
Blue Mountain Community Foundation
Policy Manual

Alternative Investment Manager Policy

1. Purpose

The purpose of this Policy is to allow the Foundation to hire alternative investment managers that have been requested by a person or entity who is setting up a fund or who has a fund at the Foundation.

An “Alternative Investment Manager” is an investment manager or management company that is different from the Investment Manager(s) hired by the Foundation under the terms of the Foundation’s Investment Policy Statement. The Investment Manager(s) hired under the terms of the Investment Policy Statement is the Foundation’s “main” Investment Manager and is responsible for managing the Foundation’s “main” or “primary” investment pools, as those pools are defined in the Investment Policy Statement.

2. Requirements for Hiring an Investment Manager Requested by a Fundholder

The Foundation’s CEO is authorized to hire an Alternative Investment Manager requested by a person or entity who holds or will hold a fund at the Foundation subject to the following requirements and limitations.

- a. A request from a donor to hire a particular Alternative Investment Manager is not binding on the Foundation. The Foundation will exercise its own discretion in determining whether to accept a donor’s request for a specific Investment Manager.
- b. A fund that is invested with an Alternative Investment Manager under this Policy shall be kept separate from the Foundation’s main investment pools.
- c. The assets of any assets received and/or invested under the terms of this Policy must be under the sole control and ownership of the Blue Mountain Community Foundation.
- d. Such assets shall be invested and managed according to the Foundation’s Investment Policy Statement unless the donor requests and the Foundation’s CEO agrees to adopt a separate investment policy statement specifically for the fund. Any such separate investment policy statement must be reviewed by the Foundation’s Investment Committee no later than two months after implementation of the statement.
- e. An Alternative Investment Manager may only be hired if that Manager will be managing at least \$250,000 of the Foundation’s assets. This could be \$250,000 in one fund or \$250,000 in multiple funds managed by the Alternative Investment Manager.

- f. The Foundation will only consider a request to hire an Alternative Investment Manager for a fund already existing at the Foundation if extenuating circumstances exist. The Foundation's preference is to not move assets currently invested in the Foundation's primary investment pools to an Alternative Investment Manager.
- g. The Foundation's variance power statement will be communicated in the fund agreement and accepted by the donor.
- h. The fees charged by the Alternative Investment Manager shall be no higher than average versus other comparable funds.
- i. BMCF shall pay no commissions for bringing a fund to BMCF and no existing BMCF funds will be transferred to the Alternative Investment Manager as "compensation."
- j. The donor and the Alternative Investment Manager must recognize that the spending, distribution and administrative fee of the Foundation applies to the donor's fund.
- k. Under no circumstances may the CEO hire an Alternative Investment Manager who is a donor to, a family member of a donor to, or a business partner of a donor to the fund for which an Alternative Investment Manager is being sought.
- l. The Foundation may terminate the relationship with an Alternative Investment Manager upon thirty (30) days written notice to the investment manager should there be noncompliance with the relevant Investment Policy Statement or substandard investment performance as benchmarked by appropriate investment indices.

Amendment History:

Amended: July 21, 2021

Adopted: December 21, 2004