



# Investment Policy Statement

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**GIVECLEAR FOUNDATION**  
**("GiveClear" or "GC")**  
**INVESTMENT POLICY STATEMENT**

**POLICY OVERVIEW:**

The purpose of this Investment Policy Statement ("IPS") is to establish an understanding of the investment philosophy of The GiveClear Foundation and to provide guidelines for the management and oversight of The GiveClear Foundation's investment assets in accordance to the Prudent Expert Act. This IPS applies to all investment assets owned by The GiveClear Foundation. The Investment Policy shall at all times be administered in accordance with such general policies and procedures as may be adopted or amended by The GiveClear Foundation board and its approved DAF Program Guidelines.

GiveClear Foundation delivers an inspiring charitable giving experience through innovative technology, bringing additional accountability, transparency and effectiveness to philanthropy. We envision a new model of philanthropy, empowering people of any means to give and support effective change.

The GiveClear Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, that is a public charity described in Section 509(a)(1) of the Code that operates Donor Advised Funds, referred to as "Giving Funds".

**I. GLOSSARY OF TERMS**

1. **Donor Advised Fund:** or DAF is a giving vehicle established at a public charity. It allows donors to make charitable contributions, receive immediate tax deductions and then recommend grants from the fund over time. Donors can contribute to the fund as frequently as they like, and then recommend grants to their favourite charities whenever they choose.
2. **Giving Fund:** An individual, numbered, notional DAF that represents the donated capital of an individual Donor ("Giving Fund Holder"). Each Giving Fund's capital is owned by GiveClear but affords the Giving Fund Holder the ability to recommend grants out from the Giving Fund to any Charity registered and in good standing with the Internal Revenue Service (IRS).
3. **General Fund Account:** The sum of all Giving Fund balances, excluding Giving Funds separately managed by Donors' Investment Advisor(s).
4. **Investment Advisor ("Advisor"):** The Licensed Financial Professional with whom GiveClear contracts to provide investment management services; a "Financial Planner", "Financial Professional", or "Investment Manager".
5. **GiveClear Investment Committee:** a standing committee established by the Board of Directors (the **Board**) of GiveClear Foundation. The purpose of the Committee is to assist and advise the Board and GiveClear staff in fulfilling the financial investment oversight responsibilities of the Board

## II. GOVERNANCE

### 1. **Role of the Board of Directors (the “Board”)**

The Board refers to the Investment Committee for recommendations and guidance to fulfill its management and oversight responsibilities with respect to the investment assets of GiveClear. The Board shall annually appoint an Investment Committee Chair and members. The members of the Investment Committee shall be comprised of at least three people; one member of the Board, one GiveClear staff member, and one other member approved by the Board. The Board shall appoint one of the Committee members to serve as Chair. Additional members may be appointed from the board or public members with be approved by the board.

### 2. **Role of Investment Committee (the “Committee”)**

The Committee will follow all guidelines as described in *the Investment Committee Terms of Reference Section III Membership*.

### 3. **Standard of Oversight and Duty of Care**

The Committee shall exercise prudence and appropriate care in accordance as their approach with regard to the management of assets to be invested. In overseeing the assets of GiveClear, each member of the Committee shall act in good faith, in a manner such member believes to be in the best interests of GiveClear and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Committee members shall be selected on the basis of their expertise in the management of investments, and have the ability to function in a manner in keeping with the Prudent Investor Standard. Members should also have no prevailing Conflict of Interest (“COI”), and there shall be a call for contextual COI at the beginning of each meeting based on the agenda items for that particular meeting.

### 4. **Role of the Donor**

Each GiveClear Giving Fund is composed of contributions made by individual donors. Once the donor makes the contribution, GiveClear has legal control over it. The donor, or the donor’s representative, may be invited to provide advice with respect to the distribution of the funds and the investment of assets in each Giving Fund subject to adherence to the GiveClear Investment Policy and practices. These advisory privileges are suggestive in nature, and GiveClear has the legal right and obligation to ensure that charitable law and the IPS are complied with at all times. The investment performance of the donor’s individual Giving Fund shall be reviewed quarterly by a GiveClear representative and the Giving Fund’s Investment Advisor.

## III. INVESTMENT PHILOSOPHY OF GIVECLEAR GENERAL FUND

The investment objectives of the GiveClear General Fund are to provide for growth of donated capital in order to supplement the operational costs of GiveClear. GiveClear’s return objectives are for the preservation of capital and generation of income to ensure that GiveClear is able to meet its minimum requirement of making aggregate grants equal to at least 5% of its net asset value, and that GiveClear is at all times able to fulfill the granting recommendations of the Giving Fund Holders. In pursuing these objectives, GiveClear endeavors to achieve risk-adjusted total returns that, over time, are commensurate with broad-based market averages.



## 1. Investment Guidelines for General Fund

All General Fund investments will be in liquid securities and will be composed of the following:

- a. Cash and cash equivalents 5-20%
- b. Fixed Income 60-70%
- c. Equity 10-20%

## 2. Benchmarking

GiveClear's investment committee will determine appropriate benchmarking. Benchmarks are intended to offer some consistency to the investment strategy and should not be changed unless the long-term investment strategy has changed significantly. The investment performance will be reviewed quarterly by the IA and Investment Committee.

Specific Default Benchmarks to be considered as examples include:

- a. USA Equity: S&P 500 Index
- b. Global Equity: MSCI World Index
- c. USA Fixed Income: Bloomberg Barclays US AGG Bond Index
- d. Global Fixed Income: JPM Global Gov't Bond Index
- e. Russell 3000

## IV. PROFESSIONALLY MANAGED PORTFOLIO INVESTMENT GUIDELINES

The investment objectives of the Professionally Managed Portfolio shall be consistent with GiveClear's investment objectives as established and overseen by the Committee. A primary Investment Advisor ("Advisor" or "IA") and its Board-approved delegated sub-advisor(s) may advise each Portfolio Account or an aggregate of the Accounts of a particular Giving Fund.

The Advisor will work with the Giving Fund Holder to establish the recommended investment objectives and strategy for the portfolio, considering the projected timing of grants, target returns, risk tolerance, and other unique considerations, consistent with the Giving Fund Holder's regular investment practices.

1. **Investment Guidelines** - The IA shall manage the Portfolio's investments in compliance with these guidelines, in a manner that provides sufficient liquidity to support the Giving Fund Holder's recommended grants and to cover account expenses. It is highly recommended that all accounts reserve 10% of Giving Fund balance remain in Giving Wallet. This section does not apply to contributions of assets. All contributions must be made into GiveClear's General Fund Accounts first; then be liquidated and cash sent to the appropriate investment center. For further details related to contributions, please reference the Gift Acceptance and Valuation Policy.
2. **Criteria for Professionally Managed Accounts**
  - a. Minimum account balance is \$25,000 and must be on the delegate's trading platform for custody.
  - b. IAs must be approved in advance by GiveClear's CFO or the person acting in that role. In approving IAs, GiveClear will consider, among other factors, the length of time the firm has been in existence, its track record, fees, assets under management, related party compliance, the familiarity with and amount of charitable assets managed by the IA.
  - c. The IA will manage the assets on a discretionary basis adhering to the agreed upon IPS and to any specific guidelines established for individual Accounts.

- d. The Donor will not have direct market access – each investment and trade must go through GiveClear and the IA.
- e. Giving Fund holders may not receive payments outside of industry standards for any services, including Investment Advisory services.
- f. GiveClear gives the IA authority to vote proxies and respond to legal and corporate actions in a manner that is in the best interest of GiveClear and consistent with GiveClear's investment objectives stated.
- g. Should the asset level in the Account fall below \$25,000 the Account will no longer be eligible for professional portfolio management and will be allocated to the General Fund Account.
- h. No deviation from this policy is permitted without the prior written approval of GiveClear.

### 3. **Diversification**

Investments will be managed taking into consideration the Giving Fund Holder's time horizon and planned giving strategy. While it is recommended that the investments be diversified among the various asset classes, sectors and securities within the portfolio, the agreed upon IPS will ultimately govern the investment decisions.

### 4. **Permitted Investments and Transactions**

The following investments and transactions are permitted. Preapproval from GiveClear is required for any investments and transactions not listed below:

- a. Cash and cash equivalents
- b. Publicly traded stocks, and bonds
- c. Publicly traded mutual funds, publicly traded REITs, ETFs
- d. Other investments and transactions may be permitted on a case by case basis as approved by GiveClear

### 5. **Restricted Investments and Transactions**

The following are prohibited unless approved by GiveClear with a specific IPS pertaining to each professionally managed account. GiveClear recognizes the importance of non-traditional asset classes and desires to work with the donor and/or IA to responsibly evaluate on a case-by-case basis.

- a. A participating Investment Advisor's (or affiliate's) own stock or debt
- b. Contributions of securities with trading restrictions
- c. Real estate, except as held in a diversified REIT, ETF, or mutual fund position
- d. Illiquid shares of a privately held company
- e. Private Equity
- f. Short sales, or any transaction on margin
- g. Non-negotiable securities
- h. Investments in companies for the purpose of exercising control or management
- i. Commodities
- j. Futures, options, warrants, or other leveraged investment strategies that employ derivatives, synthetics, or forward contracts
- k. Oil, gas, or other mineral exploration or development programs or mineral leases
- l. Investments that charge a fee upon redemption (e.g., "back-end load" or "deferred sales charge"), exception may be granted by GiveClear for a donation of a pre-existing vehicle with such structure
- m. Non-publicly traded structured products
- n. Investments that charge a front-end load, unless the Investment Advisor deems it as a lower-fee share class, or if the Investment Advisor obtains a waiver of any front-end load offered for charitable accounts

## V. REPORTING TO DONORS

GiveClear, including information provided by the IA, will provide all Giving Fund Donors with an official annual statement of activity, detailing the interest earnings, donation inputs, transfers to/from corpus, and transfers to beneficiaries or beneficiary organizations.

## VI. INVESTMENT POLICY STATEMENT REVIEW

### 1. **Annual Review and Acknowledgment**

The Board shall be responsible to ensure that all Investment Committee members and Investment Advisors retained by the Foundation review the IP annually.

### 2. **Amendments**

This Investment Policy may be amended by the recommendation and approval of the Foundation's Board of Directors.

#### **POLICY CONTROL:**

- Initial Ratification Date:
- Current Version: Q1 2021
- Date Policy Approved: 2021.05.20
- Date for Review: 2023.05.20