

SERVICE 02

Materiality & Maturity Assessment

■ Illustrative Scenario

CLIENT PROFILE

Client Type	University Endowment
AUM	\$420 million
Location	Mountain West, United States
Situation	Board mandate to develop ESG program; no existing framework or baseline; donor and faculty pressure intensifying
Engagement	Materiality & Maturity Assessment \$28,000

THE CHALLENGE

A \$420 million university endowment received a formal board resolution directing the investment committee to develop and implement a comprehensive ESG investment program within 18 months. The endowment had no existing ESG infrastructure, policies, or measurement capability — and the investment committee did not know where to begin.

Before designing an ESG program, the committee needed to answer two foundational questions: which ESG factors were most financially material to their specific portfolio mix, and how mature was their current governance relative to peer institutions? Without answers to both questions, any ESG program risked being misallocated — spending resources on low-impact initiatives while ignoring the issues most likely to affect long-term returns.

VERDE ADVISORS APPROACH

Verde Advisors conducted a two-phase Materiality & Maturity Assessment designed to provide the endowment's investment committee with a clear, evidence-based foundation for ESG program design.

In Phase 1 — Materiality Mapping — Verde analyzed the endowment's asset class mix, manager universe, and sector exposures against SASB (Sustainability Accounting Standards Board) industry materiality maps and MSCI ESG factor research to identify the 8–12 ESG issues most likely to have a direct, measurable impact on risk-adjusted returns. This included climate transition risk in energy and real assets allocations, governance quality in emerging market equity, and supply chain labor standards in consumer sector managers.

In Phase 2 — Maturity Assessment — Verde evaluated the endowment's current ESG practices, policies, and governance against a five-level institutional maturity model benchmarked against comparable university endowments nationally, identifying specific gaps and prioritizing improvements by effort and impact.

KEY DELIVERABLES

- ESG Materiality Matrix identifying top 10 material factors by asset class and financial impact
- Peer benchmarking analysis against 12 comparable endowments on ESG maturity dimensions
- Current state maturity scorecard across 6 governance and investment dimensions
- Gap analysis with prioritized improvement roadmap tied to board resolution timeline
- Investment committee presentation and facilitated discussion guide
- ESG program charter template ready for board adoption

OUTCOMES & RESULTS

10	12	18-Month
Material ESG Factors Identified	Peer Institutions Benchmarked	Program Roadmap Delivered

This is an illustrative scenario based on the types of engagements Verde Advisors is equipped to deliver. Client details are hypothetical.