



## INDIVIDUALLY MANAGED FUNDS

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### PROGRAM DESCRIPTION

The Bradley Impact Fund (the “Fund”) 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.

This document describes the program’s guidelines, policies, and procedures, as well as the investment guidelines which must be adhered to by the Investment Advisor.

#### Financial Institutions

Eligible financial institutions must be SEC Registered Investment Advisors (RIA); financial institutions regulated by the FDIC, OCC or financial advisors/brokers supervised by FINRA.

#### Minimum Initial Investment

A charitable fund must have a minimum initial investment of \$1,000,000 to be eligible to participate in the Individually Managed Funds (IMF) Program.

#### Ongoing Fund Balance Minimum

If the value of the charitable fund falls below \$500,000, the Fund reserves the right to transfer the charitable fund to the investment portfolios offered by the Fund.

#### Contributions

A charitable donation can be recognized by the Donor as soon as the donation is received by the Fund into a separate custodial account owned by the Fund. All assets donated to the Fund are owned solely by the Fund and the Fund has ultimate authority and control over all investment decisions.

#### Approval of Investment Advisor

The Investment Advisor is not officially hired by the Fund until all of the steps listed below are completed. Note that these steps should be completed before the gift is received by the Fund.

1. The Fund has received an Investment Recommendation Form from the Donor. This form must include a recommendation to use a specific Investment Advisor.
2. The Investment Advisor has signed the Investment Recommendation Form thereby agreeing to be bound by all of the standards, policies and guidelines set forth in the IMF Program Description and Investment Guidelines.
3. Investment Advisor must verify that the Donor and the Investment Advisor are not related parties. The Investment Advisor cannot be:
  - a. A Donor or a family member of a Donor;
  - b. A person with advisory privileges with respect to the Fund (an “Advisor”) or a family member of an Advisor; or
  - c. A corporation, partnership, trust or estate in which Donors, Advisors, or family members of Donor or Advisors collectively own more than 35% of the total combined voting power, profits interest, or beneficial interest.
4. The Fund must approve the recommended Investment Advisor, the proposed investment strategy, the investment advisory fee and total investment expense, and proposed portfolio performance benchmarks. Once these materials and a completed Investment Advisor Request for Information Questionnaire are received, the Fund will complete its due diligence procedures within a reasonable period of time.

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5. Investment advisory firms participating in the Individually Managed Funds Program are required to provide proof of management and professional liability and fidelity bond. Evidence of insurance for applicable standard business lines includes but is not limited to Financial Institutions Bond or Employee Dishonesty, Bankers Professional Liability/Trust Errors and Omissions, Insurance Agent, and/or Financial Advisor Errors and Omissions.

### Investment Advisor Responsibilities

The Investment Advisor shall:

1. With the authorization of the Fund, establish a fund account with a qualified custodian in the legal name and tax identification number of "The Bradley Impact Fund, Inc.," with a reference to the charitable fund.
2. Acknowledge that the Fund is the sole owner of the account and that the Investment Advisor shall take instructions (both written and verbal) only from authorized employees of the Fund and never from the Donor who created the fund or any other related party.
3. Manage the assets in a prudent manner consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
4. Adhere to the standards, policies and guidelines set forth in this Individually Managed Funds Program Description and Investment Guidelines as currently in effect and as amended by the Fund from time to time. Immediately report, in writing as practical, any violation of such standards, policies, or guidelines.
5. Develop an investment strategy that supports and is in line with the Donor's philanthropic mission and plan.
6. Adhere to the investment strategy for which the Investment Advisor was hired. Portfolios shall be rebalanced to the agreed upon asset allocation on a regular schedule, no less than semi-annually.
7. Immediately communicate pertinent changes to the Fund. This includes, but is not limited to:
  - a. Changes in senior investment personnel involved in the Fund's relationship.
  - b. Changes in investment style or process.
  - c. Changes in ownership.
  - d. Investigations of, or judgments or 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.
8. Vote all proxies to increase shareholder value and to benefit the portfolio unless directed by the Fund to do otherwise. When requested, Investment Advisors shall report to the Fund their standing policies with respect to proxy voting.
9. Use best efforts to ensure transactions are executed in the best interest of the Fund. Additionally, arrangements to direct commissions shall only be implemented by specific authorization of the Fund.
10. Provide the Fund with the following information:

#### **Monthly**

- Within 10 business days of each month's end, provide detailed monthly account statements that reflect all activity within the previous month.
- Online access to statements is required.

#### **Quarterly**

- Within 30 days of the end of each calendar quarter, provide the Fund with quarterly investment returns for all Fund funds, the account's holdings, and transactions that occurred during the quarter.
- Fund performance on a time-weighted basis, net of fees, versus the agreed upon market benchmarks.

#### **Annually**

- Within 45 days of year end, provide an annual statement which shows the activity for the year ending December 31.
- Provide the Custodian's Service Organization Control (SOC) 1 report to the Fund when issued each year.

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### Upon Request

- Recalculation of all fees charged including advisement, custody, fees at the investment manager level, embedded management fees within mutual fund, commingled funds, etc.
- A completed Investment Advisor Request for Information Questionnaire.

11. Provide other information to the Fund as requested.

### Fund Fees

A charitable donation can be recognized by the Donor as soon as the donation is received by the Fund into a separate custodial account owned by the Fund. All assets donated to the Fund are owned solely by the Fund and the Fund has ultimate authority and control over all investment decisions.

Amount	Range	Allocation
First \$1,000,000	\$1-\$1,000,000	.8 percent
Next \$1,500,000	\$1,000,001-\$2,500,000	.5 percent
Next \$2,500,000	\$2,500,001-\$5,000,000	.25 percent
Next \$5,000,000	\$5,000,001-\$10,000,000	.20 percent
Over \$10,000,000	\$10,000,001+	.125 percent

### Investment Advisor Expense

The Fund may pay the Investment Advisor a mutually agreed upon and reasonable investment advisory fee specific to the Individually Managed Funds Program assets. An investment advisory fee will not be paid on balances managed in the Fund's other investment portfolios.

Any direct investment expenses not included in the investment advisory fee (such as brokerage fees and commissions, custody, mutual fund operating expenses, etc.) that are incurred by the Fund will be charged to the Fund.

The Fund requires the total of all fees for advisement, custody, fees at the investment management level (including embedded management fees with mutual funds, ETFs, commingled funds, etc.) to be reasonable, considering the amount managed, the investment strategy, the type of investments employed, and fees charged by other advisors for comparable services. Investment Advisors shall not, at any time, charge higher fees or commissions to the Donor's charitable fund at the Fund than charged to the Donor's personal accounts.

### Performance Reporting

The Fund expects each Investment Advisor to perform competitively against the agreed upon market and policy benchmarks. The Investment Advisor will report 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 "policy benchmark" that is comprised of various indices weighted by the target allocation to each asset class represented in the portfolio. Investment Advisors should complete the Portfolio Performance Benchmark Form to indicate proposed benchmark weightings. The Investment Advisor will report performance at least quarterly, on a time weighted basis and net of investment fees and expenses, including all investment advisory fees against the same or similarly constructed benchmarks. The Investment Advisor may utilize additional benchmarks.

### Changing or Terminating an Investment Advisor

A Donor may recommend new Investment Advisors provided they meet the eligibility requirements and are approved by the Fund.

The Investment Advisor may be changed or terminated by the Fund at any time for any reason, with or without cause. In general, prior to termination of an Investment Advisor, the Fund will notify the Fund's primary contact and discuss other investment options for the assets.

In the event an Investment Advisor is not available to manage the assets for any reason, the assets will be invested in the Fund's other investment portfolios.

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### **Reports**

The Fund will provide the Fund's primary contacts with a quarterly statement showing balances, contribution, grant and investment activity. The Fund will not report performance on Investment Advisor Program assets to the primary contact.

### **Amendment**

The Individually Managed Funds Program and all activities of The Bradley Impact Fund are subject to the terms and conditions of the Plan for The Bradley Impact Fund, the Individually Managed Funds Program Description and Investment Guidelines, and the Fund's donor advised funds policies. The Board of Directors reserves the right to modify the Individually Managed Funds Program and Individually Managed Funds Description and Investment Guidelines at any time.