retail market trading based on Reddit threads alone; and, of course, the ongoing COVID-19 pandemic. Throughout all these events and transitions, UVIMCO has remained successful due to its continued focus on our core investment tenets and dedication to continuous improvement.

Q: What makes UVIMCO distinct from other investment management companies?

UVIMCO does two things remarkably well: portfolio management and manager selection. We have dedicated a lot of time to evolving and strengthening our highly skilled risk team, and UVIMCO's risk system and data management are second to none. The top-down portfolio management efforts of CEO/CIO Robert Durden and the risk team are complemented by our longstanding excellence in manager selection, in which UVIMCO maintains an edge first established by Alice Handy, her staff, and our Board of Directors several decades ago. We stand on the shoulders of giants, and all of us at UVIMCO recognize the responsibility we have in preserving what makes UVIMCO excellent while adapting to evolving investment markets and an ever-changing world.

Q: What do you look for in external investment managers?

UVIMCO identifies and partners with high-caliber investment managers from around the world to help us outperform our passive policy benchmark. We value integrity, collaboration, excellence, diversity of thought, and intellectual honesty in these managers, and we appreciate their investment acumen and willingness to help UVIMCO succeed. We're constantly searching for new partners who demonstrate excellent returns and have innovative ways of looking at investment markets, and we look forward to continued partnerships with existing managers who have helped us maintain the Long Term Pool's position as a top quartile endowment.

Q: Talk to us about diversity, equity, and inclusion at UVIMCO.

As a first-generation college graduate and a working mom, I'm a passionate student of diversity and think a lot about how each person's life story impacts who they are and how they experience the world around them. The U.S. investment management industry remains largely dominated by those coming from backgrounds of privilege, and both UVIMCO and the University of Virginia are in positions to help challenge the status quo. We strive to lead by example and are very interested in expanding the diversity of our Board and staff while we continue to learn more about how to ensure both inclusion and equity in all aspects of our operations. Furthermore, we look forward to working with our external managers to promote diversity, equity, and inclusion across the investment management industry, and we expect others in our industry to do the same.

Q: How is UVIMCO approaching investor responsibility issues like environmental, social, and governance (ESG)?

UVIMCO believes that investing in companies that have advanced ESG policies and best practices makes perfect sense from an investment, business, and social standpoint. ESG factors are a subset of the risk and return characteristics that our team and external investment managers utilize as a part of their routine investment processes. We also invest in managers who focus on specific areas of ESG—everything from green technology to improving corporate practices. Many of our managers maintain well-documented and robust ESG practices, including disclosing fossil fuel emissions and reduction targets, making annual disclosures to the CDP, disclosing credible low-carbon transition plans, and voting against shareholder resolutions for companies that do not follow certain ESG criteria.

Q: What is the goal of UVIMCO's new Advisory Committee on Investor Responsibility?

We're thrilled about the launch of this committee, which serves as a channel between UVIMCO and the students, alumni, faculty, and leadership of UVA on matters related to investor responsibility. Members will guide UVIMCO on actively incorporating ESG best practices into our investment decisions while maintaining strong long-term returns for the University. I am honored to represent UVIMCO on this committee, and I look forward to continuing to identify ways to improve the implementation of ESG best practices at UVIMCO.

"Everything is hard before it is easy."

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