

PROFESSIONAL ADVISORS

Advisor-Managed Funds—Overview



The Community Foundation of the Ozarks pursues its mission through resource development, community grantmaking, collaboration and public leadership. To this end, we are committed to providing the best resources and services so donors can connect passion to purpose.

Donors can choose to recommend their own investment advisor when establishing a charitable fund with the CFO or one of its regional affiliate foundations. This allows donors to retain the relationship with the investment advisor while allowing the CFO to do what it does best—administer the charitable side of the fund.

Primary benefits

Advisor-Managed Funds allow donors and their trusted professionals to:

- ▶ Maintain the assets under management, subject to the CFO's approval and investment policy;
- ▶ Access all the services provided by the CFO, such as philanthropic and community expertise, charitable planning, and grant administration; and
- ▶ Avoid the burden of establishing and managing a private foundation.
- ▶ Avoid the need to establish individual accounts for each client.

How it works

1 Become an advisor-manager of the CFO by opening a pooled account with a minimum of \$100,000, subject to approval of the CFO's Investment Advisory Board and staff.

2 Once the pool/account is established, the investment advisor develops an investment portfolio aligned with the CFO's investment policy statement.

3 Once the \$100,000 minimum has been met, the investment advisor may have additional clients that want to establish charitable funds. Funds must maintain a minimum balance of \$25,000.

Additional benefits

- ▶ The CFO provides personal, exceptional and local service. No case numbers, no call centers. The annual administrative fees paid for management stay local and are ultimately reinvested in the community.
- ▶ If a fund needs to be amended or changed, there is no cost to the client and no burden to the advisor.
- ▶ Funds established at the CFO save money and often taxes for the client. Gifts to the CFO, including advisor-managed funds, are tax-deductible to the fullest extent allowed by the IRS.
- ▶ CFO funds only have one administrative fee—no extra or hidden costs for grants or other services.
- ▶ Donors have access to view fund information 24/7 through the CFO's website and donor platform.

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Advisor-Managed Funds—FAQ



What is an advisor-managed fund?

A charitable fund that allows the donor to recommend an investment advisor to retain the asset management while working with the CFO to realize the donor's charitable goals.

What is the minimum amount required?

To begin an advisor-managed relationship with the CFO, the advisor must have a \$100,000 pooled account. Individual fund minimums within the pool are \$25,000 for endowed funds and \$50,000 for a non-endowed fund that will maintain a minimum balance of \$25,000. Once the \$100,000 threshold is reached, only the individual fund minimums are required.

What are the fees?

The CFO's management fee is 1.15% annually charged on an average daily balance of the fund and assessed on the 15th of each month. The fees cover the CFO's cost of fund administration and community philanthropy resources and leadership. A fund with a balance of \$2 million or more may be negotiated. The investment advisor's fees also will be charged separately.

Who owns the fund?

The fund is owned by the Community Foundation of the Ozarks under the EIN 23-7290968. The pooled account opened by the investment manager will be titled in the CFO's name.

What investment firms can participate in the program?

To provide maximum service and flexibility to our donors, the program is open to any licensed investment advisor that can open a custodian account in the CFO's name. The program is open to any Registered Investment Advisor (RIA) who is also licensed with FINRA.

What reporting requirements are expected of the investment advisor?

After the investment advisor is approved by the CFO's Investment Advisory Board and staff, the advisor is expected to provide monthly paperless statements, quarterly investment reports, integration with a data aggregation service as necessary and an annual review of the investment pool's performance. Additional oversight requirements may be requested.