



Individually Managed Fund Agreement

Silicon Valley Community Foundation offers donors the opportunity to recommend investment managers or firms to manage donated assets through its Individually Managed Fund policy ("IMF").

Recommended Individually Managed Fund investment manager or firm:

Primary Contact Name: _____

Firm Name: _____

Address: _____

Phone: _____ Email: _____

I understand that this recommendation is contingent upon Silicon Valley Community Foundation reviewing and approving the investment manager which includes compliance with the community foundation's policies. As a completed charitable donation, all assets are under the sole control and variance power of Silicon Valley Community Foundation. The investment manager reports to the community foundation and all investment decisions are made by the community foundation. The investment manager cannot be related to the fund advisor(s) or donor establishing the fund or otherwise be a disqualified person.

Investment performance will be monitored quarterly by the community foundation's investment consultant, investment committee and staff. The community foundation may replace the investment manager at its sole discretion, any time and for any reason, including, but not limited to i) personnel or organizational changes at the investment manager, ii) substandard performance, iii) excessive fees, iv) deviation from the terms of the IMF policy, or v) conflicts of interest or questionable ethical behavior. Before terminating a manager, appropriate due diligence will occur. The fund advisor(s) will be notified before or after termination depending on circumstances. Investment performance, volatility and expenses of the assets managed by the recommended investment manager may not be comparable with investment options of the same investment objective offered by the community foundation.

In addition to the regularly scheduled support fees, as detailed in the fund agreement, the community foundation charges the following fees to IMFs:

- One time set-up fee of \$1,000
- Annual investment oversight fee of:

Fund Balance	Investment Oversight Fee
\$2.5 million and above	0.05%
\$1.0 to below \$2.5 million	1.00%
Under \$1 million (for 6 consecutive months)	Assets transferred to investment pools at the community foundation

Name of Fund: _____

New Fund Existing Fund # _____

Fund Advisor Signature _____ Date _____

Individually Managed Funds Policy

Introduction

Silicon Valley Community Foundation is pleased to provide donors the option of a customized investment approach by recommending a preferred investment advisor of their choice. This approach allows donors and their investment advisors to maintain their professional relationships while furthering the donor's philanthropic goals.

Minimums

Fund size minimums vary based on the make-up of the investment portfolio. For portfolios holding traditional assets such as publicly traded equity and fixed-income securities, mutual funds and exchange traded funds, the minimum fund size is \$3 million. Inclusion of alternative investments such as private equity and hedge funds will be considered on a case-by-case basis for a minimum fund size of \$10 million.

Approval Process

The community foundation will work with the recommended advisor to establish an asset allocation that is appropriate to the donor's grantmaking goals and time horizon. The community foundation's investment committee must approve the recommended advisor and the advisor's proposed investment strategy. The investment committee generally meets quarterly. Every effort will be made to evaluate proposals in a timely manner, however, evaluation and approval may take up to three months to complete.

The advisor's proposed investment strategy should address the following points:

- Qualifications and credentials of the advisor, team and firm.
- Advisor's investment philosophy, approach and rebalancing process.
- Proposed target asset allocation, policy ranges and performance benchmark.
- Proposed investments for each asset class, including expenses, historical performance and proposed performance benchmarks.
- Fees charged by the advisor and in total for the portfolio.
- Sample investment management and custodial agreements.

Fees

Silicon Valley Community Foundation assesses support fees to cover the cost of administration and to continue its important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research and other activities. A one-time setup fee of \$1,000 is required to cover expenses associated with investment advisor due diligence and establishing new investment accounts. Each fund is charged 0.05% for investment oversight to help defray the cost of administration. Funds with balances below \$2.5 million will be assessed a 1% investment oversight fee. One-twelfth of support and investment oversight fees are assessed monthly based on average fund balance. Please refer to the current schedule of Support Fees for additional information.

Fund Balance Minimums

Funds with balances under \$1 million for six consecutive months will be transferred to the investment pools offered by the community foundation.

Responsibilities

All assets are under the sole control of the community foundation. As such, all investment decisions must be made by the community foundation. Investment performance will be reviewed quarterly by the community foundation's staff and investment committee. The investment advisor may be replaced at any time and for any reason, including but not limited to deviation from the terms of this policy, ethical or legal violations, performance which does not meet or exceed established benchmarks over a period of time, excessive fees or key staff changes.

Investment Advisor Responsibilities

The fund's investment advisor and underlying investment managers are held to the same high standards the community foundation employs for all its investment managers:

1. Following the Prudent Investors guidelines that are widely used in the investment management industry. These include but are not limited to fiduciary standards described in the Uniform Prudent Investor Act (UPIA), the Uniformed Prudent Management of Institutional Funds Act (UPMIFA) and the Global Investment Performance Standards (GIPS) that are promulgated by the Investment Performance Council of the CFA Institute.
2. As fiduciaries, all managers are expected to uphold the highest ethical standards and to carry out their investment responsibilities in order to promote the best interest of Silicon Valley Community Foundation.
3. Immediately reporting any findings against the firm or its principals, either by the SEC or any other regulatory authority. In addition, any lawsuits brought against the firm or its principals related to the firm's business activities should also be immediately reported to the community foundation.
4. Preparing quarterly written statements, including actions taken in the portfolio and expected changes in the portfolio.
5. Directing proxies to the community foundation or its delegate as instructed. If left to the manager, all proxies should be voted to increase shareholder value unless directed by the community foundation to do otherwise.
6. Attending meetings with the community foundation staff, its consultant and investment committee as needed.
7. Adhering to the investment strategy and policy for which the advisor was hired.
8. Executing all transactions in the best interests of its clients. This usually involves obtaining the best net realized price for a purchase or a sale. It also includes using commissions to obtain research or other services that are expected to enhance both the investment process and the returns.

9. Immediately communicating all pertinent changes to the community foundation. This includes, but is not limited to:

- Changes in personnel involved in the community foundation’s relationship
- Changes in ownership
- Changes in senior investment professionals’ responsibilities
- Changes in investment style or process
- Similar significant changes at underlying investment managers

Performance Reporting

The community foundation will compute and evaluate investment performance on a time weighted basis, net of fees, against the two benchmarks indicated in Appendix A. The investment advisor will independently report performance at least quarterly, on a time weighted basis and net of fees, against the same or similarly constructed benchmarks.

Advisor Acknowledgement

The undersigned investment advisor(s) to the _____ fund at Silicon Valley Community Foundation acknowledges receipt and agreement with this policy and its appendices.

Investment Advisor

Date

Investment Advisor

Date

Appendix A – Investment Guidelines

Asset Allocation

The community foundation believes asset allocation and regular rebalancing are primary drivers of consistent performance and that individually managed funds should follow an asset allocation strategy that is largely identical to that of other funds of similar size, time horizon, spending policy and risk profile.

Investment advisors will propose an investment strategy that is appropriate to the size of the fund and aligned with the donor’s philanthropic goals. The proposed strategy will employ a diversified mix of asset classes and investment styles. Portfolios will be monitored for consistent application of the investment strategy. Advisors are encouraged to use a format similar to the example below for proposing the investment strategy and allocation, the details of which will vary based on fund size, donor objectives and advisor strategy.

Example Proposal Format

Asset Class	Investment	Benchmark	Allocation	Target	Range	Fee Structure	Total
Fixed Income			\$ 3,000,000	30%	20-40%		
U.S.	name	benchmark	\$ 2,000,000	20%	15-40%	mngd acct	0.80%
Global	name	benchmark	\$ 1,000,000	10%	0-20%	mutual fund	0.92%
U.S. Equities			\$ 4,700,000	47%	40-60%		
Large Cap	name	benchmark	\$ 2,500,000	25%	20-30%	mngd acct	1.00%
Mid Cap	name	benchmark	\$ 1,300,000	13%	10-20%	mngd acct	1.00%
Small Cap	name	benchmark	\$ 900,000	9%	5-15%	mngd acct	1.00%
Non-U.S. Equities			\$ 2,000,000	20%	10-30%		
Developed Markets	name	benchmark	\$ 1,500,000	15%	10-20%	mngd acct	1.00%
Emerging Markets	name	benchmark	\$ 500,000	5%	0-10%	mutual fund	1.00%
Alternative/Other			\$ 300,000	3%	0-5%		
strategy name	name	benchmark	\$ 300,000	3%		ETF	0.75%
	name	benchmark	\$ -	0%			
TOTAL			\$ 10,000,000	100%		Total Expenses:	0.94%

Performance Reporting

The community foundation will compute and evaluate investment performance on a time weighted basis, net of fees, against a “market benchmark” that best approximates the portfolio’s exposure to risk using a simple mix of stocks and bonds, and against a “composite benchmark” that is comprised of various indices weighted by the target allocation to each asset class represented in the portfolio. Investment advisors should use the table below to indicate proposed benchmark weightings. The investment advisor will independently report performance at least quarterly, on a time weighted basis and net of fees, against the same or similarly constructed benchmarks. The advisor may utilize additional benchmarks.

Performance Benchmarks

Investment advisors should use the following table to indicate the proposed benchmark weightings.

1. Market benchmark: ___ % S&P 500 Index / ___ % Barclays Capital U.S. Aggregate
 OR: ___ % MSCI AWC / ___ % Barclays Capital U.S. Aggregate
2. Composite benchmark (weighted by target asset allocation to each asset class):

<u>%</u>	<u>Asset Class</u>	<u>Benchmark</u>
Equity		
___	U.S. Large Cap Equity	S&P 500
___	U.S. Mid Cap Equity	Russell Midcap
___	U.S. Small Cap Equity	Russell 2000
___	_____	_____
___	Foreign Developed Equity	MSCI EAFE
___	Emerging Markets Equity	MSCI Emerging Markets Free
___	_____	_____
Fixed Income		
___	U.S. Aggregate Bonds	Barclays Capital U.S. Aggregate
___	Global Bonds	Citigroup World Government
___	U.S. High Yield Bonds	Merrill Lynch High Yield Master
___	Treasury Inflation Protected Securities	Barclays Capital U.S. Treasury: U.S. TIPS
___	Intermediate Term Bonds	Barclays Capital U.S. Aggregate Intermediate
___	Short Term Bonds	Citigroup Govt./Credit 1-3 Year
___	_____	_____
___	_____	_____
Alternatives/Other		
___	_____	_____
___	_____	_____
___	_____	_____
___	_____	_____
___	_____	_____
___	_____	_____
Cash		
___	Cash and Equivalents	U.S. Treasury Bills
100%	Total	

Appendix B – Investment Guidelines by Asset Class

The community foundation has adopted the following guidelines and restrictions for each asset class as listed in Appendix A. The guidelines below apply to separate accounts managed by the advisor or by managers selected by the advisor to the extent that a particular asset class is included in the portfolio. For mutual funds and commingled funds, restrictions are established by the offering documents for each investment.

1. Domestic Equity (Large/Mid/Small Capitalization)

- The domestic equity portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies, which together achieve the desired degree of diversification.
- Domestic equity managers are permitted to hold up to 10 percent (10%) of the portfolio in American Depository Receipts (“ADRs”) or foreign domiciled companies whose equity securities are traded in U.S. markets.
- No more than seven percent (7%) at cost or 10 percent (10%) at market of the manager’s portfolio may be held in the securities of a single issuer.
- The community foundation does not apply strict rules to define small, middle or large capitalization stocks. However, it is expected that the weighted average market capitalization of each managers’ portfolio will be within 25 percent (25%) of their primary market benchmark.
- Short selling of securities is prohibited.
- Derivative instruments such as financial futures and options may not be used without the prior approval of the community foundation.
- A manager may only deviate from these guidelines with the advance permission of the community foundation.

2. International Equity (Developed and Emerging)

- The following definitions should be used to distinguish between developed and emerging markets securities:
 - ***International Developed Equity.*** Listed equity securities traded on developed non-U.S. markets. Developed markets are defined as those included in Morgan Stanley’s EAFE index plus Canada.
 - ***Emerging Markets Equity.*** Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market not included in Morgan Stanley’s EAFE index plus Canada.

- The portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies, which together achieve the desired degree of diversification.
- For managers who are hired to invest in developed markets, securities within the portfolio must be held in a minimum of three countries at all times with no more than 30 percent (30%) of the portfolio to be held in emerging markets countries. For managers hired to invest in emerging markets, securities within the portfolio must be held in a minimum of three countries at all times.
- No more than seven percent (7%) at cost or 10 percent (10%) at market of the portfolio may be held in the securities of a single issuer.
- Short selling of securities is prohibited.
- Currency exposure may be hedged back to the U.S. dollar. The decision to hedge is left to the manager's discretion.

3. Alternative Investments

Alternative investments such as hedge funds, real estate, real assets and private equity will be considered on a case by case basis for funds of \$10 million or more. These investments will be made via limited partnerships and commingled funds. Therefore, restrictions are established by the offering documents for each investment. Please refer to Exhibit C for hedge funds specifically.

4. U.S. Fixed Income

- The duration of the portfolio should be within 25 percent (25%) of the duration of the manager's market benchmark.
- The portfolio may invest in the following classes of fixed income securities:
 - Bonds or notes issued by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the U.S. Government
 - Mortgage-backed securities
 - Corporate bonds issued in the U.S. and denominated in U.S. dollars
 - Asset-backed securities
 - Non-U.S. bonds or notes issued by either foreign governments or corporations, subject to limitations noted below.
- Investment grade bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of AA-. High yield bond managers are expected to maintain an average quality rating for their portfolio that does not fall below an S&P rating of B-. For securities not rated by S&P, classification by other major ratings

agencies will be used. If securities are un-rated, the Foundation will assess risk and compliance with this policy based on the portfolio's strategy. For the purpose of calculating average quality ratings, securities issued or fully backed by the full faith and credit of the U.S. Government shall be considered AAA.

- For investment grade managers, up to 20 percent (20%) of the portfolio's duration weight may be held in below investment grade securities.
- Up to 25 percent (25%) of the portfolio's duration weight may be held in the securities of foreign issuers. It is expected that the preponderance of the currency exposure associated with these holdings will be hedged.
- No more than five percent (5%) at market of the portfolio may be held in the securities of a single corporate issuer. This restriction does not apply to securities issued by the U.S. Government or a U.S. Government Agency backed by the full faith and credit of the U.S. Government.
- Derivative instruments may be utilized by the manager in order to obtain more efficient exposure to a specific type of security. However, at no time may derivative instruments be used to leverage the portfolio. In addition, it is expected that a manager will have thoroughly tested the behavior of the derivative instrument under a variety of market conditions before purchasing the instrument for the portfolio.

5. Global Fixed Income

- The duration of the portfolio should be within 25 percent (25%) of the duration of the manager's market benchmark.
- The portfolio may invest in the following classes of fixed income securities issued by U.S. or non-U.S. entities:
 - Government bonds or notes
 - Mortgage-backed securities
 - Corporate bonds issued in the U.S. and denominated in U.S. dollars
 - Asset-backed securities
- The manager is expected to maintain a weighted average quality rating for the portfolio that does not fall below an S&P rating of AA-. For securities not rated by S&P, classification by other major ratings agencies will be used. If securities are un-rated, the Foundation will assess risk and compliance with this policy based on the portfolio's strategy. For the purpose of calculating average quality ratings, securities issued or fully backed by the full faith and credit of the U.S. Government shall be considered AAA.
- Up to 20 percent (20%) of the portfolio's duration weight may be held in below investment grade securities.
- No more than five percent (5%) at market of the portfolio may be held in the securities of a single corporate issuer.

- Derivative instruments may be utilized by the manager in order to obtain more efficient exposure to a specific type of security. However, at no time may derivative instruments be used to leverage the portfolio. In addition, it is expected that a manager will have thoroughly tested the behavior of the derivative instrument under a variety of market conditions before purchasing the instrument for the portfolio.

6. Cash and Equivalents

- A key objective for cash investments is to maintain price stability at all times although this is not guaranteed.
- The weighted average maturity of the money market securities segment of the portfolio will generally be less than or equal to 90 days. Certificate of Deposits will be purchased using a laddered approach to maturities which could involve the use of longer maturities, although this portfolio will be structured to maintain adequate liquidity for the pool as a whole.
- Within the money market securities segment, the portfolio will generally be invested in money market securities that are in the highest ratings categories for short-term instruments. Furthermore, the portfolio may invest in the following:
 - Obligations of the U.S. Government (including its agencies and instrumentalities)
 - Short-term corporate debt securities of domestic and foreign corporations
 - Obligations of domestic and foreign commercial banks, savings banks, and savings and loan associations
 - Commercial paper

Appendix C - Alternative Investment Guidelines

Alternative investments include private equity, real estate, commodities and hedge funds. In general, alternatives will only be considered if the investment in question is one that the community foundation would add to its own portfolio. Proposed investments in alternative asset classes will be considered on a case-by-case basis.

Hedge Fund Guidelines

- No more than 20 percent (20%) of the donor's fund may be invested in hedge funds.
- Fees will not exceed 2% plus 20% of the profits for individual hedge funds.
- Fees will not exceed 1%, inclusive of any expected carry, for hedge fund-of-funds.
- The hedge fund portfolio must be sufficiently diversified. For example, a minimum of two fund-of-funds or four individual fund managers with different investment strategies is preferable. Proper diversification is also dependent on the size of the allocation within the overall portfolio with larger manager counts needed for larger allocation sizes.
- Historical performance of the fund must be at least 200 basis points per annum ahead of the HFRI Fund of Funds Index over multiple time periods—five years minimum.
- Fund-of-funds managers may not offer their own hedge funds, provide service of any kind to hedge fund managers in the portfolio, or accept compensation of any kind from hedge fund managers, thereby avoiding conflicts of interest. This restriction effectively eliminates most investment bank offered funds due to their prime brokerage businesses.
- Fund managers must supply the community foundation with monthly statements summarizing performance, investments and activity.
- Fund-of-funds will not use leverage at the fund-of-funds level.
- Fund-of-funds managers will limit total assets to a reasonable level (e.g., under \$5 billion).
- Lockup periods will not exceed 12 months.

Advised Fund Agreement

Silicon Valley Community Foundation
www.siliconvalleycf.org

- Establish a New Fund
- Update Fund Information

- Type of Fund**
- Donor Advised
 - Committee Advised
 - Memorial
 - Scholarship:
 - Donor Involved
 - Foundation Managed

Name of Fund

e.g., Smith Family Fund or Eucalyptus Fund

Primary Contact Information

Role: (Select only one primary contact on this form. Check all that apply.)

- Fund Advisor** Individual has full advisory privileges over a fund, including grant recommendations, investment recommendations, naming of successor advisors and other fund administration advisory privileges.

Name Male Female

Mailing Address Home Business

City State Zip

Business Phone

Home Phone Mobile Phone

Email Address

Company Name

Title

Date of Birth

- For Internal Use Only
- Establishing Donor
 - Founder

Additional Contact Information

Role: (Check all that apply.)

- Fund Advisor** Individual has full advisory privileges over a fund, including grant recommendations, investment recommendations, naming of successor advisors and other fund administration advisory privileges.
- Secondary Advisor** Individual has full advisory privileges over grant recommendations but no other fund administration advisory privileges.
- Fund Representative** Individual has access to fund information but no advisory privileges.

Name Male Female

Mailing Address Home Business

City State Zip

Business Phone

Home Phone Mobile Phone

Email Address

Company Name

Title

Date of Birth

- For Internal Use Only
- Establishing Donor
 - Founder

Advised Fund Agreement

Referral Information

Referred to Silicon Valley Community Foundation by

Professional Advisor's Company and Title

Relationship

Mailing Address

Add my professional advisor as a fund representative.

City

State

Zip

Phone

Email

Donor Advised Fund Successor Election (Optional)

Fund Advisors may create a succession plan for the fund by appointing a maximum of two successor advisors. Successor advisors assume the privilege to advise a fund only after all of the initial fund advisors are unwilling or unable to exercise their privilege to do so. Please refer to the Fund Terms and Conditions for additional information for eligibility requirements.

I do not wish to name successor advisor(s).

Successor Information

Name Male Female

Mailing Address

City State Zip

Home Phone Mobile Phone

Date of Birth

Preferred Email Address

Relationship to Fund Advisor(s)

Successor Information

Name Male Female

Mailing Address

City State Zip

Home Phone Mobile Phone

Date of Birth

Preferred Email Address

Relationship to Fund Advisor(s)

Questions? Contact the development department at donate@siliconvalleycf.org or call 650.450.5444.

Advised Fund Agreement

Fund Creation

Initial gift to establish a fund: \$ _____

- Check made payable to Silicon Valley Community Foundation
- Securities (Please complete the Securities Transfer Letter)
 - Publicly Traded
 - Privately Held*
 - Restricted*
- Wire*
- Other*

Please describe the gift (interfund transfer, credit card, personal property, real estate, testamentary):

**Additional information will be required. Please contact the community foundation at 650.450.5444.*

Community Endowment Fund

The Community Endowment Fund is a permanent charitable resource that grows through your support and provides invaluable funding to local nonprofit organizations. When you give to the endowment, you are helping to meet the needs of our community today and for years to come by supporting Santa Clara and San Mateo counties in perpetuity.

- I would like to make an additional gift to the Community Endowment Fund: \$ _____

Total gift to the community foundation:

\$ _____

Investment Allocation

Please refer to the attachments regarding investment pool information and allocation. If you need additional information, please contact the community foundation.

- I have completed the Investment Allocation form.
- I would like to request an Individually Managed Fund and have completed the form.

Grantmaking

Each grant made from an advised fund is mailed with a custom grant award letter.

Specify below how you would like the name(s) of the fund advisor(s) to appear in the custom grant award letter:

e.g., Mr. and Mrs. Mark Smith, Jane and Mark Smith, The Smith Family

- Please make all grants from the fund anonymous.
Note: Anonymity can be customized on a grant by grant basis.

Acknowledgement by Nonprofits

Mail the community foundation receives for the fund will not be forwarded. However, organizations that have received grants may wish to send information to you directly. Please indicate your contact preference for the custom grant letter (**select one**):

- Provide my home address.
- Provide my business address.
- Do not provide my address.

Questions? Contact the development department at donate@siliconvalleycf.org or call 650.450.5444.

Advised Fund Agreement

Acknowledgement and Signatures

I acknowledge that I have read the Silicon Valley Community Foundation Support Fees and Minimums and Fund Terms and Conditions and agree to the fees, terms and conditions described therein. I understand any contribution, once accepted by the community foundation's board of directors, represents an irrevocable gift to Silicon Valley Community Foundation. The community foundation's board of directors has variance power under IRS regulations, and this gift is not refundable to me.

I hereby certify, to the best of my knowledge, all information presented in connection with this form is accurate, and I will notify Silicon Valley Community Foundation promptly of any changes.

Signature

Print Name

Date

Signature

Print Name

Date

Silicon Valley Community Foundation Signature

Authorized Signature

Print Name

Title

Date

Special Instructions

Please return this form to:

Silicon Valley Community Foundation

Attention: Development Department
2440 West El Camino Real, Suite 300
Mountain View, California 94040-1498

Phone: 650.450.5444 | Fax: 650.450.5401 | donate@siliconvalleycf.org

Planned Gifts

- I have remembered the community foundation in my estate plans.
- I would like more information on how to include the community foundation in my estate plans.

Questions? Contact the development department at donate@siliconvalleycf.org or call 650.450.5444.

Investment Allocation

Silicon Valley Community Foundation
www.siliconvalleycf.org

Please indicate your recommended investment allocation below. Refer to the Investment Options information sheet for a detailed description of each investment pool.

Name of Fund

e.g., Smith Family Fund or Eucalyptus Fund

- New Fund
 Existing Fund # _____

You may allocate your contribution to one or more of the following five investment pools. The total must equal 100%.

_____	% Long-Term Growth	For funds that will be invested seven or more years
_____	% Social Impact	For funds that will be invested seven or more years
_____	% Balanced	For funds that will be invested three to seven years
_____	% Short-Term	For funds that will be distributed in one to three years
_____	% Capital Preservation	For funds that will be distributed in one year or less

100% Total

Future contributions will be invested according to the allocation specified above. Investment allocations can be changed through written instruction once per year or upon a significant change in charitable goals and time horizon for depleting the fund. Reallocations occur on the first business day of the month.

Please contact the community foundation at donate@siliconvalleycf.org or 650.450.5444 if you have questions or need additional information.

Fund Advisor Signature

Date

Updated June 2012
Investment Allocation

EFTA_R1_00246334

EFTA01851921

Investment Options

Silicon Valley Community Foundation
www.siliconvalleycf.org

Silicon Valley Community Foundation offers a variety of investment options, each of which is designed to meet a range of philanthropic goals and time horizons. Each of our investment pools are carefully constructed and diversified across global investment opportunities to maximize return and minimize volatility. As stewards of over \$2 billion in assets, our size provides access to world-class investment managers and alternative investment strategies only available to large institutional investors. Investments are monitored regularly by the community foundation's experienced investment committee, consultant and staff.

As a fund advisor, you may allocate to one or more investment pools, and you may change the investment allocation once per year or upon a significant change in charitable goals and time horizon for depleting the fund. The community foundation will maintain your fund's investment allocation through regular monthly rebalancing.

Long-Term Growth

time horizon
7 years or more



Diversified portfolio of global stocks, bonds and alternatives

45% equity, 30% alternatives and 25% fixed income
8% - 9% average annual expected return
0.85% - 0.95% estimated investment expense

Social Impact

time horizon
7 years or more



Diversified portfolio of global stocks, bonds and alternatives from companies with strong financial and social records

65% equity, 30% fixed income and 5% alternatives
7% - 8% average annual expected return
0.75% - 0.85% estimated investment expense

Balanced

time horizon
3-7 years



Balanced portfolio of global stocks, bonds and alternatives

52% fixed income, 38% equity and 10% alternatives
6% - 7% average annual expected return
0.60% - 0.70% annual investment expense

Short-Term

time horizon
1-3 years



Portfolio of short duration U.S. and global bonds

85% short-term bonds and 15% global bonds
2% - 3% average annual expected return
0.20% - 0.30% annual investment expense

Capital Preservation

time horizon
1 year or less



Portfolio of liquid, short-term securities

100% money market securities FDIC insured bank CDs
0.50% - 1.50% average annual expected return
0.10% - 0.20% estimated investment expense

Average annual expected returns are net of fees over full market cycles of seven years or more. Actual returns will fluctuate and may be negative from year to year for some pools. Alternative investments include hedge funds, private equity and real assets; they are included to enhance returns, dampen volatility and hedge against inflation. Expenses include investment management, consulting, administration and custody. Expenses do not include those of managers within fund-of-funds or the fund administrative support fee charged by the community foundation. Investment expenses are subject to change in response to portfolio changes.

Investment Options

INVESTMENT POOL DESCRIPTIONS

For Funds With Long-Term Time Horizons

Social Impact: This pool seeks long-term growth through a diversified portfolio of global stocks, bonds and alternative investments from companies with strong financial and social records. Investment managers may consider positive and negative social factors when evaluating companies, ranging from environmental sustainability to involvement with the manufacture of weapons, tobacco and alcohol. This pool is appropriate for assets that will remain invested for **at least seven years**. Assets are exposed to market risks and may experience significant volatility and principal loss from year to year. The projected near worst-case return per annum over three years is approximately -12%.

Long-Term Growth: This pool seeks maximum growth and controlled risk through a diversified portfolio of global stocks, bonds and alternative investment strategies. It is appropriate for assets that will remain invested for **at least seven years** to benefit from long-term opportunities that can only be realized from a patient investment strategy. Assets are exposed to market risks and may experience significant volatility and principal loss over the short term. The projected near worst-case return per annum over three years is approximately -8%.

Balanced: This pool is designed for growth at more moderate levels of risk. It is appropriate for assets that will remain invested for **at least three years**. Assets are exposed to market risks and may experience principal loss from year to year. The projected near worst-case return per annum over three years is approximately -6%.

For Funds With Short-Term Time Horizons

Short-Term: This pool is designed to outperform money market returns and provide a high degree of liquidity for near-term grant distributions. This pool is appropriate for assets that will remain invested for periods of **one year or more**. Market values should be relatively stable from year to year, but may experience periodic declines. The projected near worst-case return per annum over three years is approximately -5%.

Capital Preservation: This pool is designed to preserve principal and provide current income and liquidity by investing in high quality, short-term financial instruments. It is appropriate for fund advisors seeking stability or for that portion of a fund that is to be distributed as grants within **12 months or less**.

IMPORTANT INFORMATION

The investment return and principal value will fluctuate such that investments, when redeemed, may be worth more or less than their original cost. Projected near worst-case returns assume a three standard deviation event; larger deviations may occur. A small portion of each pool is held in cash to provide liquidity for distributions. The community foundation is not engaged in rendering legal, financial or tax advice. Please see the community foundation's materials on fees and minimums and terms and conditions for more information. This publication is a service to provide general information. Please consult your financial or legal advisor.

Greater Volatility



Lower Volatility

Contact Silicon Valley Community Foundation at donate@siliconvalleycf.org or 650.450.5444 for additional information regarding investment options or historical performance.

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Fund Terms and Conditions

Silicon Valley Community Foundation
www.siliconvalleycf.org

Tax Status of Contribution

Funds established at Silicon Valley Community Foundation (the "community foundation") are component funds of the community foundation, a Section 501(c)(3) public benefit corporation. Contributions other than cash or marketable securities must first be approved by the community foundation. All contributions to the community foundation's funds are treated as gifts to a public charity and are generally tax-deductible, subject to individual limitations. The community foundation does not provide tax or legal advice; we recommend consulting a professional advisor with questions about a gift to the community foundation.

Variance Power

As required by law, all assets contributed to funds become irrevocable gifts to the community foundation, and legal control and responsibility for the funds rest with the community foundation. All funds established at the community foundation are subject to the community foundation's variance power, as set forth in the community foundation's bylaws. Variance power gives the community foundation the authority to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgment of the community foundation's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

Investment of Assets

In making a gift to the community foundation, donors give up all right, title and interest to the assets contributed. In particular, donors cannot choose investments, investment managers or brokers after their gift has been made. The board of directors and investment committee of the community foundation have the right to make any or all investment decisions regarding gifts received, except that fund advisors have advisory privileges with respect to fund investments. All assets contributed to funds will be managed in the community foundation's investment pools. Investment allocations among the community foundation's investment pools can be changed no more than once per calendar year, unless a significant change to grantmaking or fund balance occurs and prudence requires a change. The community foundation may hold up to 5% of fund assets in non-interest

bearing cash at any time. All income and capital gains or losses will be allocated to the fund on a monthly basis.

A donor may recommend a customized investment approach through an outside investment advisor for funds carrying a significant balance. The community foundation's investment committee must approve the recommended advisor, the advisor's proposed investment strategy and underlying investments.

Fees and Minimums

There is no set-up fee to open a fund at the community foundation, however specific initial gift minimums must be met. Initial gift minimums vary by fund type. Once established, funds are required to maintain a \$1,000 minimum balance and are subject to support and investment fees. A list of current fees and initial gift minimums is available upon request. The community foundation reserves the right to change its fee or minimum policies at any time.

Role of Advisors

Donors establishing an advised fund may designate any person over 18 years of age to be an advisor on the fund. A fund can have more than one fund advisor but preferably no more than three. If a fund is advised jointly, upon the death of one fund advisor, the remaining fund advisor(s) retains the privileges associated with the fund.

Successor Advisors

The donor and any fund advisor may designate any person within one generation to be a successor advisor to exercise the privileges and duties of a fund advisor. Successor advisors may assume the privilege to advise the fund only after the deaths or resignations of all initial fund advisors named on the fund. The successor advisor(s) may be required to provide written notification and sufficient proof of the donor's or fund advisor's death prior to assuming the privileges and duties of a fund advisor. Successor advisors may not appoint further successors but may appoint additional fund advisors as long as they are in the same generation as the successor advisor. If the successor advisor is a minor, the community foundation's board of directors reserves the right to require that grant recommendations be made by the minor's legal guardian.

Fund Terms and Conditions

All requests to modify or appoint additional advisors and successor advisors to a fund must be communicated to the community foundation in writing. In addition, a written acknowledgement must be received from the community foundation confirming that the request has been granted. If the community foundation has not received the name(s) of an additional advisor(s) or successor advisor(s) to the fund, or other special instructions, in writing, the community foundation will use the fund's balance to support the community foundation's Community Endowment Fund.

The following Fund Advisory Privileges and Fund Relationship Definitions further explain the role of advisors and other interested parties to funds at the community foundation. These terms correlate to the Fund Agreement forms and will determine the fund's contacts and advisors.

Fund Relationship and Fund Advisory Privileges Definitions:

Primary Contact: One person per fund who should be contacted first for anything concerning the fund. This individual may or may not have fund advisory privileges.

Fund Advisor: Individual has full advisory privileges over a fund, including grant recommendations, investment recommendations, naming the fund and appointment of other fund advisors and successor advisors. (This is the highest level of authority.)

Secondary Advisor: Individual also has full advisory privileges over grant recommendations but has no other fund administration advisory privileges. (This is an intermediate level of authority.)

Fund Representative: Individual has access to fund information but no fund advisory privileges. (This is the lowest level of authority.)

Successor Advisor: The second generation fund advisor; he or she has no advisory privileges until the cessation to act of all initial fund advisors. (Primarily for donor advised funds, committee advised funds and scholarship funds.)

Fund Spending Policy

The community foundation recommends a minimum 5% annual distribution rate for all funds. For endowed funds, the community foundation's board of directors sets and monitors a required annual distribution rate that is calculated as a percentage of fund assets. This rate is based on 12

trailing quarter balances and is subject to change based on community needs, investment performance and the long-term preservation of endowment funds' principal. An endowed fund must be invested for a minimum of 12 months before the fund's initial annual distribution rate can be calculated.

Grant Disbursement

Grants must be for charitable purposes, and those grants may be recommended to any 501(c)(3) organization or verified charitable entity (e.g. schools, religious institutions) located in the United States or any nongovernmental organization outside of the United States having a verifiable charitable purpose. All grants directed outside of the United States must comply with federal government regulations, and the prospective grantee must be verified as the equivalent of a public benefit organization within the United States and must otherwise conform to all relevant U.S. federal and state laws. Grants may also be given for charitable purposes to non-501(c)(3) organizations if the charitable expenditure can be verified through a process called expenditure responsibility. Expenditure responsibility is required for any organization not described in IRS Section 170(b)(1)(A), including for-profit companies, private operating foundations and new public charities that do not yet have 501(c)(3) status and disqualifying supporting organizations.

Grants given to all 501(c)(3) public charities within the United States must be for a minimum of \$200. Grants given outside the United States or requiring expenditure responsibility within the United States must be for a minimum of \$1,000. Grant checks sent to organizations are accompanied by a community foundation letter specifying the name of the fund and the fund advisor's name(s) unless requested otherwise by the donor or fund advisor and as approved by the community foundation. The fund advisor's address may also be included on all letters if requested by the fund advisor. Mail which the community foundation receives for the fund will not be forwarded. Approved grants are typically sent within 10 working days of the recommendation being received or the fund advisor will be notified as to the reason for a delay. However, any fund submitting 20 or more grant recommendations at one time should allow up to two weeks for processing. Grants made from funds at the community foundation are issued on checks with the name and logo of the community foundation.

Fund Terms and Conditions

The community foundation shall assume responsibility for check writing, bookkeeping, investment management, tax reporting, auditing and evaluation of projects, and for making available to the fund advisors and fund representatives reports of fund income, expenses and grantmaking, as appropriate.

Restrictions on Grants

In compliance with the Internal Revenue Code, grants are not permitted to individuals, for non-charitable purposes; for political contributions or to support political campaign activities; or for any purpose that would provide benefits, goods or services to a donor to the fund, the fund's advisor(s) or other related parties. A fund advisor is subject to IRS penalties if the fund's donor(s), advisor(s) or other related parties receive benefits, goods or services in connection with a grant recommendation. This includes grants to satisfy pledges made by any person including a fund advisor and non-deductible (or partially tax-deductible) memberships, event tickets, sponsorships, registration fees in tournaments and cause-related marketing activities. Grants are not allowed to private non-operating foundations. Please contact the community foundation if you have questions about the exclusion of benefits from grant recommendations and/or multiple-year payments.

Payments from an Advised Fund

The community foundation does not permit expense reimbursements, loans, compensation or other similar payments from an advised fund to any donor, fund advisor or related party. All expenses must be paid by the community foundation directly after appropriate review of the expenses and their payees, and all expenditures must be preapproved by the community foundation prior to being incurred. The expense submitted for review must be charitable in nature or support a charitable purpose.

Fundraising Policy

On rare occasions, the community foundation may consider permitting a fund to raise money. All fundraising activities must be pre-approved by the community foundation. Fund advisors must allow at least 30 days for approval. Use of the community foundation's name on any fundraising material is expressly prohibited without prior written approval by the community foundation. The community foundation cannot reimburse the donor, fund advisor or related parties for expenses related to fundraising activities. All contributions

raised in support of the fund must be made payable to Silicon Valley Community Foundation with the name of the fund in the memo line. The community foundation is not responsible for the success of fundraising activities.

Memorial Funds

A memorial fund can be established in honor of someone who has passed away, and requests for donations in the name of the deceased to the community foundation are required to use the following language in obituaries or solicitations for gifts: "Funds raised will be added to the [insert name] Fund at Silicon Valley Community Foundation, a 501(c)(3) organization. All checks must be made payable to Silicon Valley Community Foundation with [insert name] Fund in the memo line."

Names of donors to memorial funds will be disclosed to memorial fund advisors; however, specific gift amounts will not.

Scholarship Funds

For any scholarship fund established at the community foundation, the scholarship selection committee must be appointed by the community foundation; however members may be recommended by the donor. The donor and parties related to the donor may serve on the selection committee but they cannot directly or indirectly control the committee. As required by law, the scholarship selection process must be approved annually by the community foundation's board of directors. The community foundation disburses scholarship funds to the institution the recipient attends and will not disburse a grant to a specific individual.

Designated Funds

Designated funds can only be established for the benefit of one qualified public benefit organization. If that organization ceases to exist or dramatically changes its charitable purpose, the community foundation will use its variance power to find a similar organization which matches the donor's intent. Should the donor request that the organization be changed, all remaining assets will be granted to the original organization and a new fund must be established.

Fund Inactivity

If a fund advisor is no longer willing or able to advise the fund's distribution, and no successor advisor is named, the community foundation's board of directors will assume responsibility for grantmaking. Inactivity is when no grant recommendations or gifts are received for a period of

Fund Terms and Conditions

two consecutive years and the fund advisor(s) cannot be contacted. The community foundation's staff will attempt to contact the fund advisor(s) at least three times via certified mail and allow 30 days for a response. If contact cannot be made, the community foundation's board of directors will advise an annual payout to support the community grantmaking program in accordance with the community foundation's spending policies. If two more years pass with no contact from the advisor, the fund in its entirety will be transferred to the Community Endowment Fund. A fund must have inactivity for a total of four years before being transferred to the Community Endowment Fund.

Fund Closure

A fund advisor may recommend closing a fund by granting up to 100% of the fund balance to a qualified charitable organization, including any of the community foundation's funds (e.g., field of interest funds, endowment funds, operating funds). Such recommendations must be received in writing and, if approved, funds will be disbursed in accordance with the community foundation's current grantmaking policies and applicable laws and regulations. Closing a fund by recommending a grant to another qualified charitable organization which is approved will occur as follows: 80% of the current balance will be granted within 10 business days of the request date, barring any issues with the organization's status as a qualified public charity or equivalent. The remaining balance of the fund, including any residual net earnings, will be granted within the following 45 days. Endowed funds are permanent and cannot be closed.

Conflict of Terms

In the event of an inconsistency between these terms and conditions and any terms and conditions appearing elsewhere in connection with any fund, these terms and conditions, as interpreted by the community foundation, shall govern, and the community foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund at the community foundation or to comply with applicable law.

Frequently Asked Questions

What is a donor advised fund?

A donor advised fund is not a separate legal entity like a trust or a corporation. It is a fund defined by the IRS that a sponsoring charity, like Silicon Valley Community Foundation, creates through a written agreement with a donor. The donor contributes assets to the community foundation which agrees to treat those assets as a separate fund on its books, while the donor retains the privilege of recommending charitable grants from the fund and how the community foundation should invest the fund's assets.

Who owns the assets once the gift is made and the fund is opened?

The law requires the community foundation to make clear in the agreement, and to obtain the donor's written acknowledgement, that the assets in a donor advised fund are the property of the community foundation and that the community foundation has discretion and control over the use and investment of the donor advised fund's assets.

Why is discretion and control an issue?

In order for a donor to take advantage of the tax benefits that flow from a charitable gift, the gift has to be complete—that is, the donor has to part with control over the donated assets. The appearance of donor control could put the donor's tax deduction in jeopardy. Therefore, fund advisors cannot make pledges on behalf of the fund and can only make non-binding recommendations about grants; they cannot control when and how the community foundation will make grants nor control decisions about which grantees will receive funding.

What are the limits on donor benefits in connection with donor advised fund grants?

Donors, fund advisors and related parties (such as family members or business interests) may receive only "incidental" benefits from a grant or investment of a donor advised fund. If a donor, fund advisor or related party receives more than an incidental benefit in connection with a donor advised grant, the IRS will assess a penalty of 125% of the amount of the improper benefit. The penalty may be assessed against either the person who recommended the grant or the person who received the benefit. (There is a separate penalty if a donor, fund advisor or related party receives a direct distribution from the donor advised fund, such compensation or an expense reimbursement.)

Please contact the community foundation at donate@siliconvalleycf.org or 650.450.5444 if you have questions about these terms and conditions.

Support Fees and Minimums

Silicon Valley Community Foundation
www.siliconvalleycf.org

Silicon Valley Community Foundation assesses support fees to cover the cost of administration and to continue the community foundation's important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research and other activities. Annual fees are assessed monthly based on average fund balance.

Fund Type and Minimums

Support Fees

Donor Advised, Memorial and Committee Advised Funds

\$5,000 minimum initial gift
\$1,000 minimum balance

1.0% on the first \$3 million
0.75% on amounts over \$3 million
0.50% on amounts over \$10 million
0.25% on amounts over \$25 million
\$250 minimum annual fee

Supporting Organizations

\$10,000,000 minimum initial gift
\$2,500,000 minimum balance

1.0% on the first \$15 million
0.65% on amounts over \$15 million
0.25% on amounts over \$25 million
0.10% on amounts over \$30 million
\$25,000 minimum annual fee

Field of Interest Funds

\$50,000 minimum initial gift
\$1,000 minimum balance

2.0% on all balances
\$250 minimum annual fee

Support Fees and Minimums

Fund Type and Minimums

Support Fees

Scholarship Funds

Community Foundation Managed

\$250,000 minimum initial gift
\$1,000 minimum balance

2.0% on all balances (includes processing of 10 scholarship applications annually)
\$35 processing fee applies for each additional application; total processing fees shall not exceed 4.0% of the fund's annual balance
\$250 minimum annual fee

Donor Involved

\$50,000 minimum initial gift
\$1,000 minimum balance

2.0% on all balances
\$250 minimum annual fee

Designated Funds

\$10,000 minimum initial gift
\$1,000 minimum balance

0.5% on all balances
\$250 minimum annual fee

Nonprofit Endowment Funds

\$10,000 minimum initial gift
\$5,000 minimum balance

0.5% on all balances
\$250 minimum annual fee

Nonprofit Investment Funds

\$10,000 minimum initial gift
\$5,000 minimum balance

1.0% on funds up to \$1 million
0.75% flat rate on funds over \$1 million
0.50% flat rate on funds over \$5 million
\$250 minimum annual fee

We also offer corporate advised funds and customized philanthropy services. Other fees may apply under special circumstances.

For more information about support fees and minimums contact donate@siliconvalleycf.org or call 650.450.5444.

Updated April 2013
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