

Statement of Investment Objectives and Guidelines



In order to ensure that the Independent Charitable Gift Fund's (iGiftFund) assets are invested in a prudent manner, iGiftFund's Board of Directors has established the following Statement of Investment Objectives and Guidelines.

I. SCOPE

This Statement establishes the framework governing the investment of assets held in Funds sponsored by iGiftFund and the financial advisors, including Registered Investment Advisors (RIAs) and Registered Representatives (Brokers), who manage those assets.

II. AUTHORITY AND RESPONSIBILITY

THE BOARD OF DIRECTORS

iGiftFund's Board of Directors has ultimate responsibility and control of the investment of iGiftFund's assets, including assets held in the Funds it sponsors.

As required by IRS regulations and the iGiftFund Code of Regulations, the Board oversees financial advisors who manage Fund assets and takes appropriate steps to ensure that each advisor operates in accordance with:

- this Statement of Investment Objectives and Guidelines
- the applicable regulatory standards of care to which the advisor is held

THE CEO

The CEO is responsible to the Board for:

- formulating investment strategies
- appointing and removing financial advisors
- authorizing the purchase or sale of securities and the disposition of investments
- monitoring portfolios for compliance with approved policies and guidelines
- reporting to the Board on material matters relating to investment of iGiftFund assets

The CEO is empowered to appoint financial advisors to provide investment management services in accordance with their accepted regulatory standard of care.

Only the CEO may approve a financial advisor's written request to deviate from this policy. Any material deviations shall be reported to the Board at the next regularly scheduled Board meeting.

Notwithstanding the advisory privileges of donors or the involvement of financial advisors, iGiftFund retains exclusive legal ownership and ultimate authority over the investment and disposition of all assets held in donor advised funds.

THE DONOR

A donor retains the privilege to advise iGiftFund regarding the investment of assets held in the donor's fund, including:

- the custodian where assets will be held
- the financial advisor who may manage the investments
- the role that the financial advisor will play in the investment management of assets
- the investment strategy and selection of investments

These privileges are advisory in nature. They do not confer ownership or control over the assets.

THE ROLE OF THE FINANCIAL ADVISOR

iGiftFund recognizes that both the Registered Investment Advisor model and the broker dealer model play important roles in serving the investment objectives of iGiftFund while responding to the philanthropic interests of donors.

Upon the advice of the donor, iGiftFund may select the donor's trusted investment professional in one of the following capacities.

REGISTERED INVESTMENT ADVISOR (RIA)

As an RIA, the financial advisor:

- consults with and provides investment advice to donors and iGiftFund
- manages investments in accordance with this Statement of Investment Objectives and Guidelines
- receives advisory fees for these services
- is held to a fiduciary standard of care under the Investment Advisers Act of 1940

In the event there is a conflict with any advisory agreement between the financial advisor (and/or their firm) and iGiftFund, this Statement of Investment Objectives and Guidelines, said advisory agreement shall not supersede or override this Statement nor any iGiftFund policy or authority iGiftFund has respect to assets owned by iGiftFund.

REGISTERED REPRESENTATIVE (BROKER)

As a broker, the financial advisor:

- consults with the DAF donor(s) and iGiftFund
- executes purchase and sale transactions as directed by iGiftFund
- may receive commissions on transactions
- is held to a suitability standard of care under the Securities Exchange Act of 1934 and FINRA rules

III. INVESTMENT OBJECTIVES

To ensure that assets held in Funds sponsored by iGiftFund are invested prudently, the following Investment Objectives and Guidelines apply to all Funds managed by financial advisors.

RATE OF RETURN

The primary investment objective for separately managed accounts is to strive to achieve a five-year rate of return, adjusted for additions, withdrawals, and investment management expenses, that exceeds inflation as measured by the Consumer Price Index by approximately four percent (4.0%).

Assets should also be managed in a manner consistent with iGiftFund grant making and liquidity needs.

VOLATILITY OF RETURNS

iGiftFund recognizes that in order to achieve its investment objectives, portfolios will experience volatility of returns and fluctuations in market value.

ASSET ALLOCATION

Asset allocation between equities and fixed income securities is expected to be the primary driver of portfolio risk and return.

Equity securities will generally comprise between fifty percent (50%) and one hundred percent (100%) of invested assets.

MARKETABILITY OF ASSETS

iGiftFund generally requires that the majority of assets be invested in liquid, publicly traded securities.

Exceptions may be approved in writing by the CEO prior to the investment provided that the financial advisor presents a detailed investment plan.

Liquid securities are those that can be traded quickly and efficiently with minimal market impact and without significant penalties or fees.

LIQUIDITY MANAGEMENT

To facilitate grant distributions, administrative expenses, and other operational needs, iGiftFund maintains a liquidity account for each Fund.

This liquidity account is held by iGiftFund in a money market account and is not managed by the Fund's financial advisor.

The liquidity account is typically established when a Fund is initially funded and is generally maintained at approximately 1% of Fund assets, subject to a maximum of \$10,000 for larger Funds and a minimum balance of \$600 for smaller Funds.

The liquidity account may be adjusted periodically based on grant activity, administrative expenses, and other operational needs. For Funds with frequent grantmaking activity, transfers between advisor-managed accounts and the liquidity account may occur more frequently in order to maintain adequate liquidity.

iGiftFund's Fiscal team monitors liquidity account balances and may, at any time, rebalance assets between advisor-managed accounts and the liquidity account, or request transfers from advisor-managed accounts, as necessary to support grantmaking and operational activity.

Balances held in the liquidity account are reflected in the Fund balance displayed in the donor portal available to donors and financial advisors.

IV. INVESTMENT GUIDELINES

iGiftFund intends not to employ market timing techniques and not to experience high portfolio turnover rates.

Financial advisors may request, in writing to the CEO, approval for exceptions to these guidelines.

The CEO may approve exceptions to these guidelines in limited circumstances when it is determined that such investments are consistent with the responsibilities of iGiftFund and the investment objectives of the Fund. Any such exception must be approved by the CEO, in writing, prior to the investment.

SPECIFICALLY ALLOWABLE INVESTMENTS

Cash equivalents including treasury bills, money market funds, commercial paper, repurchase agreements, certificates of deposit, and interest-bearing checking and savings accounts

- Publicly traded domestic and international equities and fixed-income securities, including common stocks, bonds, notes, preferred stocks, mortgage-backed securities, and American depositary receipts (ADRs) of non-U.S. companies
- Mutual funds investing primarily in securities that are allowed in this Statement
- Real estate investment trusts
- Exchange traded funds
- Covered calls
- Hedge funds

V. SAFEKEEPING AND CUSTODY

All securities purchased shall be held in a safekeeping account with a reputable and insured custodial institution.

SPECIFICALLY DISALLOWED INVESTMENTS

- Debt financed investments including margin purchases
- Short-selling
- Derivative securities including options and futures contracts
- Restricted stock
- Stock of closely held companies
- Real estate
- Partnership interests
- Loans to individuals or businesses (except specifically allowed fixed income securities as previously defined)
- Artwork
- Municipal bonds and other tax-exempt securities
- Other non-marketable or hard to value assets

Financial advisors are responsible for notifying the CEO if any restriction within this Statement prevents the investment program from achieving the objectives described herein.

VI. PERFORMANCE REVIEW AND EVALUATION

iGiftFund intends to provide performance information to the financial advisor at least annually after the end of the calendar year.

Investment performance will be measured on a net total rate of return basis including dividend income, interest income, market value changes, and investment management fees.

Performance will be evaluated relative to:

- CPI plus 4.0%
- a composite market index assuming a sixty percent (60%) allocation to the S&P 500 Index and forty percent (40%) allocation to the Barclays Aggregate Bond Index

Performance comparisons will generally include one-year, three-year, and five-year periods when available.

iGiftFund reserves the right to terminate an investment manager for:

- sustained underperformance relative to benchmarks
- failure to adhere to this Statement of Investment Objectives and Guidelines
- failure to meet communication or reporting expectations
- significant qualitative changes within the investment management organization

The CEO will be responsible for providing a system to review the performance of each investment manager annually and provide a written summary to the Board of Directors.

VII. INVESTMENT POLICY REVIEW

To ensure continued relevance, the Board intends to review this Statement of Investment Objectives and Guidelines annually.

Financial advisors managing assets of Funds sponsored by iGiftFund are required to comply with this Statement of Investment Objectives and Guidelines as provided in the Financial Advisor Participation Agreement.

Adopted: April 2017 | **Last Updated:** May 2026