

**GREATER TACOMA COMMUNITY FOUNDATION**  
**Individually Managed Funds (IMF) Class II Policy**

Approved June 2018

**It is the policy of Greater Tacoma Community Foundation (GTCF)** to allow Donor Advised Funds of \$1,000,000 or more to be managed by external investment managers as recommended by Donors according to the following criteria:

1. GTCF will charge a one-time set up fee of \$1,500, plus a tiered investment management fee according to our current fee schedule.
2. GTCF & Donor will receive monthly statements from Investment Manager.
3. Funds will be managed in accordance with investment policies defined below.
4. Investment managers will be evaluated in accordance with an appropriate weighted benchmark(s) as noted below.
5. Actual assets will be held in street name at the Investment Manager's custodian.
6. Titling of account will be: "Greater Tacoma Community Foundation – FBO The XXXXXXXXXXXX Fund." GTCF will be sole signer on the account.

**FUND ESTABLISHMENT**

1. Donor has established a donor advised fund (DAF) at GTCF and GTCF fund agreement is executed.
2. An account is opened at the respective investment manager on behalf of GTCF-FBO... (GTCF signs Investment Manager's requisite documents for each DAF account.)
3. An IMF agreement is executed that includes the following language:
  - a. The external manager will follow the applicable GTCF investment Policy Statement, depending on the planned life of the fund (endowment versus short-term).
  - b. In the event the Investment Manager is unable to manage the assets for any reason, the assets will be invested in the most closely applicable GTCF investment portfolio.
  - c. The Investment Manager may be changed or terminated by GTCF at any time for any reason, with or without cause, including, but not limited to i) personnel or organizational changes, ii) unacceptable performance, iii) deviation from the terms of the Individually Managed Fund policy, or iv) conflicts of interest or questionable ethical behavior. In general, prior to termination of an Investment Manager, GTCF will notify the Fund's primary contact and discuss other investment options for the assets.
4. The Donor deposits funds or transfers securities into the newly created account with the Investment Manager.
5. GTCF issues a gift acknowledgment letter to the donor after the Investment Manager has informed GTCF that funds or securities have been received.
6. Statements showing detailed transactions and investment performance will be sent to GTCF and Donor monthly.
7. The Investment Committee will monitor the performance of the individually managed fund quarterly according to the current Investment Policy Statement for IMF Class II.

**INVESTMENT GUIDELINES**

1. All holdings should be readily marketable with daily liquidity, and appropriately diversified.
2. The assets of a fund may not be invested in the following:
  - a. Short sales, or any transaction on margin (borrowing)
  - b. Venture capital or buyout private equity funds
  - c. Non-negotiable securities or private placements
  - d. Private real estate limited partnerships

- e. Leveraged transactions
- g. Stock or debt of the Investment Manager's employer or parent company
- h. Futures, Options or Derivative Instruments

### ASSET ALLOCATION GUIDELINES

An appropriate risk/return investment profile will be selected for the management of the fund. As a result of discussions between GTCF and the Investment Manager, one the following asset allocation targets will be selected, documented and used as the guide for managing and reporting fund activities.

#### Growth Option

The objective is to seek long-term capital appreciation by investing in a diversified mix of asset classes that includes global equities, fixed income, and, if appropriate, risk-reducing alternative investments, in a portfolio intended to preserve its grantmaking power over a time horizon of ten years or longer.

	Target	Allowable Range
Equity	100%	50% - 100%
Fixed Income	0	0 – 50%
Cash	0	0 – 50%

- Benchmark: 80% MSCI All Country World Index  
20% Barclays Capital Aggregate Bond Index

#### Balanced Portfolio

The primary objective is to seek capital appreciation in a balanced public equity and fixed income portfolio. The secondary objective is to generate income commensurate with the long-term grantmaking preferences of the fund.

	Target	Allowable Range
Equity	50%	35% - 65%
Fixed Income	50	35% – 65%
Cash	0	0 – 15%

- Benchmark: 50% MSCI All Country World Index  
50% Barclays Capital Aggregate Bond Index

### AMENDMENT

The Individually Managed Funds Program and all activities of GTCF are subject to the terms and conditions of GTCF's Fund Agreement, GTCF's Investment Policy Statements, the current management fee schedule and the Individually Managed Funds Program Policy and Procedures. The Board of Directors reserves the right to modify GTCF's Fund Agreement, GTCF's Investment Policy Statements, the management fee schedule and the Individually Managed Funds Program Policy and Procedures at any time.

Approved by the Investment Committee on 6.13.2018.