

BSA Asset Management Policies

For the BSA Commingled Endowment Fund, LP

1. *Council Autonomy with Funds* - The council determines what it puts in and takes out and retains full ownership of its funds invested with BSAAM. BSAAM does not function as "spending police".
2. *Fund Minimum Investment* - The guideline minimum for investment in the Fund is \$250,000, however there is no hard minimum. BSAAM considers each council's facts and circumstances.
3. *Fund Earnings* – The Fund's target net annual return is 6.5% (annual spending rate of 4.5% plus 2% allowance for historical inflation). Please contact BSAAM for current and historical actual returns of the Fund.
4. *Allocations* - BSAAM conducts a formal asset allocation study for the Fund every 3 years, with a return study and allocation review conducted in the other 2 years. The Fund's allocation is set to target a net return of 6.5% per year over the long term (10 years or more).
5. *Investment Costs* – the Fund has no commissions, no sales charges, no transaction fees, and no 12(b)1 fees. There is no lock up period, or minimum holding period. BSAAM's advisory fee (charged to the Fund) is a flat dollar amount which works out at 0.08% to 0.10% annually, depending on average market value of the Fund throughout the year. The BSA Endowment Master Trust (option for local council trusts that wish to retain a corporate trustee) has a 0.15% annual trustee fee charged by Global Trust Company (trustee). This level of cost is significantly lower than the range found in the retail marketplace (advisors, wealth managers, bank trustees). Please contact BSAAM for details.
6. *Donation of Cash* – If a donor wishes to place a contribution directly into an existing endowment, the cash donation must be received by the council and recorded on the council's books. Then it is up to the local council to invest the funds once the donation is received. In these cases, the council would submit a contribution form to BSAAM, then wire funds to the custody bank for the Fund. [Note: because the Fund is structured as a limited partnership, the Fund can only accept contributions from limited partner entities (i.e. the council). Therefore, donors cannot send funds directly to the council's BSAAM account.]
7. *Donation of Securities* – if a donor wants to donate stock or other securities to a local council, that can be done through the Cash Management team in the BSA Treasury Dept. who maintains a Schwab brokerage account for that purpose. A "Stock Transfer Form" is required (see the form in this folder). The donor completes the form (including number shares and security name) and returns it directly to BSA Treasury or returns it to the council who forwards it to BSA Treasury. The form contains the securities transfer instructions for the donor's broker to initiate the transfer. The council will need to inform BSA Treasury regarding where to send the liquidation proceeds once the sale of the security is completed.
8. *Donation of Non-Cash Assets* – For donation of land, mineral rights, producing oil and gas wells, etc., neither the BSA Treasury nor BSAAM manages these types of real assets. Your council must broker these physical assets into cash or securities beforehand, or retain these assets with an Oil & Gas manager who has expertise and can manage such assets for the council.
9. *Contact Information* – attn: Ken King BSAAM@scouting.org Phone: (972) 580-2065