



THE COMMUNITY
FOUNDATION
FOR NORTHEAST FLORIDA



CUSTOM ASSET MANAGEMENT

If your Fund at The Community Foundation has assets of more than \$500,000, you may elect to have your Investment Advisor continue his/her involvement with your investments through the creation of a Custom Managed Pool. A Custom Managed Pool is an investment pool created for investment of your Fund's assets only, advised by an investment professional recommended by you. It has the advantage of employing an investment strategy that considers your unique grantmaking time horizon and investment objectives.

GETTING STARTED



1

You or your Investment Advisor contacts the Foundation about originating a Custom Managed Pool, for a new or existing Fund at the Foundation.

2

Foundation Staff conducts due diligence on your Investment Advisor. Once approved, we work with your Investment Advisor to design an investment strategy that considers your grantmaking time horizon, return objective, and values-based investing objectives.

3

The Foundation's Investment Committee approves origination of the Custom Managed Pool and its strategic asset allocation.

4

The Custom Managed Pool is funded, and your Investment Advisor is given discretion in manager selection for the pool.

Who oversees investment of Custom Managed Pool assets?

The Foundation's Board of Trustees has the ultimate fiduciary responsibility for all invested assets of the Foundation. As with all Fund assets, the Foundation is the sole owner of all Custom Managed Pool assets and they remain under the sole control of the Foundation. The Board has delegated authority to the Investment Committee to originate Custom Managed Pools and to ensure all assets are invested consistent with the policies and objectives of the Foundation.

Custom Managed Pool Advisors, Managers, and Custodians are subject to oversight by the Foundation's Investment Committee and the Board, and can be changed by the Committee or Board at any time, in its sole discretion.

What expenses are charged to the Custom Managed Pool?

The Custom Managed Pool will bear all its own investment expenses as well as any costs incurred by the Foundation that are directly related to the Fund (e.g., investment fees and any UBIT tax imposed on the Foundation).

Note: the Foundation does not charge an additional fee for oversight of Custom Managed Pools.

What reporting will I receive on the Custom Managed Pool?

Quarterly, the Custom Managed Pool net investment earnings will be reported to you on your Fund Statement. If you wish to have details on the performance, you may contact the Foundation's EVP/CFO, Grace Sacerdote, for additional information. Importantly, because these invested assets are owned by the Foundation, you may not receive statements directly from your broker/custodian nor have log-in access to investment accounts owned by the Foundation.

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CUSTOM ASSET MANAGEMENT (CONTINUED)

What conditions are set for engagement of my Investment Advisor?

- 1 The recommended Advisor must agree to abide by the Foundation's *Investment and Spending Policy for Investment Program*, as now or hereafter in effect, and a separate written investment policy statement for the CMP, including benchmarks approved by the Committee.
- 2 The Committee will monitor and evaluate the Custom Managed Pool performance over time and if the performance does not meet or exceed agreed upon benchmarks or fails to comply with the Foundation's policies, the Foundation may at any time terminate the Advisor and select a different Advisor or terminate the Custom Managed Pool and add the Fund's assets to one or more TCF Investment Pools.
- 3 The Foundation may terminate the Custom Managed Pool upon your death, in its sole discretion.
- 4 The Foundation will not pay any Advisor or any other third party a commission or fee for bringing someone who creates a Fund to the Foundation.
- 5 For Custom Managed Pools under \$10 million, redemptions on investments must be offered at least annually, with a lock-up period of no more than one year from time of investment.
- 6 Investment Advisors for Custom Managed Pools generally have discretionary authority to implement the strategic asset allocation, with the authority to engage/terminate Managers for the pool.
- 7 The Foundation will not allow Fund assets to be invested with an Advisor or Manager under any circumstances that would result in an "excess benefit transaction" as defined in U.S. I.R.C. Sec 4958, Taxes on Excess Benefit Transactions.

How do I get started?

Because of the customized nature of this option, you will be asked to sign a written waiver and release agreement that releases the Foundation from any and all claims related to investment of your Fund's assets in a Custom Managed Pool, including but not limited to, any claim based on losses incurred by the Fund, failure to achieve the same performance results as the TCF Investment Pools, excessive fees, or breach of fiduciary duty in accepting your Advisor, Managers or Custodians.

May I recommend changes in the investment strategy to my Investment Advisor?

The Foundation has fiduciary responsibility and control over invested assets of the Foundation, and will work closely with your Investment Advisor to implement a custom strategy for your Fund's assets and monitor success. Accordingly, any recommended changes you may have to the investment strategy should be directed to the Foundation.



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