



Fund Management Policy

Charitable funds of the Greater Alliance Foundation will be held and administered in accordance with the following policies:

1. **Administrative Fee:** An administrative fee will be assessed to all component funds of the Foundation (endowment funds, donor advised funds, special purpose funds, etc.). The administrative fee will be determined and paid quarterly, based upon the balance in any such account or fund on the first day of each calendar quarter. (See Administrative Fees attached)
2. **Trustee's Fee:** The Foundation will assess a Trustee's Fee for its fiduciary services to each charitable trust (i.e. charitable "split-interest" trusts, charitable remainder unitrust or annuity trusts). The trustee's fee will be determined and paid quarterly based upon the balance in any such account or fund on the first day of each calendar year.
3. **Investment Policy:** The Foundation has an investment policy which is reviewed annually at the annual meeting of the Greater Alliance Foundation Trustees.
4. **Allocation of Investment Income, Gains and Losses:** Investment income from any source derived, including interest and dividends, together with both realized and unrealized capital gains and losses, less any asset management or brokerage fees, will be allocated ratably adjusted to reflect contributions and distributions to the component funds of the Foundation on a quarterly basis. In the event that a substantial or complete distribution is being made from a charitable fund, then the Trustees shall allocate investment return to such fund prior to making a substantial or complete distribution of the fund. For purposes of this paragraph, a substantial distribution will be any distribution greater than thirty percent (30%).

The Foundation will generally provide quarterly statements to each charitable organization for whom an endowment or similar fund has been established, and to the Advice Committee (or similar body) or any donor advised fund. The current beneficiaries of any charitable fund shall be provided with a trustee's report pursuant to Code Section 5808.13.

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The Foundation may elect to combine the assets and funds constituting a charitable fund with others for investment purposes or to segregate and maintain separate accounts for individual charitable funds. The allocation of investment returns and calculation of administrative or trustee's fees will be based upon the respective investment accounts holding the assets of each such charitable fund or trust.

The Trustees may, from time to time, amend or modify the Fund Management Policy. No such amendment or modification shall be effective less than ninety (90) days after the same is adopted by the Trustees of the Foundation.

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Investment and Management Guidelines

Introduction: The role of the Greater Alliance Foundation Board of Trustees is to preserve the assets of the Greater Alliance Foundation from inflation and to generate a continuous flow of revenues to prolong the Greater Alliance Foundation mission indefinitely. This will allow stable contributions toward operating expenses during times of weak financial markets and high or low inflation, without endangering the endowment's long term health, or jeopardizing growth of endowment assets.

Investment Objectives: The Greater Alliance Foundation Board will provide an opportunity to add to the financial strength of the Greater Alliance Foundation through directing longer term investment planning and execution by the investment manager(s) appointed by the Greater Alliance Foundation Board.

The Board shall appoint one or more investment managers to assume management of Greater Alliance Foundation funds and other assets, subject to certain restrictions. In carrying out the responsibilities, each manager shall utilize the Investment and Management Guidelines, subject to exceptions that may from time to time occur, which must first be approved by the Board. The Guidelines may be revised from time to time by the Board. The Board will advise the managers promptly of any such revisions. The Board expressly reserves the right to permit exceptions.

Capital Preservation: Within the context of the overall fund, capital preservation will be considered the primary requirement in the normal course of attaining long term total return in accordance with the described goals and risk descriptions.

Current Income: This will not be a limiting constraint on the choice of assets selected for inclusion in the fund. However, total return with minimum risk will be considered high priority. Thus, there will be a normal expectation of a high current income.

Liquidity Needs: Due to the conditions of the funding of the account, liquidity above normal levels may become more important. The investment manager and the Board should review the projected requirements or any other factor impacting the need for cash in the future in order to adapt investment planning into the account management.

Capital Appreciations: Unless otherwise directed by the Greater Alliance Foundation Board, capital appreciation will not be a high priority consideration in the management of these funds. Should the Greater Alliance Foundation determine that certain funds may have longer time horizons and be less risk averse, they may set up a separate fund seeking long term capital appreciation as a major component in the investment management process.

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Asset Allocation: As a general policy, the Board will maintain reasonable diversification at all times. Endowments should be invested within the following ranges:

- Fixed income 30-75%
- Equities 40-60%
- Cash 0-30%
- Real Assets 0-10% (Tradeable real estate funds, tradeable precious metals funds and tradeable operating companies like REITs and mining companies.)

The Board may direct individual investment managers to concentrate in a certain type of asset while maintaining overall Greater Alliance Foundation endowment allocation as recommended above.

Prohibited Securities or Transaction:

No put or call options.

No futures trading.

No short sales.

No hard assets such as diamond, gold, silver or platinum, except in tradeable form (such as ETFs).

No real estate, except tradeable REITs and real estate funds.

No investments that generate UBTI (unrelated business taxable income).

No use of margin.

Disposal: Each investment manager may dispose of any security in his/her investment portfolio when in such quantities as it deems to be in the best interest of the Greater Alliance Foundation. Each investment manager will dispose of any security upon advice from the Board. The investment manager will take timely action regarding the investment/disposal of donated stock unless specifically advised by the Foundation Board.

Investment Constraints: The investment manager shall have the power to invest and reinvest the assets in accordance with the guidelines provided in this policy as well as any specific directions provided in writing by the Greater Alliance Foundation. A Prudent Person rule is imposed on all financial managers. They must carry out their duties with the care, skill, prudence and diligence with which a prudent person acting in a like capacity would use under conditions prevailing at the time for an enterprise of a like character and with like aims.

Reporting: The manager will provide the Greater Alliance Foundation with a quarterly written statement containing all pertinent transaction details for each separately managed portfolio for the preceding quarter including:

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- The name and quantity of each security purchased or sold, with the price and transaction date;
- An analysis for each security of its description, percentage of total portfolio, purchase date, quantity, average cost basis, current market value, unrealized gain or loss, and indicated annual income and yield (%) at market;
- An analysis for the entire portfolio of the current asset allocation by investment category (equities, fixed-income securities, and cash reserves.); and
- Investment managers will meet with the Board at least annually.

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Administrative Fees

The Greater Alliance Foundation offers a charitable fund fee structure that is both cost-effective and supports our best-in-class services to donors and our philanthropic impact in the community.

Our tiered fee structure, charging a different fee for each tier, refers to price-break points. We pride ourselves on providing personalized guidance educating and connecting donors to community needs they care about and leading on local issues of importance.

Rather than establishing a minimum fund size to encourage donors time to build their fund, a minimum administrative fee of \$250 per fund may be charged.

First \$1,000,000	1% or 100 basis points
Next \$1,000,000	.75% or 75 basis points
Remaining Balance	.50% or 50 basis points

Sample Fee Calculations

Fund assets of \$10,000
 \$250 minimum fee applies: 1% of \$10,000 is less than \$250
 Total annual administrative fee = \$250 (\$63/quarter)

Fund assets of \$30,000
 1% fee on \$30,000 = \$300
 Total annual administrative fee = \$300 (\$75/quarter)

Fund assets of \$2,500,000
 1% fee on first \$1,000,000 = \$10,000
 .75% fee on next \$1,000,000 = \$7,500
 .50% fee on next \$500,000 = \$2,500
 Total annual administrative fee = \$20,000 (\$4,998/quarter)

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