



## RESPONSE TO REQUEST FOR PROPOSAL

*to provide Investment Advisory Services*

February 16, 2024



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Monica Gereda  
Chief of Staff  
Clayton Early Learning

Dear Monica,

Syntrinsic would be honored to serve as investment advisor and strategic consultant for Clayton Early Learning ("Clayton"). The alignment of our organizations' missions and values would form a solid baseline for working together effectively. Specifically, Syntrinsic's purpose is to co-create a sustainable and generative world that empowers all people. This purpose is well aligned with Clayton's belief that a whole child, whole family approach in the early years is one of the most powerful ways to address societal inequities and create a thriving community.

From that solid connection, Syntrinsic's 20+ years' experience guiding endowment, foundation, and nonprofit clients through strategic inflection points would allow you to develop and enhance its financial stewardship policies, practices, and portfolios at an important juncture.

To facilitate your evaluation process, we have included the following:

+ **Syntrinsic Response**

Our response to your request strives to strike the appropriate balance between brevity and thoroughness. We welcome the opportunity to expand or offer specific examples.

+ **Exhibits**

We have attached several exhibits for your consideration. We would be happy to provide additional materials at your convenience.

It would be a privilege to serve as your strategic consultant and investment advisor. On behalf of our colleagues at Syntrinsic, thank you for your thoughtful consideration.

Sincerely,

**Akasha Absher**  
Co-President and Head of Impact Investing

**Ben Valore-Caplan**  
Co-President

# Executive Summary



|   |  |
|---|--|
| <b>FIRM</b>                                   | Syntrinsic, LLC                                  |
| <b>FIDUCIARY</b>                              | Yes, consistent with state and federal law       |
| <b>AUA</b>                                    | \$2.4 billion (12/31/2023)                       |
| <b>ENDOWMENTS, FOUNDATIONS AND NONPROFITS</b> | 55 (90% of AUA)                                  |
| <b>INSTITUTIONAL CLIENT RETENTION RATE</b>    | 99% since 2014                                   |
| <b>OTHER CLIENTS</b>                          | Civically engaged private clients (10% of AUA)   |
| <b>MAIN OFFICE</b>                            | Denver, Colorado                                 |
| <b>DISCRETION</b>                             | Full, Partial, or Non-Discretionary              |
| <b>OPERATIONAL SUPPORT</b>                    | Robust   |
| <b>ECONOMIC RESEARCH</b>                      | In-house   |
| <b>MANAGER UNIVERSE</b>                       | Open (public and private investments)            |
| <b>MANAGER CONFLICTS OF INTEREST</b>          | We do not have financial conflicts with managers |
| <b>CASH MANAGEMENT ABILITY</b>                | Yes  |
| <b>CUSTODIAN</b>                              | Third-party (Pershing, Schwab, Fidelity, Other)  |
| <b>TECHNOLOGY</b>                             | Secure daily online access to all account data   |
| <b>TRANSPARENCY</b>                           | Yes  |
| <b>ACTIVE V. PASSIVE</b>                      | Use active and passive investments               |
| <b>IMPACT INVESTING</b>                       | Robust capabilities if client wishes             |
| <b>STAKEHOLDER ENGAGEMENT</b>                 | Robust capabilities if client wishes             |
| <b>SOURCES OF REVENUE</b>                     | 100% from client advisory fees                   |



# III. Investment Manager Proposals

## A. GENERAL INFORMATION

### i. Name of institution

Syntrinsic, LLC

### ii. Contact Person

Primary Contact:  
Jim Brauer  
Managing Director

### iii. Mailing Address

3840 York St., Suite 100  
Denver, CO 80205

### iv. Physical Address

Same as above.

### v. Telephone Number

303.518.6370

### vi. Email

[jim.brauer@syntrinsic.com](mailto:jim.brauer@syntrinsic.com)



- C. REFERENCES: Please include names and contacts for three clients who are similar in size and scope to Clayton Early Learning.

**Women's Foundation of Colorado**

Helen Gair, Investment Committee Co-Chair

[hmgair1@gmail.com](mailto:hmgair1@gmail.com)

303.250.2186

**JEWISHcolorado**

Justin Jaffe, Investment Committee Chair

[jaffej@stifel.com](mailto:jaffej@stifel.com)

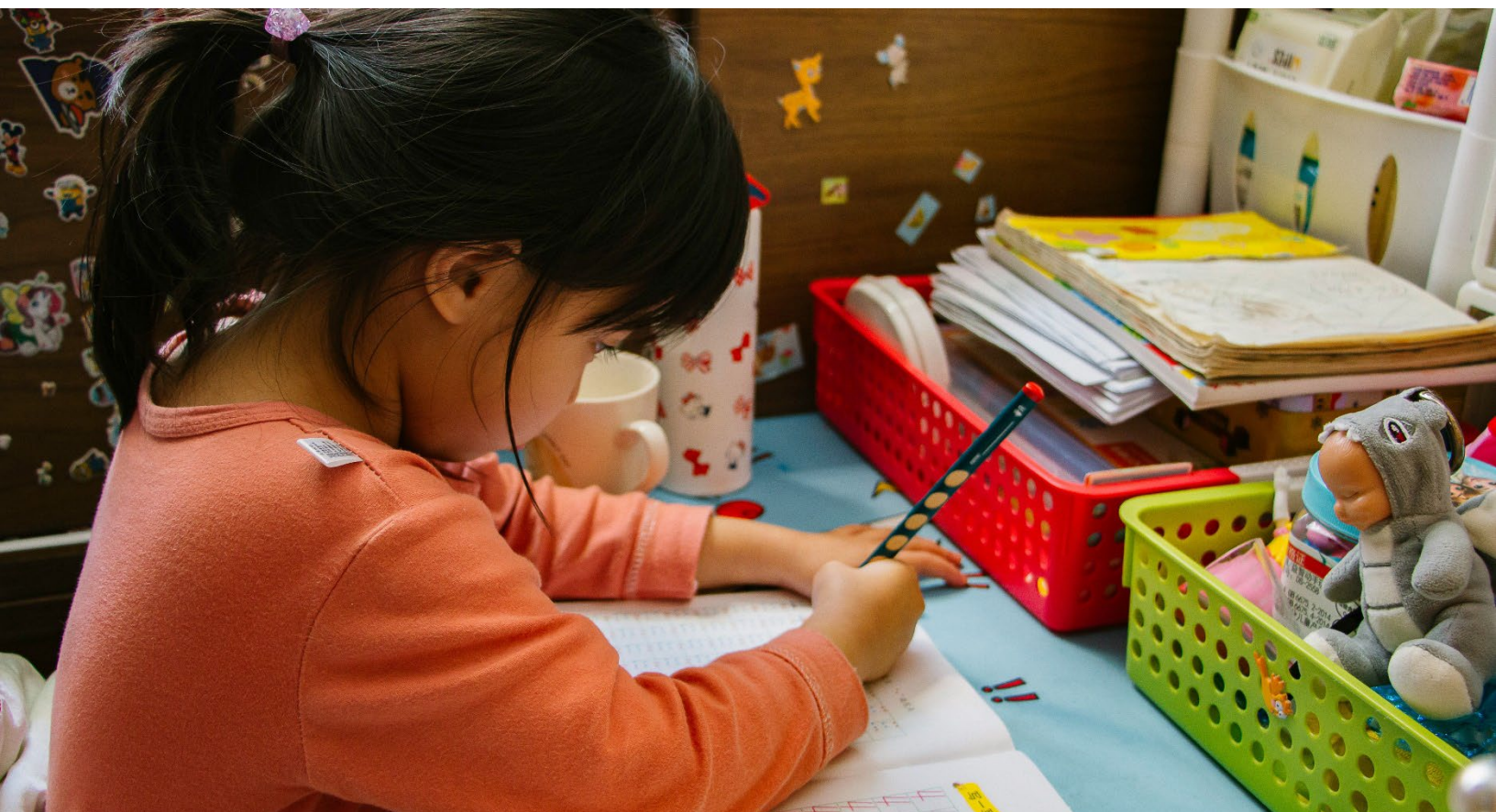
720.409.5350

**Craig Hospital and Craig Hospital Foundation**

Serena Bruzgo, Foundation President

[sbruzgo@craighospital.org](mailto:sbruzgo@craighospital.org)

720.289.1947



# IV. Investment Firm Overview

a. What are your firm’s mission, vision, and values?

Syntrinsic’s purpose is to co-create a sustainable and generative world that empowers all people through providing investment advice and strategic consulting to endowments, foundations, and nonprofit organizations.

VALUES

- + **Empower All People**  
Syntrinsic strives to **empower all people** because we believe that all people are worth empowering. Empowered people are healthy, generative, collaborative, and capable of fostering sustainable, cohesive communities that in turn empower others. Thoughtfully done, empowering people today empowers future generations as well.
- + **Serve with Intensity**  
To that end, Syntrinsic enlists competent, capable people who **serve with intensity**. Given that society today is far from what we believe society can be, we approach our work with urgency and drive, thinking more creatively, caring a little more, doing what we can to move ourselves and our community forward.
- + **Prove Ourselves Dependable**  
We empower by earning trust; to earn trust, we **prove ourselves dependable** partners who are at our best when situations get more difficult. We own our responsibilities and are accountable for fulfilling them regardless of obstacles.
- + **Innovate**  
To make a meaningful difference in a rapidly changing world, we **innovate**. We develop fresh ways of addressing business, social, and financial challenges in order to build a stronger company in a more generative world.
- + **Take initiative**  
Knowing that alone we cannot fulfill our purpose, we **take initiative** to build relationships, identify and solve problems, communicate needs, implement changes. Syntrinsic does not wait. Our work is too important.



b. How long has your firm been providing investment management services?

Since 2000, our team has advised endowments, foundations, and nonprofit organizations such as Clayton Early Learning. Having started our business at a Wall Street firm, **we broke away from the firm in 2008 to launch Syntrinsic and introduce a different type of investment firm built to provide investment advice and strategic consulting to endowments, foundations, and nonprofit organizations.**

c. Describe your firm's ownership, partnerships, affiliations, and business structures.

Independent since 2008, Syntrinsic was founded and owned by Ben Valore-Caplan. In 2020, Akasha Absher became President and 10% owner of the firm.

In 2023, Syntrinsic joined forces with another employee-owned company, IMA Financial Group. The partnership is unique in that it brought together two employee-owned firms that share a similar culture, strategy, and commitment to the community. **The combined firm is private and independent, not beholden to Wall Street or controlled by private equity, and objectively serves the interests of our clients without distraction.** This evolution will help Syntrinsic further deliver the service and solutions that exceed our clients' expectations – through the same people and teams they've known and are now backed by the expanded resources of IMA. Both Syntrinsic and IMA are headquartered in Denver, Colorado but have a national presence.

As of 12/31/2023, Syntrinsic, LLC advises on \$2.4 billion in assets, with endowments, foundations, and nonprofits representing 90% of assets under advisement. We serve 92 total clients, 55 of which are endowments, foundations, or nonprofits.

d. Explain any potential conflicts of interests that could be created by your firm providing services to Clayton Early Learning.

We do not have any nor do we anticipate any conflicts of interest in servicing Clayton Early Learning.

e. Within the last five years, has your firm been involved with any business litigation, legal proceedings, or regulatory investigation? If so, please provide additional information.

There have been no material regulatory or legal proceedings over the last five years. While we do not view it as material, we are nonetheless disclosing that Syntrinsic was the respondent in an employment matter before the Colorado Civil Rights Division, captioned Ryan Lexow v. Syntrinsic, Inc. and assigned matter number E2300018156. In October 2023, Syntrinsic received a Letter of Determination from the Colorado Civil Rights Division in which the CCRD investigator found against Ryan Lexow in all his claims. The claimant did not appeal the CCRD's decision, and the matter is closed.



# V. Client Experience

## a. What is your approach to client service?

Syntrinsic's consultants have started private foundations and nonprofit organizations. They have served as Board members, Treasurers, investment committee members, and Executive Directors. They have experience bringing into alignment governance, strategy, values, and investment oversight. In their leadership roles with foundations and nonprofit organizations, they have helped implement strategy, design programs, and build budgets evaluating contingencies and opportunities.

That robust experience deeply informs why Syntrinsic exists and how we serve our clients.

**The majority of Syntrinsic's clients are foundations, endowments, and other nonprofit organizations with multiple asset pools** that are used to support grants and programs for specific timeframes. As such, our firm's research and portfolio development work is built around meeting the needs of many different types of nonprofit organizations. As advisors, we are not trying to be all things to all people; rather, we are focused on determining the most appropriate asset allocation targets and most suitable investment managers for investors that, like you:

- + Possess fiduciary responsibility and associated public accountability
- + Have a long-term time horizon
- + Have meaningful annual distribution targets
- + Wish to keep pace with (or exceed the rate of inflation)
- + Serve a public good
- + Have people and organizations that depend upon prudent stewardship
- + Must make decisions collectively

We are confident that we can assist you in selecting the appropriate blend of risk-seeking and risk-mitigating assets, active and passive investments, and public market and private investments. Through continuous monitoring, we make modest tactical and strategic shifts when appropriate and help guide you through the inevitable market downturns which are the toughest test of any investment strategy.

Over the past eight years, Syntrinsic has maintained a 99% retention rate across our institutional clients. That statistic reflects the commitment we make to each client to empower them to be even more effective, and even more impactful. We recognize that building effective portfolios requires establishing a productive working relationship with you and your team. As such, we strive to be a valuable extension of your staff, committees, and board, partnering with you to bring your mission to reality.

b. In terms of your team, who will be dedicated to our organization? Provide detailed biographies, experience with non-profits, and number of clients supported.

Our clients are clients of the firm, rather than just a few individuals, which creates a more robust client service experience. A few members of the team are accountable to make sure the whole firm is caring for our clients effectively. This approach minimizes disruption should changes to the consulting staff occur. The primary team for Clayton would consist of Ben Valore-Caplan as Lead Consultant and Dat Le as Associate Consultant. At times, other Consultants and/or Research Analysts may participate in the meetings and education sessions.



**Ben Valore-Caplan, Co-President and Lead Consultant**

After a successful career as a nonprofit founder, executive director and institutional consultant at a large financial services firm, Ben founded Syntrinsic Investment Counsel in 2008. He could see the opportunity for a service-focused, deeply ethical investment advisory firm to serve the nonprofit sector. He wanted to help those who were working hard to make their communities better in Colorado and beyond. Today, Ben serves on the Syntrinsic Investment Committee and leads the team that serves as investment advisors and strategic partners to private foundations, public charities, community foundations and private clients interested in using financial resources for good.

Prior to launching Syntrinsic, Ben was Senior Vice president of Investments at UBS where he led the BVC Institutional Consulting Group. His first career was as an educator and nonprofit founder and executive director. Chief among his efforts, Ben created and directed Denver Summerbridge, an academically rigorous educational opportunity program enabling economically disadvantaged young people to attend and succeed in college and beyond while training talented high school and college students to become impactful educators and community leaders. The program has served as a model and catalyst for several other educational opportunity programs, and it continues to thrive over 25 years later as Breakthrough Kent Denver.

Ben was appointed by then-Colorado Gov. John Hickenlooper to be one of three independent trustees for Colorado's \$40+ billion Public Employee's Retirement Association (PERA). He served on the PERA Investment Committee, was elected to be the vice-chair of PERA's Board of Trustees and today serves as a member of the State of Colorado's Legislative Pension Review Subcommittee. Ben chairs the Board of Colorado Zoological Trust, is an active member of The Colorado Forum and serves as a founding CEO of Colorado Inclusive Economy. He was selected as the Conscious Business Leader of 2019 by Conscious Company. Ben is author of the award-winning book, "Leadership Magic", while his articles and insights have been featured in numerous media including The Financial Times, The Washington Post, ProPublica, and American Public Media's Marketplace among others. He is a frequent speaker on fiduciary duty, behavioral finance and investment management at conferences throughout the country.

A fourth-generation Coloradan, Ben earned his bachelor's degree from Brown University and his MBA from the University of Denver. Ben, his wife and children enjoy the outdoors. They travel, play music, make stuff, write, cook, play games and generally enjoy each other's company from their home in Denver.



**Dat Le, Associate Consultant**

As an Associate Consultant, Dat serves clients by coordinating and ensuring accurate and timely action is taken on their operational needs. Dat previously worked in client-facing roles, most recently as a Mortgage Loan Closer and Collateral Review Specialist at KeyBank National Association.

He joined Syntrinsic because it allowed him to continue supporting a variety of individuals and organizations within the community while utilizing his passion for Finance. Dat believes in Syntrinsic’s values to better oneself as well as others everywhere and strive to take advantage of all the opportunities presented to him.

Outside of the professional setting, Dat has continuously supported different organizations such as the Challenge Foundation, Colorado Academy, St. Mary’s Academy, and Kent Denver through translation work, volunteering, and public speaking events.

Dat graduated from Muhlenberg College in Allentown, Pennsylvania with a Bachelor of Arts in Business Administration & Finance focusing on management and organization. Throughout his life, Dat has been involved with non-profits and knows that Syntrinsic’s core values will help him find new and innovative ways to enrich his experience in supporting the community. In his free time, Dat is an avid cyclist, foodie, ultimate frisbee player, and enjoys watching hockey and baseball.

**c. What unique educational, thought leadership or client service capabilities will you offer?**

Syntrinsic has found that well-informed investors often set more realistic goals, develop more appropriate portfolios, and stay disciplined in the face of both adversity and hype. As a firm started and led by educators, Syntrinsic weaves learning opportunities into quarterly reviews as well as one-off sessions, creating meaningful experiences for primary decision-makers and other stakeholders.

For all clients where applicable, we develop educational materials for trustees and stakeholders, including asset class-specific pieces, impact investing, behavioral finance, endowment and foundation best practices, and other relevant topics. There are no separate fees for this service.



Examples of recent educational session topics include:

| Behavioral Finance           | Markets + Economics        | Institutional Investing  |
|------------------------------|----------------------------|--------------------------|
| Risk, Fear and Market Timing | Active + Passive Investing | Fiduciary Best Practices |
| Investment Decision Making   | Alternative Investments    | + Impact Investing       |
|                              |                            | Spending Policies        |
|                              |                            | + Financial Modeling     |

The examples below describe specific ways we have provided education and thought leadership for our clients.

**Example: Nonprofit organization with multiple investment pools and a supporting foundation**

As with universities with modest endowments, nonprofit organizations must be extremely efficient with their financial resources. Since 2013, Syntrinsic has worked closely with the leadership teams at the organization and its supporting foundation to upgrade their investment stewardship platform and practices.

Along the way, Syntrinsic has guided the organization through several important processes, including:

- + Create an institutional-quality process separating the roles and responsibilities of the advisor, investment managers, and custodian
- + Revising the investment policy statements, clarifying the objectives of different portfolios, and most recently, addressing how the organization might strengthen the alignment of its values and its resources
- + Clarifying the different asset pools for which they are responsible, further defining the objectives of those asset pools, and developing investment strategies for each asset pool that better reflect the risk parameters, time horizon, and opportunity set of those asset pools
- + Eliminating previous financial conflicts of interest between the advisor, investment managers, and custodian
- + Developing customized performance reporting that supports the finance committee’s ability to monitor and evaluate the portfolios
- + Educating committee members on a wide array of topics, including the role of private investments, the possibilities of values-aligned investing, and the context of asset allocation theory
- + Developing materials for use with donor-facing reports and presentations
- + Evaluating and helping revise policies governing the creation and implementation of endowment policies
- + Developing and implementing a project-specific investment strategy for a large capital building project that aligned the timeline of the project with the timing of investment maturities

## Example: Private Foundation

### THE BASICS

The New York-based private foundation retained Syntrinsic in 2013, after 90+ years of operation. Over the past 7 years, Syntrinsic has helped the foundation refine its investment policies, develop and implement a more disciplined investment strategy, diversify its holdings, evaluate its distribution levels, and ultimately, outpace its return objective with positive Alpha.

Along the way, Syntrinsic has worked with the Board and Investment Committee to:

- + Revamp the organization's investment policy statement
- + Create an institutional-quality process separating the roles and responsibilities of the advisor, investment managers, and custodian
- + Eliminate financial conflicts of interest between the advisor and investment managers
- + Lower the fee structure and make it more transparent
- + Improve the performance reporting and benchmarking

### BOARD EMPOWERMENT

Throughout the relationship, Syntrinsic has worked closely with the board to address policies and strategy, as well as support the board's efforts to broaden and educate the board. As an outside guest, we participated in the foundation's 100th anniversary celebrations in upstate New York, making a presentation to the foundation's stakeholders about the intersection of good stewardship and high impact. That presentation helped attract new board members and energize current board members by linking portfolio construction with the foundation's long-term ability to serve its mission.

At least annually, Syntrinsic has provided additional education to the Board on topics as varied as capital markets forecasting, private investments, and impact investing. We strive to meet board members where they are at, recognizing that board members have a broad range of sophistication and experience with capital markets and portfolio development.

### MISSION-CENTRIC VALUES

Starting in 2018, at the board's request, Syntrinsic has been guiding the organization on a journey toward investing their resources in greater alignment with their values. This has enabled the organization to grow its impact substantially by leveraging its dollars in more mission-aligned ways while also engaging the board in a more meaningful way.

While the journey started modestly, in time we have been able to steadily integrate values-aligned strategies across much of the portfolio and weave in some investments that have a more direct impact on the Foundation's mission. Currently, about 70% of the portfolio reflects this intentional values-aligned strategy. Please see [Exhibit I – Case for Private Equity](#).

d. What is your firm's average client retention rate over the last 5 years.

Over the past 5 years, Syntrinsic has maintained a 99% client retention rate.

# Vi. Investment Management

a. What are the standard services that your firm offers?

Syntrinsic serves as both an investment advisor and strategic consultant for our clients' Investment Committees, Boards, and Staff. In over two decades of serving endowments, foundations, and nonprofit organizations, we have curated a comprehensive list of services we provide for our clients.





Investment Services

- + Investment Policy Statement Review and Development
- + Capital Markets Forecasting
- + Asset Allocation Analysis Modeling and Recommendation
- + Monte Carlo Simulation
- + Spending Policy Evaluation and Recommendation
- + Investment Manager Search, Selection, and Recommendation
- + Traditional and alternative managers
- + Mission aligned managers
- + Active and passive managers
- + Ongoing Investment Due Diligence, including client-initiated research as appropriate
- + Business Strategy and Structure

Strategic Consulting

- + Develop educational materials for Investment Committee members and other stakeholders on topics such as behavioral finance, fiduciary best practices, private and alternative investments, asset class characteristics, impact, and values-aligned investing
- + Assist in developing agendas and facilitating conversations on investments and business strategy
- + Support onboarding new Investment Committee members and/or staff regarding investment policies and strategy
- + Assist in sourcing and/or evaluating direct impact investment opportunities

Operational Services

- + Interface with third-party custodians
- + Support new account paperwork and account maintenance
- + Facilitate fund transfers from custodial accounts
- + Implement portfolio trading and rebalancing
- + Manage client online access to Syntrinsic, custodian, and performance reporting web portals
- + Performance reporting
- + Interface with and provide information to the client's auditor, tax preparer, and legal counsel as necessary

Stakeholder Services

- + Organizing and presenting at stakeholder gatherings on topics related to finance, economics, investing, nonprofit leadership, community engagement, and fiduciary best practices
- + Developing donor-facing presentations and materials that highlight the organization's stewardship efforts
- + Crafting periodic donor letters that can be used to reaffirm the organization's strength of investment oversight

- b. What is your investment philosophy? Specifically:
- i. Processes around strategic and tactical asset allocation, portfolio construction and rebalancing
  - ii. ESG investing
  - iii. Alternative investments
    - 1. What do you believe distinguishes your alternative investment strategy from your competitors?
  - iv. Active or Passive;
  - v. Liquidity

## INVESTMENT PHILOSOPHY

- + ***Time is of the Essence:*** Recognizing that investors often destroy capital when they try to time the markets, we are patient investors. To that end, we construct portfolios on a foundation of our long-term capital markets forecast, recognizing that the secular building blocks of long-term economic growth, yield, and inflation will drive the long-term potential of the capital markets.
- + ***Quality Matters:*** Syntrinsic focuses on thoughtful analysis, reasonable assumptions, intensive due diligence, and nuanced portfolio development. When conducting due diligence on investment managers—both active and passive strategies—we seek to identify those with ethical ownership, strong diverse teams that work well together and have done so through multiple market cycles, and investment strategies that are sound, proven, and repeatable.
- + ***Objectivity Over Emotion:*** While on the lookout for unexpected trends and risks, our data-driven process keeps us from getting distracted by emotional headlines or less meaningful data points. We pride ourselves on the quality of our economic analysis and investment due diligence, much of the value we have added over the years has involved being a source of calm and objectivity in the face of fear, hype, greed, ego, and anger. While we, too, are emotional, we have constructed an investment process that drives us toward objectivity.
- + ***All Investing has Impact:*** Syntrinsic sees impact investing as a possible way to mitigate the risk in portfolios, enhance long-term performance, and potentially create a positive impact in society. As an investment advisor, we believe it is our responsibility to guide clients through the process of defining the values that they hold most important and help them manifest those values in their portfolios to the degree they wish.

PORTFOLIO CONSTRUCTION

Syntrinsic’s portfolio construction process is a hybrid of strategic and tactical elements. This process enables us to build portfolios designed to endure over the long term while also being responsive to near-term opportunities and risks.

Strategic Asset Allocation

Syntrinsic forecasts expected long-term returns, volatility, and correlations across global capital markets to better understand the investment options available to construct diversified portfolios with a strong likelihood of meeting a wide range of objectives. The long-term forecasting of 10 years of anticipated capital market returns represents what some would call our “strategic” asset allocation work. **Our long-term forecast serves as the foundation of our portfolio construction process, informing high-level asset class decisions across portfolios.**

For example, the building blocks for Ten-Year Equity Forecast Returns provide a quantifiable, fundamentally driven rationale for anticipated returns:

Real Economic Growth

How much might investment markets benefit from economic growth across different regions?

Inflation

How much inflation might boost earning of investible companies?

Dividend Yield

How much return might investors earn from distributions?

Trade Adjustment

How might companies earning revenues in different parts of the world benefit from the growth rates in those regions?

Tactical Asset Allocation

Syntrinsic also considers more tactical asset allocation decisions. Near-term performance will seldom reflect long-term forecasts; for this reason; we assess the near-term market and economic issues that may present opportunities or threats over three-year periods such as fiscal and monetary policy, trade, and climate change, to name a few. We seek to add value within a market cycle by tactically adding exposure to areas we think will outperform and reducing areas that have a strong likelihood to underperform.

Together, these long-term and near-term forecasts are captured in our [Capital Markets Forecast](#).



## REBALANCING

Syntrinsic monitors the actual asset allocation versus the targets and generally evaluates rebalancing when the actual is outside the target ranges established in the Investment Policy Statement. For clients, we generally recommend target ranges of + or – 10% of the target (e.g., 18% to 22% target ranges when the target is 20%).

Syntrinsic considers rebalancing toward portfolio allocation targets at several junctures:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>+ <b>Distributions</b><br/>As the investor withdraws funds, we draw down the most overweight market segments and/or asset classes.</li><li>+ <b>Allocation Changes</b><br/>When making strategic or tactical allocation changes, we rebalance accordingly.</li></ul> | <ul style="list-style-type: none"><li>+ <b>Manager Changes</b><br/>As managers are added to or removed from the portfolio, we rebalance.</li><li>+ <b>Policy Triggers</b><br/>We recommend that the IPS have language defining a threshold for triggering rebalancing (e.g., being more than 10% off from target allocation). We then monitor the allocation periodically to evaluate if rebalancing might be worth considering.</li></ul> |
|--|--|

## ESG AND IMPACT INVESTING

Our experience serving endowment, foundation, and nonprofit clients has involved varying degrees of socially responsible and values and mission-aligned investing since the inception of the firm. As the definition of values-aligned investing has evolved and the opportunity set for investments has expanded, so have our clients' interests in adapting portfolios to address specific interests or goals.

As an investment advisor, we guide clients through the process of defining what outcomes they are trying to achieve as an organization. We analyze the ways that clients can manifest those outcomes in a portfolio, the costs and risks of such strategies, and the realistic social and financial expectations. Regardless of the ultimate decisions on the level of values alignment, we believe that every Investment Policy Statement (IPS) should explicitly speak to an organization's investment objectives and impact goals/desired outcomes. Our values-aligned clients' policies incorporate their organizations' intentions and decision-making framework for creating portfolios that avoid harm, benefit stakeholders, and contribute to solutions. That framework will inform the specific investment strategies and managers that Syntrinsic will suggest for implementing the desired asset allocation.

| Classic Investing  | ESG Integration   | Thematic  | Exclusionary                                      | Impact First  | Philanthropy  |
|--|---|---|---|---|---|
| Competitive Returns  |   |   |   |   |   |
|  | ESG Risk Management   |   |   |   |   |
|  | Sustainable Opportunities   |   |   |   |   |
|  | Values Alignment  |   |   |   |   |
| Investing without regard for Environmental, Social and Governance (ESG) factors or personal values | Targeting investments best positioned to benefit from the integration of ESG factors and broad-based macro trends | Focus on issue areas where social or environmental needs offer commercial growth opportunities for market rate return | Consideration of values to screen out investments | Emphasis on the optimization of social or environmental needs (e.g., PRI) which may result in financial trade off | Where social and/or environmental needs outweigh any consideration for financial return |

Approximately 40% of Syntrinsic’s clients integrate environmental, social, or governance (ESG) factors, exclusionary screens, thematic, and/or impact first investments both public and private in some or all their portfolio. For one investor, implementation could simply involve focusing on avoiding harm by screening out specific exposures (e.g., alcohol, tobacco, gambling, firearms, fossil fuel, etc.) within portfolio allocations. For other clients, this approach may include focusing on benefiting stakeholders and contributing to solutions by implementing ESG factors in the portfolio and/or specific thematic investments that align more closely with their mission.

## Should You Consider ESG Investing?

While many Syntrinsic clients elect to align their investments along ESG criteria, faith-based values, or other values/mission-driven criteria, that decision is always up to the client, with Syntrinsic in place as educator, facilitator, guide, and implementor along the way.

ESG investing can be a powerful component of portfolio development, but only if implemented effectively. Financially, ESG investing can be a way of managing portfolio risk and increasing potential portfolio alpha. Socially, ESG investing may be appealing to some donors and stakeholders, enabling you to strengthen some donor relationships, particularly when building relationships with younger donors.

Having helped several institutional clients align their portfolios with their values/mission, we would recommend Syntrinsic guide you through the following steps:

- 1. Education:** Develop a plan for educating key decision-makers about ESG investing, its potential benefits, risks, limitations, and opportunities. This process could take a few months or extend over several quarters. The education component is critical in helping the organization make an informed decision about how to proceed.
- 2. Scenario Analysis:** Evaluate different options for including ESG in parts of the Endowment portfolio. What would a carve-out look like? What about adding a single ESG-oriented manager? What about an ESG portfolio for major donors who find that attractive?
- 3. Discuss** with senior staff and board whether it makes sense to embark on a specific ESG strategy like those referenced above in #2. There must be board-level buy-in to any such decision.

## ALTERNATIVES

### How and Why We Use Alternatives

- + We recommend alternative investments to our clients to:
  - + Create a differentiated source of potential returns
  - + Reduce correlation to long-only equity and fixed income markets
  - + Reduce sensitivity to economic factors such as GDP growth and interest rates
  - + Reduce portfolio volatility

**When evaluating the role of alternative investments for a client's portfolio we must first understand the client's specific investment objectives and risk tolerance and how they tie into our view on the opportunities and risks within alternative investments,** which are outlined in our capital markets forecast. We guide all our clients through important considerations regarding investing in alternative investments and begin by addressing some of the following questions:

- + What role do alternative investments play in different portfolios (i.e., conservative, moderate, and aggressive)
- + What are the risks associated with the structures and strategies (liquidity, regulation, complication, transparency, high fees, etc.)?
- + What is the portfolio's liquidity needs (e.g., distributions, other expenses)?
- + What are the types of alternative investment strategies (e.g., long/short, macro, hedged equity, venture, impact, etc.)?





### Transparency

Transparency is a core value of Syntrinsic, and we expect it to be a core value of the investment managers we recommend. While we respect those managers require a certain amount of confidentiality to develop and implement their strategies, we expect managers to communicate with our team frequently, clearly, and with candor. We have terminated managers in the past for poor communication (e.g., Calamos, PIMCO, UBS, etc.), and have generally found that to have worked out well for our clients.

### Vintage Year Diversification

Having guided clients through 2000 – 2002, 2007 – 2009, and now 2020, we have witnessed first-hand the challenge of concentrated vintage year decisions. As such, with private equity, private real estate, and private credit, we strive to develop programs that diversify client investments across multiple vintage years, as well as sectors, geographic regions, and other risk factors. We also assess multiple managers who build vintage year diversification into their investment structures, which simplifies matters for our clients while still providing the diversification they need in these asset classes.

### Leverage

While leverage is essential for many hedging strategies and is used by most private equity, credit, and real estate managers, we find it critical that managers have a disciplined, consistent approach to managing leverage. Monitoring that leverage is part of our ongoing due diligence. We want to make sure that managers do not get careless or greedy in the pursuit of return since the penalties for being over-levered generally are paid by the limited partners.

### Risk Controls

As with leverage, we are biased toward managers that have built in risk controls for their portfolio construction process. For equity hedge managers, we prefer those that have a disciplined, rules-based methodology; for private credit, we seek those with well-defined approaches to covenants, loan diversification, credit analysis, and a demonstrably strong recovery process with a solid recovery rate. Once we are working with a manager, we are particularly focused on monitoring any changes in risk controls that might indicate a fundamental shift in investment strategy or philosophy.

### Impact Risk

Syntrinsic's research group evaluates impact risk for each investment during our extensive diligence process. The team evaluates investment managers based on the company, team, strategy, impact, investment structure, and performance. We have found that sound due diligence at the outset can help successfully mitigate some impact risks. Evaluating the investment team's leadership, strategy execution, commitment to the impact goal, business model, track record of success (at current firm or other firm(s)), and investment structure can reduce execution and stakeholder risk.

## Sourcing

We use several mechanisms to source alternative investments, including but not limited to, Preqin, Pitchbook, industry conferences, investment banking networks, impact investing community networks (e.g., Confluence Philanthropy, Mission Investors Exchange, Intentional Endowments Network, Big Path, etc.), investment manager meetings, industry conferences, investment banking networks, client investment committees, and client requests. We have assisted clients in evaluating and investing in private equity, private debt, venture capital, loans funds, private real estate, as well as impact private investments. For impact our sourced investments span the following impact themes: health, education, gender lens, food security, affordable housing, climate change, sustainable communities, economic opportunities, sustainable agriculture, infrastructure, and racial diversity.

Clients benefit from Syntrinsic’s fee structure because we have no financial incentive to recommend private investments over public counterparts.

## Access

Our access to alternative investments and private equity in particular comes from our robust networks, conflict-free relationships, reputational alignment, and our ability to access small-sized allocations.

Syntrinsic believes that average private equity is not worth the illiquidity and cost—**private equity only makes sense if it provides access to differentiated returns and meaningful return potential above public markets.**

Because of our size, mission alignment, and customized approach to building client portfolios we have access to all types of private equity managers, and **we regularly gain access to managers that larger firms cannot.** For example, with two of our most recent private equity recommendations, we brought forth private equity managers raising \$250 million (small companies) and \$125 million (pre-seed, seed, series A) because they are niche strategies with high alpha potential rather than managers expected to earn generic private equity Beta. We’ve also gained access to niche strategies in private debt and sustainable farmland that larger consultancies generally are not accessing.

## ACTIVE/PASSIVE

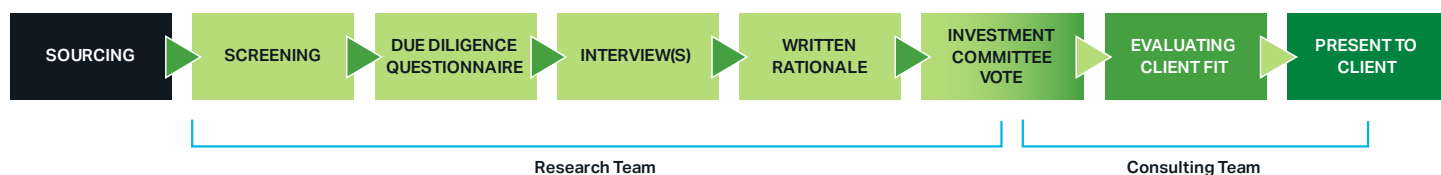
Syntrinsic is agnostic as it pertains to the use of active or passive investment vehicles; we use both in almost every client portfolio. We rely on our rigorous manager selection and due diligence process to find the best option in each asset class. That said, we are always mindful of the underlying cost of portfolio management, balancing those costs with the efficiency of the asset class, and the consistency of risk-adjusted excess returns over extended periods and multiple market cycles.



c. Do you have a dedicated team focused on manager selection and evaluation?

Yes. All investment decisions are made through Syntrinsic's **client-centric Investment Committee**. The committee collaboratively evaluates economic data, sets capital markets assumptions, evaluates investment manager suitability, and develops client portfolios. Our committee exemplifies the collaborative spirit and thoughtful discussion central to our culture. Our Investment Committee makes decisions through a rigorous consensus-seeking process, just as most of our clients do. Our voting committee members average over 20 years of investment experience, and three of our six committee members manage client relationships.

**The Syntrinsic manager selection process is conducted entirely in-house, with the Syntrinsic Investment Committee sourcing, researching, and selecting all investment managers we recommend to our clients.**



d. What is your approach to investment policy statements, asset allocation, and ongoing updates to the portfolio?

**Syntrinsic is committed to learning with, teaching, and supporting clients on their investment journey.** We do this through a collaborative design process with clients. We are intentional about designing with the end in mind to ensure your goals and your financial returns are achieved.

To facilitate the creation or review of Investment and/or Spending Policies, we will sit down with the Investment Committee, Staff, and other stakeholders to develop a better understanding of the organization and its mission. That process creates an opportunity to learn from the Committee and Staff about how they have come to this place while concurrently educating on fiduciary best practices as we have seen them over the past two decades advising public charities around the country. This process will cover a discussion of investment objectives, impact objectives, and the investment strategies used to achieve the impact and investment objectives.

## INVESTMENT OBJECTIVES

To determine the appropriate investment objectives, we some topics we would discuss together:

- |  |  |
|--|--|
| + Operating and spending needs of the organization | + Values Alignment   |
| + Liquidity needs                                  | + Asset allocation bands and target-setting process                                  |
| + The organization's investment philosophy         | + Investment manager due diligence   |
| + Risk tolerance and risk mitigation strategy      | + Alignment between the investment strategy and the organization's business strategy |

## ONGOING REVIEW

### + **Asset Allocation**

At least once per year, we formally review your asset allocation targets to ensure that they are in line with your objectives and our Forecast.

### + **IPS Review**

On an annual basis we help review the Investment Policy Statement to ensure it remains relevant and that the organization's portfolio is managed in compliance with it.

### + **Documentation of Recommendations**

Every portfolio recommendation from Syntrinsic, including asset allocation changes, tactical adjustments, rebalancing, and investment manager changes, is documented in writing so that the organization has a written record of Syntrinsic's recommendations and decisions.

### + **Manager Sentiment**

On Syntrinsic's quarterly reports we include in writing the current Syntrinsic research sentiment about every investment manager that we have brought to the table. We also notify you in writing of any change in that sentiment, such as a move from "Approve" to "Watch" or from "Watch" to "Not Approved." That notification includes the written rationale for the change in sentiment.

Syntrinsic's portfolio construction process is a hybrid of strategic and tactical elements. This process enables us to build portfolios designed to endure over the long-term while also being responsive to near-term opportunities and risks.

## e. What is your investment manager selection process?

Syntrinsic's due diligence process engages both our research and consulting teams, creating a "client-centric" approach to manager research. Consultants keep our clients' concerns and objectives at the forefront, while our research team concentrates on identifying and evaluating effective investment managers.

Syntrinsic sources investment managers (e.g., separate account, mutual fund, exchanged traded fund, private placement, etc.) through a variety of methods. Idea generation can involve broad universe screening using Morningstar Direct and Preqin databases, investment manager meetings with new and existing managers, industry events, networking, client referrals, and sales calls. All this work is performed in-house. We do not outsource our manager selection process.

Syntrinsic seeks managers with common characteristics that define how they run their business and how they make investment decisions, and risk management is embedded throughout our selection and monitoring processes. For all managers, we focus on the quality of the company, portfolio management team, investment strategy, impact thesis or purpose, and bottom-line absolute and risk-adjusted performance. Syntrinsic meets with 60-65 investment managers per quarter, either remotely or in-person.

### 6-FACTOR INVESTMENT MANAGER REVIEW



#### Company/Fund Manager

- + Financial sustainability
- + Stage of company
- + Company-wide alignment



#### Strategy

- + Measured impact
- + Profitable proposition
- + Business model + opportunity set
- + Sound and repeatable strategy



#### Performance

- + History of adding risk-adjusted value
- + Repeatable & consistent returns
- + Operational Expenses



#### Team

- + Compelling leadership/Diversity
- + Support of Strategy
- + Ethical Conduct
- + Implementation/Continuity



#### Impact

- + Impact thesis or purpose
- + Measurement and reporting
- + Path to achieving impact
- + Mission perception and drift



#### Investment Structure

- + Seniority
- + Investment Terms
- + Liquidity/Exit Potential Cost



We recommend to clients only those managers worthy of our confidence. We collect this information through our manager Due Diligence Questionnaires (DDQs), client meetings, our networks, and databases such as Morningstar, Bloomberg, and Preqin. Below are the qualitative and quantitative factors that our research team evaluates quarterly.



f. How do you provide on-going monitoring and due diligence of managers?

MANAGER DUE DILIGENCE: QUALITATIVE FACTORS

Syntrinsic’s Research group notes changes in strategy or personnel that could impact the applicability of the historic returns and risk data. The Research group also considers how relevant past performance may be to predicting performance in market environments projected going forward. Qualitative data factors also include:

- + Financial soundness and resources of the organization,

+ Quality, consistency, racial and gender diversity throughout the organization, and compensation of personnel

+ Commitment to diversity and inclusion, including DEI policies as well as recruitment, hiring, and promotion practices

+ A clearly defined investment philosophy

+ Growth in assets under management

+ Clearly defined impact strategy, the manager’s ESG competency, use of data resources, internal ESG education, and level of ESG integration
- + Methodical, repeatable investment process with consistently effective decision-making

+ High-quality, objective research

+ Appropriate risk controls

+ Firm and team-level potential conflicts of interest

+ Style consistency and reliable implementation

+ History and ownership of the firm, key investment personnel stability, key clients, fee schedule, and support personnel

MANAGER DUE DILIGENCE: QUANTITATIVE METRICS

Syntrinsic uses databases from Morningstar Direct, Bloomberg, and Preqin to review the following quantitative data factors:

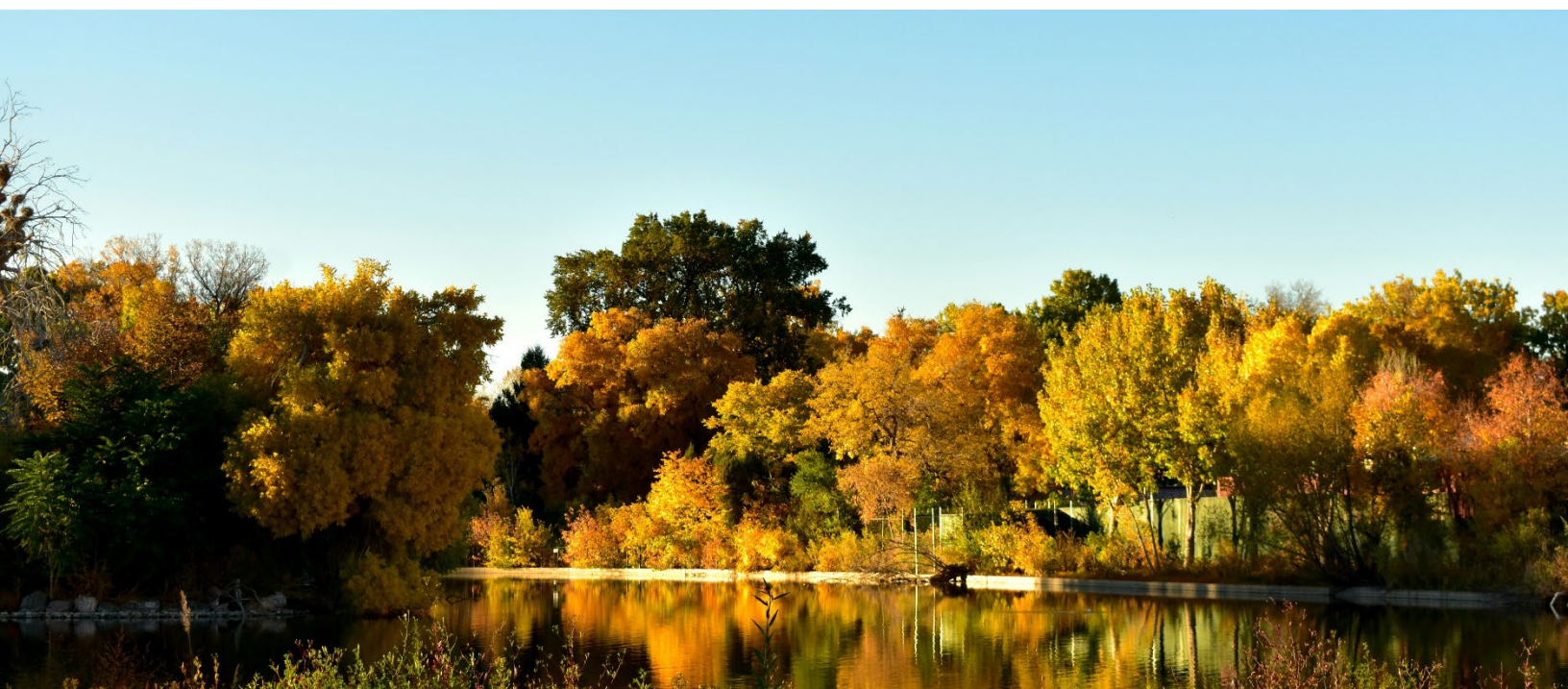
| Historic Returns  | Historic Risk   | Portfolio Analytics   |
|---|---|---|
| <div><div>+ Net absolute returns over multiple market periods</div><div>+ Net returns relative to relevant market indices and appropriate peer group universe</div><div>+ Net returns during more extreme market periods, both positive and negative</div><div>+ Alpha relative to the benchmark and peer group</div></div> | <div><div>+ Volatility over multiple market periods</div><div>+ Volatility relative to market indices and peer group</div><div>+ Ability to reduce participation in down markets while capturing appropriate positive performance in up markets</div><div>+ Ability to compensate for market risk relative to indices and peer groups</div></div> | <div><div>+ Portfolio holdings to evaluate diversification and alignment with manager’s stated strategy</div><div>+ Return on investment</div><div>+ Duration</div></div> |

Managers that have caused our confidence to be called into question are moved to “Review.” Such a move may be due to many factors, including concerns about the:

- + **Company** (e.g., changes in ownership, new strategic direction, loss of assets)
- + **Team** (e.g., new portfolio manager, high analyst turnover, lack of succession plan)
- + **Strategy** (e.g., change in methodology, deviation in implementation, no longer relevant)
- + **Impact** (e.g., thesis changes, mission drift, impact no longer relevant or declining)
- + **Structure** (e.g., liquidity, change in terms, asset flows, etc.)
- + **Performance** (e.g., persistently poor security selection, failure to compensate for risk)

Managers that have lost our confidence are moved to “Not Approved.” In some cases, we can move to “Not Approved” without putting them on Review first, though most often, our changes in sentiment are driven more by gradual deterioration of confidence rather than a sudden shift in perspective. Because each situation is different, the timeline for terminating a manager will vary depending on the reason for the change. For example:

- + If we have lost confidence in a manager and are concerned about the risk of keeping funds with the manager, we can exit within a few days, (though longer for private investments).
- + If a manager has experienced an acquisition or change in one of the Portfolio Managers, we might move to “Watch” for a few quarters while we assess the impact of the change.
- + If a manager has been underperforming for a few quarters but the rationale for that underperformance makes sense and we remain confident in the manager’s abilities, we might move to “watch” for a few quarters to see if the performance meets expectations going forward.
- + If a manager has been underperforming and the manager is not forthright with information about the situation, does not seem concerned, and/or does not provide strong conviction going forward, we would likely accelerate significantly our move toward termination and replacement.



## g. What is your approach to managing risk?

Having managed foundation and endowment portfolios from 2000-2002, 2007-2009, and now through 2020-2022, we have learned a few lessons about risk:

- + Risk management is as much behavioral as it is quantitative. A strong working relationship between well-educated and well-intended partners bests a Monte Carlo study all day long.
- + We often recommend setting aside assets required for near-term liquidity rather than lowering the risk of an entire portfolio because of anticipated cash needs.
- + While we believe strongly that there is a place for passive management, and while it is cheaper and has lower active share risk, passive investments cannot protect in downturns and should be incorporated with that in mind.
- + Asset classes and investment managers do not always “revert to the mean.” Sometimes an investment is down on an absolute or relative basis and is not positioned to make up that decline.

Syntrinsic would help Clayton balance the risks associated with investment management (e.g., volatility, interest rate risk, liquidity risk, etc.) with the risk of not earning enough to satisfy the mission. We call that latter situation, “shortfall risk.” To strike this balance, Syntrinsic considers risk through several lenses.

### DIVERSIFICATION

Syntrinsic’s Investment Committee evaluates macroeconomic risks as well as market risks. As a result, Syntrinsic tends to recommend asset allocation targets that are global in nature. We strive to ensure broad diversification across interest rate, inflation, currency, and GDP growth risks and opportunities. By mitigating an overreliance on any one economy or currency regime, we strive to increase the likelihood of achieving your objectives.

We stress-test recommended allocations to evaluate the volatility experienced in the past, particularly in extreme market conditions. An allocation that appears diversified during good times can rely too much on a single economic factor (e.g., US dollar, interest rates, inflation, etc.), revealing the risk only when it is too late to do anything about it. Furthermore, when developing allocation recommendations, we are mindful of the available manager universe and how implementing an allocation to an asset class or market niche will be impacted by risks inherent in the available strategies.

### SHORTFALL RISK

Many advisors define and measure financial risk evaluating only analytics such as historic volatility, historic and forecast return, Sharpe Ratio, and historic max drawdown to help clients think through their objectives, risk tolerance, and most appropriate asset allocation. While those risks are important and meaningful to portfolio construction, volatility and drawdown are not problematic unless an investment committee proves unable to withstand market movements and sells during downturns, thus destroying capital. An overemphasis on volatility management can mask the more significant shortfall risk.

Our risk management efforts are well-aligned with our overall investment process. Because we ground our strategic asset allocation work in long-term capital markets forecasts, we regularly communicate with clients about the likelihood of meeting their long-term return objectives.

## OTHER PORTFOLIO RISKS

Price volatility—the beginning and end of risk metrics for many investment advisors—is just one metric among many that Syntrinsic considers in managing portfolio risk. As part of our internal process, Syntrinsic evaluates portfolio risk in five broad categories. The sections below describe those categories.

### Structural Risks

Structural risks are those inherent in the investment structures themselves. For example, hedge funds generally possess considerable illiquidity, lack transparency, and may be exempt from regulatory oversight. These risks often get overlooked because investors focus strictly on the lower volatility that can occur in a hedge fund due to pricing infrequency or investment strategy.

### Macroeconomic Risks

These risks derive from global and/or localized economic activity that can influence investment markets. An interest rate increase, for example, may not impact the underlying creditworthiness of a bond but generally lowers its price. While these risks can be managed through prudent diversification, allocation work, and manager selection, it will be necessary to maintain meaningful exposure to economic risk to achieve long-term return objectives.

### Market Risks

Market risks include price volatility, price uncertainty, and other risks specific to investment markets. These factors reflect how a portfolio can be impacted by changes in market fundamentals and behaviors.

### Strategy Risks

Strategy Risk concentrates on the managers in the portfolio, their methodology, outlook, implementation, business risk, and cost. In an industry in which diversification is paramount, conformity of outlooks or conformity of strategies indicates that an investor may be aligning too much of the portfolio in a single direction.

### Impact Risk

At the asset allocation, we integrate impact risk into our Capital Markets Forecast. Our Near-Term Sentiment within our Capital Markets forecast evaluates opportunities and risks within asset classes with a three-year perspective in mind. Recognizing that Environmental, Social, and Governance (ESG) factors will have macro and financial risks for the capital markets and increase financial risk from historical levels, ESG factors are a key component of our Sentiment and strategic asset allocations.

At the manager level, Syntrinsic's research group evaluates the impact risk for each investment during our extensive diligence process. The team evaluates investment managers based on the company, team, strategy, impact, investment structure, and performance. We have found that sound due diligence at the outset can help successfully mitigate some impact risks. Evaluating the investment team's leadership, strategy execution, commitment to the impact goal, business model, track record of success (at current firm or other firm(s)), and investment structure can reduce execution and stakeholder risk.



h. What is your preferred arrangement for custody of client assets and relationship to banks?

Consistent with institutional investment best practices, Syntrinsic does not believe that the advisor/consultant should also serve as the custodian. The separation of powers ensures the multiple parties are valuing and reconciling the account, monitoring account activity, and reporting back to the investor and its auditors. This “**checks and balances**” approach reduces the likelihood of fraud and makes it easier to identify inadvertent mistakes.

As an added convenience to our clients, Syntrinsic maintains enterprise relationships with several potential custodians to help ensure custody and trading services that are more cost-effective than many traditional options. Our clients rely primarily on custody and trading services provided through Pershing Advisor Solutions, Charles Schwab Institutional, or Fidelity. We also have clients who hold assets at other financial institutions to accommodate other needs (e.g., corporate trusteeship, community engagement, or donor relations, etc.).

Generally, we recommend Pershing for our institutional clients because they have been the most efficient, responsive, and convenient for nonprofit staff and outside auditors. We do not have a financial incentive to encourage one custodian over another.

i. How are your benchmarks selected?

Syntrinsic uses benchmarks to assist in evaluating the effectiveness of investment performance at the portfolio, asset class, and manager levels.

+ **Client Objective Benchmark**

The Client Objective Benchmark compares the portfolio’s return to a quantitative objective specific to the client’s long-term return targets as described in the Investment Policy Statement (e.g., CPI + 5% per year).

+ **Class Blended Benchmark**

The Class Blended Benchmark compares the portfolio to a weighted blend of all asset class benchmark performance in alignment with the actual allocation of the portfolio each day. Syntrinsic compares the performance of each asset class to a rules-based broad market index. With alternative investments, we rely upon benchmarks constructed of peer group data.

+ **Asset Class Benchmarks**

The Asset Class Benchmarks (e.g., Russell 3000, MSCI ACWI ex US, Barclays Global Bond, Cambridge PE, etc.) compare the performance of each asset class to a broad market index that represents the universe of securities that make up the asset class.



| Asset Class                | Broad Market Benchmark                             |
|----------------------------|--|
| <b>PUBLIC INVESTMENTS</b>  |  |
| US Equity                  | Russell 3000                                       |
| Non-US Equity              | MSCI-ACWI (ex-US)                                  |
| Listed Real Estate         | FTSE EPRA NAREIT                                   |
| Global Fixed Income        | Barclay Global Bond                                |
| Hedge Fund Strategies      | HFRI Fund of Funds Composite Index                 |
| Short-Term Fixed Income    | Bloomberg Barclays Bond Fund Index 1 -5 Gov/Credit |
| Short-Term Treasury        | 90 Day T-Bill                                      |
| Cash                       | 90 Day T-Bill                                      |
| <b>PRIVATE INVESTMENTS</b> |  |
| Private Equity             | Cambridge PE Index                                 |
| Private Debt               | Cliffwater Direct Lending Index                    |
| Hedge Fund Strategies      | HFRI Fund of Funds Composite Index                 |
| Impact Fixed Income        | CPI Core   |
| Private Real Estate        | NCREIF Property Index                              |
| Infrastructure             | DJ Brookfield Global Infrastructure Gross TR Index |
| Commodities                | S&P Global Natural Resources                       |
| Timber                     | NCREIF Timberland Index                            |

#### + **Investment Manager Benchmarks**

The Investment Manager Benchmarks compare each manager to the investment manager's prospectus benchmark that reflects the manager's style, sector, cap weight, currency, or other factors.

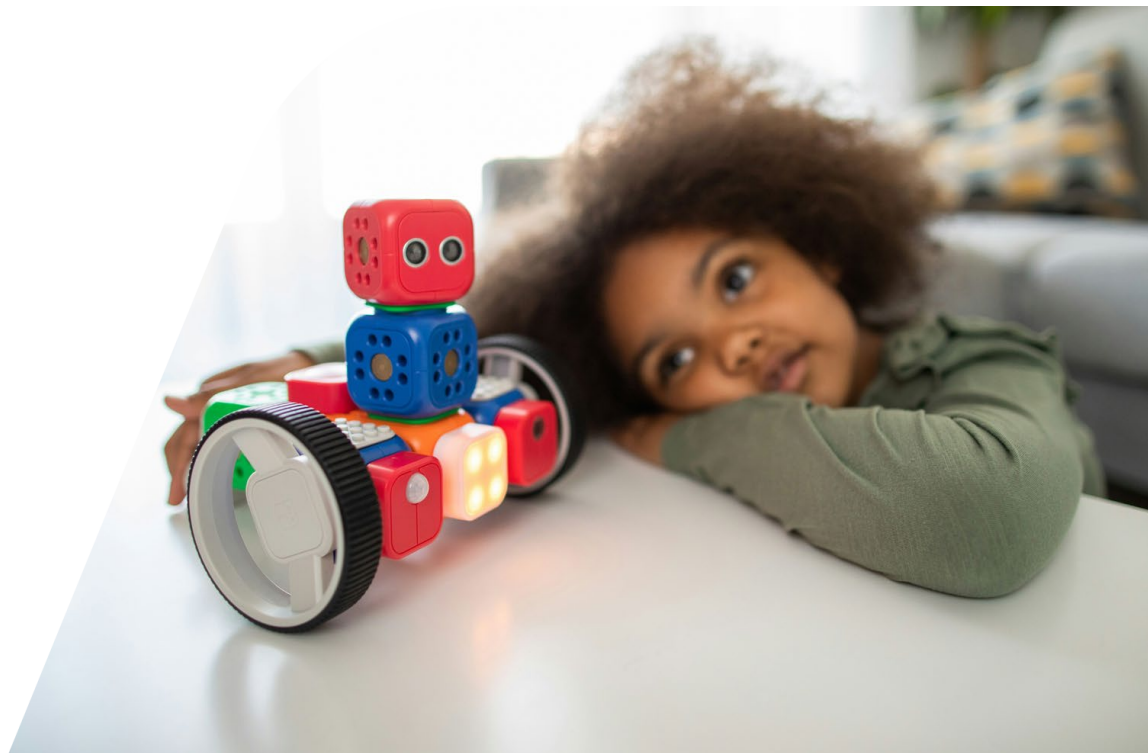
#### + **Peer Universe**

Quarterly, we also review portfolios against a peer universe of portfolios with similar objectives using Investment Metrics. Investment Metrics is an industry database that provides performance analytics across \$10 trillion of assets under advisement for 5,500+ institutional portfolios managed by a wide array of advisory and consulting firms.

- j. What do you believe distinguishes your investment philosophy and management services from your competitors?

### SYNTRINSIC DIFFERENCE

- + We have structured our business to be free of material conflicts of interest so that we can honestly and earnestly assess portfolio decisions driven only by your needs and objectives.
- + For our client's convenience, we offer customized decision-making options regarding levels of discretion, asset allocation, manager selection, and values alignment.
- + We have successfully guided clients through two of the worst market environments in a century because we embrace the value of Time, Objectivity, Quality, and Impact.
- + We develop clear written reasons for every asset allocation call, every tactical shift, and the selection, retention, and termination of every manager.
- + We engage with our clients at a more robust level than many firms, proactively identifying ways to partner with clients to use their financial resources to scale community impact, recycle capital, attract capital for public/private partnerships, grow assets for the future, and be a catalyst for change.
- + We support our clients' efforts to educate stakeholders on fiduciary best practices and trends in the investment/impact sector.
- + The endowment, foundation, and nonprofit sectors are part of Syntrinsic's DNA. As former foundation and nonprofit founders and executive directors, our principals understand what it takes to integrate social impact and long-term financial sustainability.
- + Our team is committed to collaborating across multiple frameworks to co-create healthy, sustainable, and vibrant communities.



## VII. Investment Reporting And Evaluation

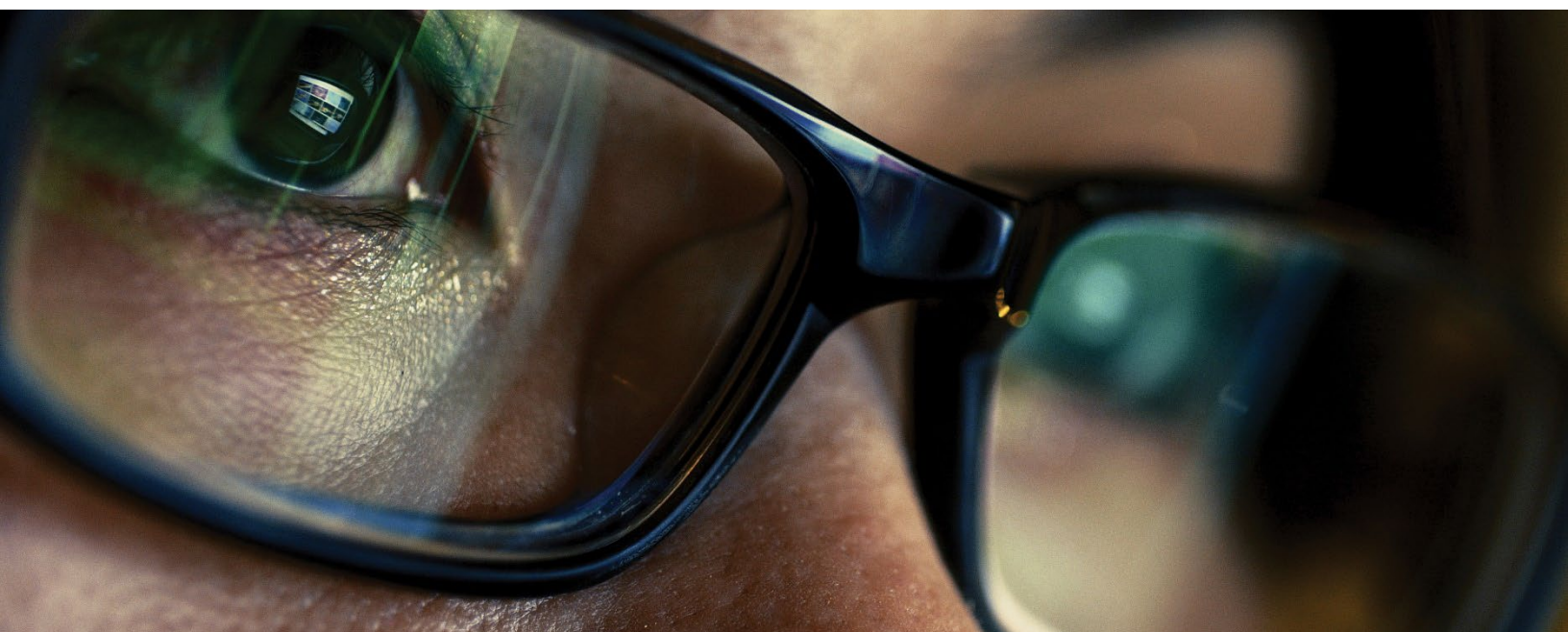
### a. How do you manage performance monitoring?

Syntrinsic's robust reporting platform is called Black Diamond. We started working with Black Diamond in 2010 and have continued that relationship through their acquisition by Advent in 2011 and then SS&C in 2015. Over time, the platform has dramatically improved in flexibility, usability, and accessibility to both our team and our clients. The platform empowers you to understand how effectively the investment strategy is meeting portfolio objectives. Transparent reporting fosters a candid working relationship, enabling you to hold accountable the investment managers and the advisor.

Syntrinsic's performance reporting process is managed by our Operations team who proactively takes responsibility for the daily monitoring of the portfolio, managing implementation of portfolio changes, and serves as the organization's eyes and ears on the portfolio.

Black Diamond electronically feeds data from third-party custodians, reconciling that data at two levels in the process. Only private investment information is manually recorded. In contrast, many institutional consultants manually input all performance data, creating opportunities for errors both unintended and malicious. Advisors who use their own firm as custodians rely on their firm's provision of data, creating a potential conflict.

Each night, the custodians send every position, transaction, market value, etc. to Black Diamond. Black Diamond then reconciles the information and uploads it to the system. We can then view daily performance information for all our clients' accounts, as you will be able to do. We use this information to complete the periodic (monthly or quarterly) reports that we provide for our clients. Black Diamond also has a client-facing online portal where you have the option of monitoring performance daily.



b. What type of investment information and reporting will be available online for our team to access?

Syntrinsic clients gain access to multiple portals to address varied needs. This allows Clayton to determine which staff and volunteer leadership should have access to different levels of information. In all cases, security is a top priority. You will have the final say in who is authorized to access the information below. Our team is happy to provide training to any of your team members regarding how to access the different sites.

| Web Portal  | Data Available                        |
|---|---------------------------------------|
| Syntrinsic website – <a href="http://www.syntrinsic.com">www.syntrinsic.com</a> | Syntrinsic research and commentaries  |
| Syntrinsic Client Portal (Secure)   | Reports, meeting materials, IPS, etc. |
| Custodian website (Secure)  | Standard bank-custody data            |
| Reporting website – Black Diamond (Secure)                                      | Performance as outlined above         |

c. How frequently do you provide investment updates and reports to clients? Provide a sample of a client report issued by your firm.

For our nonprofit clients, we have found that the following timeline generally works well. Of course, there are times when more meetings are necessary to support the Council through a difficult market, a strategic plan, and other important events.

| Meeting Type                | Frequency                        |
|-----------------------------|----------------------------------|
| Investment Committee        | Quarterly (more often as needed) |
| Investment Committee Chair  | 1-2 times/quarter                |
| Board                       | Ideally, at least annually       |
| Donors + other stakeholders | Ideally, at least annually       |
| Operations teams            | Weekly communications            |

Please see Exhibit II: Sample Quarterly Performance Report and Exhibit III Quarterly Client Presentation

- d. What is your approach to investment analysis? What type of ad hoc analysis and support do you offer?

## CUSTOM INVESTMENT ANALYSIS

Reporting can be customized to meet your needs, including the addition of more in-depth reports around relevant topic areas. For example, we provide one-off reports to clients that address varied needs such as:

- + Attribution analysis
- + Duration analysis
- + Impact evaluation
- + Sector allocations
- + Developed v. Emerging market look through
- + IPS compliance report

## TOOLS

Once a client has sufficient performance data, Syntrinsic reports on volatility-based risk metrics for each portfolio. Our system enables us to calculate risk metrics based on monthly performance, providing many more data points than conventionally included by many other firms. We provide risk metric data since inception, though we can provide for other time periods as well (e.g., 3-year, 5-year, etc.).

Volatility-based risk metrics include:

- + **Standard Deviation:** a measure of volatility
- + **Sharpe Ratios:** return per unit of volatility
- + **Beta:** volatility relative to policy benchmark
- + **Alpha:** excess return given portfolio Beta
- + **R2:** correlation of the portfolio to policy benchmark

The risk metrics in Syntrinsic's performance reports help quantify the historic risk of the portfolio in absolute terms and relative to the policy benchmark. In developing and analyzing portfolios, Syntrinsic also considers many risks that are not as easily quantifiable.

Also, within the performance report, we provide a Summary of Investment Managers that provides data on the key risk metrics listed above for each money manager versus their market index and compared to the most appropriate peer group. Syntrinsic uses Morningstar Direct to develop these reports.

We also evaluate upside capture and downside capture at the portfolio level and investment manager level. The volatility-based metrics above and capture ratios can be provided at the asset class level as well.

## ANALYTIC TOOLS

We use several modeling tools like Morningstar Direct and Bloomberg to run Monte Carlo simulations of asset allocation blends, to conduct scenario analysis regarding the likelihood and potential impact of extreme events, and to provide our clients with a reasonable sense of long-term portfolio outcomes to evaluate shortfall risk. We take pride in making our analytics accessible, readable, and actionable.

- e. How would you assess your performance reporting compared to your competitors?

Please refer to our response in section VII, question a.



# VIII. Fees

a. What is your proposed fee structure? Please specify all applicable fees and expenses (consulting, custodial, management, etc.).

## ADVISORY FEE

Syntrinsic’s only revenue source is the fee clients pay for the investment services listed in question VI. a. Our Investment Advisory Agreement explicitly spells out our fee structure so that Clayton precisely knows the nature of the relationship with Syntrinsic.

For Clayton Early Learning, Syntrinsic proposes the following fee structure. Based on the current long-term investment pool of \$40M, the blended rate would be 0.31% of assets.

| CONSOLIDATED ASSET LEVEL                      | ANNUAL ADVISORY FEE |
|---|---------------------|
| Assets up to \$15 million                     | \$60,000            |
| Assets between \$15 million and \$50 million  | 0.25% of assets     |
| Assets between \$50 million and \$100 million | 0.15% of assets     |

## INVESTMENT MANAGER EXPENSES

Syntrinsic does not participate directly or indirectly in investment management or custody and trading expenses. **Our revenue is independent of asset allocation, investment manager, and custody decisions, enabling us to remain objective in our advice and recommendations.**

Over the past seven years, our foundation and endowment clients have generally experienced investment manager expenses of 0.40 – 0.80% per year for long-term portfolios of active and passive equities, bonds, real estate, private debt, and hedge funds. Long-term portfolios with a larger amount allocated to private investments generally bear a higher expense. Portfolios with more passive exposure have experienced lower expenses. Syntrinsic receives no part of the investment manager's expenses.

**Syntrinsic receives no revenue—directly or indirectly—from investment managers.**

CUSTODY AND TRADING

Most of our institutional clients have chosen Pershing as custodian at our recommendation. Pershing charges \$20 per institutional share class mutual fund transaction and \$9 per ETF transaction up to 1,000 shares. For separate account managers—if you were to use any—custody and trading expenses likely would be well under 0.10% per year.

Custody and trading fees for most of our institutional clients typically have been well below 0.01% of assets annually.

Syntrinsic receives no part of the custody and trading fees.

b. Are your fees affected by the client's choice of investment products, asset allocation or other factors?

No, Syntrinsic's advisory fees are the same regardless of the choice of investment products, asset allocation, level of discretion, or any other factors.

c. Do you accept commissions, fees or other payments from funds, managers or other third parties? Explain why or why not.

No. Because the firm receives no direct or indirect revenue from investment managers and custodians, compensation is free and clear of any revenue derived via commissions, soft dollars, revenue sharing, trails, placement fees, research fees, sponsorships, and other ancillary revenues that generally create conflicts between consulting firms and their clients.



# IX. Nonprofit Experience

a. What is your firm's commitment to diversity, equity, and inclusion.

## CULTURE

"Syntrinsic" represents the blend of "synergy" and "intrinsic." We believe that each person possesses intrinsic value and that all elements of one's identity contribute to that value. We also know that creating **a culture that invites people to fully engage with their authentic selves** generates synergy that leads to more meaningful, satisfying, and effective collaboration. Thus, whether working together internally or in partnership with our clients and colleagues, Syntrinsic's conscious awareness of diversity enhances the quality of our care.

## DIVERSITY

Syntrinsic always seeks to identify the best person for the job AND to intentionally curate a diverse team. We see these objectives as complementary and of shared importance because we have found internally and with our clients that **a diverse team and an inclusive environment generally leads to better investment decision-making and stronger long-term results.**

Outside of race and ethnic diversity, which are more apparent, we intentionally do not ask potential employees about their faith, socioeconomic background, disabilities, sexual orientation, or gender identity out of respect for their privacy and freedom to self-identify and self-disclose. Instead, **we strive to create an inclusive environment where people with diverse backgrounds feel respected and have a sense of belonging**, where they can bring their full selves to the table.

Our quest for diversity within Syntrinsic has been a journey. In addition to traditional candidates, we intentionally strive to identify candidates from under-represented backgrounds in the finance industry; as such, we devote the resources necessary to consistently identify, evaluate, and hire nontraditional candidates as we seek to build a team worthy of our clients' confidence.

## TEAM

- + Women represent 50% of our team and include our Co-President.
- + **No women are paid less than their male peers in the same or comparable positions.**
- + Our team is comprised of 21% people of color with a goal of moving toward 30%.
- + **We create a welcoming environment for employees and their partners regardless of sexual orientation.**
- + Our team possesses diverse faith and political perspectives with an overarching environment of respect and trust.
- + Our team includes people from diverse parts of the country (rural, urban) as well as one team member who emigrated to the United States as an adult.

## CLIENTS

- + We are advising several nonprofit clients that have explicitly emphasized diverse managers as a component of their investment strategy. While prioritizing financial performance, these clients are intent on including investment management strategies owned and/or led by women and/or underrepresented people of color.
- + To that end, Syntrinsic has engaged [Lenox Park Solutions](#) to serve as a resource for monitoring the demographics of the investment managers on whom Syntrinsic conducts due diligence as well as our own progress. We have had a phenomenal response from the investment managers with whom we work, demonstrating the willingness of many investment managers to engage on this effort even if early in the journey. In this effort, we strive to support our clients while also moving the industry to be more inclusive.

## SYNTRINSIC'S DEI JOURNEY – IMA PARTNERSHIP

From day one, Syntrinsic has been committed to integrating diversity, equity, and inclusion into our culture. Our team has a multi-decades long history of breaking through glass ceilings and locked doors to hire and promote people whom others are reluctant to support because of their gender or race, because they don't fit a preconceived notion of what people think a top-tier financial professional should look like.

Our colleagues and clients share our commitment to creating the most effective team possible regardless of gender or race. They, too, want us to cast a wider net to find the best talent, to elevate people based on merit, not on appearances or identity.

Our approach has led a high-functioning team with unusually rich diversity in the financial services sector that looks much as it did when we started this work over 20 years ago.

Occasionally, we encounter companies that authentically share our commitment to building robust organizations that benefit from a fuller range of human experience, knowledge, and wisdom. One such company is IMA Financial Group.

While early on their DEI journey, IMA's leadership team brings intentionality to grow representation and integration across their organization. For us, the proof is in the actual progress being made. As IMA grows organically and through acquisition, IMA has been taking full advantage of the opportunity to create a more diverse associate base while building out the infrastructure to support those employees. This isn't about quotas or taking from one group to serve another. At IMA, the pie is expanding and that allows more people to sit at the table.

For Syntrinsic, partnering with IMA enables us to be a resource, an ally, and a fellow traveler on this DEI journey. Sure, we've been investing with diverse managers and attracting diverse talent since the beginning. Yet we too have more to learn, more to do. Syntrinsic joining IMA enables us to influence not just our clients, not just the team here at Syntrinsic, but a growing family of associates who share our vision and values, who are on the very challenging and very important journey of creating a more inclusive company, community, and country.



b. What, on average, is your rate of return for organizations of our size? We understand historical return does not dictate future returns.

Based on the long-term performance objective of 6-8% net of fees stated in your Investment Policy Statement, we have provided the average net returns for our clients with a similar objective. Returns are as of 12/31/2023.

| 1-Year | 3-Year | 5-Year | 7-Year | 10-Year |
|--------|--------|--------|--------|---------|
| 14.9%  | 3.0%   | 8.9%   | 7.5%   | 5.8%    |

As you have indicated an interest in exploring private assets, please additional performance information below as of 12/31/2023.

|                | 1-Year | 3-Year | 5-Year | 7-Year |
|----------------|--------|--------|--------|--------|
| Private Equity | 8.7%   | 13.1%  | 11.3%  | 19.5%  |
| Private Debt   | 11.5%  | 9.6%   | 9.3%   |        |

c. What percentage of your managed assets are related to the education sector?

Approximately 15% of Syntrinsic's assets under advisement are related to the education sector. This comprises about 17.5% of the firm's revenue.

d. What differentiates your firm with regard to managing nonprofit endowments?

Syntrinsic’s consultants have started private foundations and nonprofit organizations. They have served as Board members, Treasurers, investment committee members, and Executive Directors. They have experience bringing into alignment governance, strategy, values, and investment oversight. In their leadership roles with foundations and nonprofit organizations, they have helped implement strategy, design programs, and build budgets evaluating contingencies and opportunities.

That robust experience deeply informs why Syntrinsic exists and how we serve our clients.

**The majority of Syntrinsic's clients are foundations, endowments, and other nonprofit organizations with multiple asset pools** that are used to support grants and programs for specific timeframes. As such, our firm's research and portfolio development work is built around meeting the needs of many different types of nonprofit organizations. As advisors, we are not trying to be all things to all people; rather, we are clearly focused on determining the most appropriate asset allocation targets and most suitable investment managers for investors, who, like you:

- + Possess fiduciary responsibility and associated public accountability
- + Have a long-term time horizon
- + Have meaningful annual distribution targets
- + Wish to keep pace with (or exceed the rate of inflation)
- + Serve a public good
- + Have people and organizations that depend upon prudent stewardship
- + Must make decisions collectively

We are confident that we can assist Clayton in selecting the appropriate blend of risk-seeking and risk-mitigating assets, active and passive investments, and public market and private investments. Through continuous monitoring, we make modest tactical and strategic shifts when appropriate and help guide you through the inevitable market downturns which are the toughest test of any investment strategy.

Over the past eight years, Syntrinsic has maintained a 99% retention rate across our institutional clients. That statistic reflects the commitment we make to each client to empower them to be even more effective, and even more impactful. We recognize that building effective portfolios requires establishing a productive working relationship with you and your team. As such, we strive to be a valuable extension of your staff, committees, and board, partnering with you to bring Clayton's mission to reality.

- e. Describe your organization's commitment to philanthropy and how your firm supports nonprofits in the communities where you do business.

## PHILANTHROPY

With regard to community generosity, Syntrinsic behaves much like our private foundation clients, using our firm's financial resources in order to have a material impact in the community through donations, sponsorships of nonprofit organizations, and dues to community-oriented associations. **Over \$1.3 million of Syntrinsic revenues have gone back into the community since 2011.** We hope to continue growing our impact.

## VOLUNTEERISM

Syntrinsic's team members roll up their sleeves and engage as board members, mentors, and volunteers in the community in a meaningful, productive manner. The team averages between 20-40 hours of volunteer work per month. For example, Ben served on the Board of Qualistar at the request of Kathryn Harris when she was leading the thoughtful and intentional winddown of the organization.

## KNOWLEDGE

In addition to board service and our day-to-day work with clients, Syntrinsic strives to engage people around the country to be more informed and effective donors and stewards of philanthropic assets. To that end, we have presented at well over 100 conferences and convenings. In addition, we provide pro bono guidance to nonprofits in the earlier stages of developing their financial resources.

## PLACE

We are neighbors. Partnering with developers who share our commitment to community building, Syntrinsic Co-President, Ben Valore-Caplan, acquired an old US Army Medical Depot Building at the intersection of the historic Clayton, Cole, and Elyria-Swansea neighborhoods of north Denver. These neighborhoods have robust legacies in Denver's Hispanic and African-American communities and have long been home to many immigrant families.

**In 2018, Syntrinsic relocated our offices into this vibrant—but long underserved—historic neighborhood.** By attracting other civically engaged companies, nonprofits, and minority-owned small businesses, we intentionally serve as a positive catalyst for the community that lives there today.

Today, the building houses five nonprofits, including Moonshot edVentures, Denver Food Rescue, and Growhaus, as well as multiple small businesses, with the majority being led by women and/or people of color.

**By placing Syntrinsic in the community and encouraging other organizations to join us, we are making our own material social impact investment, hoping that others will use our example to inform their own investment decision-making.**

## ADVOCACY

We strive to build connections with other institutions and donors we know that share common values, mission, geographic orientation, and other affinities. In our minds, we are a part of our team and striving for you to accomplish your mission to the best of your abilities.

## SPONSORSHIP

We routinely sponsor clients in ways that are most useful to them. Sometimes that means supporting an annual gala, other times it might mean sponsoring an educational initiative, scholarship fund, or other effort that is of strategic value to our client.

## MISSION ALIGNMENT

As an investment advisor and strategic consultant, Syntrinsic partners with our clients to address the question, "How do we fund our mission?" We work with clients to select the appropriate blend of risk-seeking and risk-mitigating assets that meet both impact and return objectives. Integral to the discussion of "how do you fund your mission" is also "how do we use our investments to address structural economic inequities." A good portion of our endowment, foundation, and nonprofit clients are seeking to address this through some combination of exclusionary screening, ESG integration, shareholder advocacy, thematic investing, and utilizing diverse investment managers across asset classes to achieve their goals.

In addition, we believe that it is important to be engaged in conversations both locally and nationally with endowments, foundations, nonprofits, and other financial institutions. We do that through community engagement, webinars, participating in conferences, and writing thought pieces.

## RACIAL EQUITY

Akasha Absher, our Co-President, participated in Confluence Philanthropy's racial equity initiative sponsored by the Kellogg Foundation in 2019. The initiative began with a discovery process to understand the lack of diversity in the investment industry, which generated some key findings and led to a call to action for the industry. Akasha participated in retreats, led roundtables, and participated in and facilitated sessions at Confluence's conference and Advisor Forum. All the sessions focused on how to address structural barriers and implicit biases and move more Foundation's resources into diverse-owned and managed funds. Akasha has continued this work and as a member of Confluence's Racial Equity Advisory Committee is working with industry participants to try to develop tracking and reporting mechanisms for Syntrinsic and for clients.

Akasha is currently on Confluence Philanthropy's Racial Equity Advisory and was on GenderSmart's Justice, Equity, Diversity, and Inclusion Committee.

## THOUGHT LEADERSHIP

Syntrinsic has been very engaged in the impact investing ecosystems since our inception, writing thought pieces that we share with our networks, and attending and presenting at conferences and workshops. In just the past three years, we have presented nationally on impact investing, racial equity, and gender lens investing at Mission Investors Exchange, Confluence Philanthropy, Impax Asset Management, Exponent Philanthropy, Women & Money, Philanthropy Colorado, Philanthropy Massachusetts, Council on New Jersey Grantmakers, Transform Finance, Jewish Federations of North America, Colorado Forum, and the Colorado Women's Chamber of Chamber.

We frequently engage nationally with affinity groups and on behalf of our endowment, foundation, and nonprofit clients hosting impact investing seminars for clients and the community. In addition, as all our clients are recognizing that this process is a journey, we have been working with them to author, co-author or ghostwrite white papers that describe their journey so they can share that with stakeholders and the community.

Some thought pieces we have written or contributed to in the last couple of years include:

- |  |   |
|--|---|
| + Finding Your Racial Equity Direction (speaker): Confluence Philanthropy's Practitioners Gathering (2023) | + <a href="#">Philanthropy Massachusetts Inclusive Investments Webinar</a> (2021) |
| + <a href="#">JEWISH Colorado Annual Report Features Interview on ESG Investing</a> (2022)                 | + <a href="#">GroundFloor Media's Good and Grounded Podcast</a> (2020)            |
| + <a href="#">Impact Investing   AJL Foundation Video</a> (2022)   | + <a href="#">Syntrinsic Whitepaper: Investing in Economic Justice V</a> (2020)   |
| + <a href="#">Money on a Mission: WFCO's Gender Lens Investment Strategies</a> (2022)                      | + <a href="#">Syntrinsic Whitepaper: Addressing Gender Disparities</a> (2020)     |
| + Community First Foundation and Syntrinsic: Colorado Housing Affordability Study (2022)                   | + <a href="#">Syntrinsic Whitepaper: The Value of Pensions</a> (2020)             |
| + Gates Family Foundation and Syntrinsic: "Impact Investing Landscape Scan" (2021)                         | + Confluence Philanthropy Report – "It's About Time," Retreat participant (2019)  |

## f. How would you envision your firm engaging with our development team?

Unlike any investment advisor we are aware of, Syntrinsic would be an extension of your development team, supporting your donor cultivation efforts at multiple levels. Our efforts have enabled our clients to secure major gifts of a few hundred thousand dollars up to \$20 million. Providing this more engaged care strengthens your organization and our relationship, allowing us to support your donor cultivation without needing to charge additional advisory fees for this service.

### THOUGHT PARTNER

While some advisors prioritize private foundations and other's focus primarily on nonprofit retirement plans, **Syntrinsic's largest client type by far are operating nonprofits like Clayton Early Learning.** Given our experience advising and leading nonprofit operating organizations, we can be a valuable resource as you are envisioning Clayton's next chapter. We have been an ally to Craig Hospital, the Women's Foundation of Colorado, Graland Country Day School, JEWISHcolorado, Boys and Girls Clubs of Metro Denver, Yampa Valley Community Foundation and many others in cultivating, maintaining, and growing donor relationships.

### DONOR FACING MATERIALS

**Letters:** We ghost-write letters that Clayton can send to donors to foster confidence in Clayton's stewardship practices. For some clients, we do this quarterly, for others annually or as needed. Letters go out from your team on your letterhead/email, and under your signature. We provide the text.

**Board/Donor Reports:** We can develop presentations with your branding or ours designed to communicate important elements of your stewardship practices to build confidence. We have had clients use these documents in one-on-one donor meetings, while others have used them for group presentations.

**Articles:** We can author, co-author, or ghost write articles for newsletters, annual reports and/or other publications. For example, we drafted a piece for one organization's Annual Report on Fiduciary Best Practices. For another client, we wrote about their approach to including diverse managers in their process.

**Videos:** We can support you in creating videos about your stewardship practices that can be posted to your website or shared in a more targeted fashion to elevate the kinds of topics most relevant to your constituents. For example, Clayton could have a video explaining how its financial stewardship practices fit into the revisioning of the Clayton campus.

### GROUP PRESENTATIONS TO CURRENT OR POTENTIAL DONORS

We frequently speak to small and large groups of key stakeholders/donors for our nonprofit clients on topics relevant and interesting to them. We have provided market updates, taught about behavioral finance and fiduciary best practices, and helped our clients make the case for giving to endowment. We have hosted these presentations at our offices, conducted them in our client's offices, and done this at conference rooms and other event centers. Our goal in these presentations is to elevate our clients, enhance confidence in their efforts, and encourage donors to give or give more.



## ONE ON ONE DONOR CULTIVATION

At the request of our clients, we are happy to be a part of conversations with major donors as an ally to instill confidence in the financial stewardship of the potential gift. We have participated in successful asks for six and seven figure gifts many times and have helped secure \$20 million gifts for two different clients. For meaningfully large gifts, we can craft more custom materials, run analytics, and meet with your or the donor's third party legal and/or tax advisors. In some situations, our efforts are 100% behind the scenes, and in some situations, we are right there at the table alongside our client.

- g. Do you offer services related to charitable giving and capital campaigns? If so, please describe.

## DONOR EDUCATION

In addition to the donor cultivation services outlined above, Syntrinsic can support your efforts by educating donors about Donor Advised Funds, private foundations, and charitable trusts.

## CHARITABLE REMAINDER TRUSTS

At Clayton's request, Syntrinsic can help support the management of CRATs or CRUTs for which Clayton is trustee. While we do not provide Trusteeship or trust administration services, our team works with dozens of trusts, charitable and otherwise, and can provide excellent operational support with regards to income distributions, reporting, and investment management. For example, one client retained Syntrinsic primarily to manage their endowed and reserve assets, but then invited us to build custom allocations for several charitable trusts for which the client served as beneficiary.

## CAPITAL RESERVE ACCOUNTS

For capital campaigns, we can establish construction reserve accounts in which funds slated to finance construction can be managed in a risk-appropriate way to optimize return prior to and during construction. For example, we provided such guidance for a client making a transformative \$70 million investment in their campus, advising on the capital account for the roughly two – three year fundraising and build out. The entity remains a client and we are now getting ready for their next capital campaign.

## COLLATERALIZATION

Several of our nonprofit clients have elected to collateralize a portion of their investment portfolio for a letter of credit, line of credit, construction loan, or other debt-like instrument. Our operations team and our consultants are familiar with working out these arrangements with a wide array of third-party lenders. Because Syntrinsic is not the lender or party to the lender, our clients can find the best rates and terms knowing that we will be their partner in effective implementation.

## About Syntrinsic

Founded in 2008, Syntrinsic is co-creating a sustainable and generative world that empowers all people by providing investment advice and strategic consulting to community foundations, private foundations, public charities, and private clients interested in using assets for good and growth. The firm offers a full suite of services, including impact investing, stakeholder education, operational support, business strategy and structure, and client-stakeholder relations.

