ENDOWMENT **ALLIANCE** PROGRAM

BUILDING YOUR ENDOWMENT & FOUNDATION BUSINESS
THROUGH A LEVERAGED PARTNERSHIP

Fund Evaluation Group®
investment advisors

ADVISOR USE ONLY

Today's investment landscape offers a growing opportunity in the endowment and foundation sector. Over the past ten years, endowments and foundations with less than $10 million have grown their assets 23%,[1] and yet, they still remain a significantly under-serviced set.

The demand for sophisticated advisory solutions far outweighs the supply. Financial advisors and consultants are bifurcated. On one end, are financial advisors who typically serve individuals. On the other end, are institutional consultants, like Fund Evaluation Group, LLC (FEG), who typically serve large organizations. Smaller foundations are caught in the middle and as a result, are not benefiting from the comprehensive service and expertise that a financial advisor or consultant could offer. Many of these institutions are either working directly with money managers or have taken on the daunting role of managing their investment programs themselves.

To bridge this marketplace gap, FEG offers a partnership with financial advisors. Together, we can leverage our respective strengths and build endowment and foundation businesses.

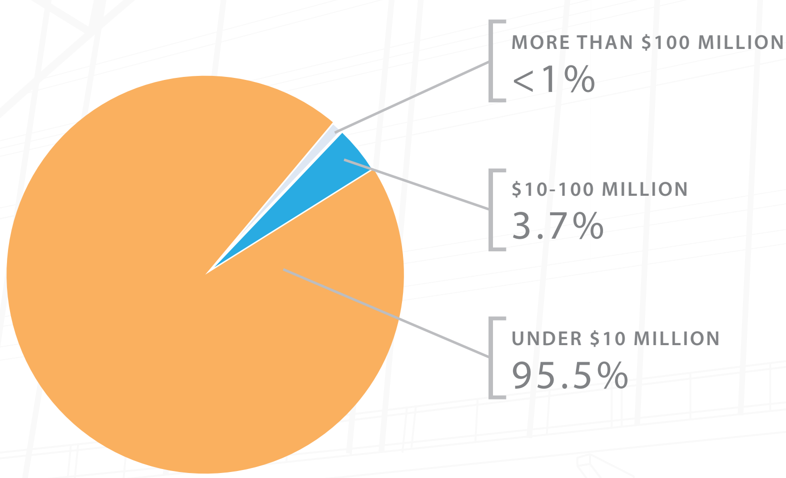
[1] National Center for Charitable Statistics (NCCS). November 2005–May 2015.

THE ENDOWMENT & FOUNDATION OPPORTUNITY

Industry Statistics

Currently, there are approximately 1.53 million nonprofit organizations in the U.S., including public charities (e.g., community foundations), private foundations, and others. Of these, foundations with less than $10 million in assets comprise approximately 96% of the known opportunity set and represent more than $452 billion in assets.[2]

APPROXIMATELY 1.53 MILLION NONPROFITS IN THE U.S.



Growth in the number of nonprofit organizations has been approximately 8.3% over the past 10 years, outpacing adequate investment services available to support this growth.[3]

There is tremendous opportunity to provide nonprofit organizations with the guidance they need.

Data Source: National Center for Charitable Statistics (NCCS). May 2015.

[2] National Center for Charitable Statistics (NCCS). May 2015.
[3] National Center for Charitable Statistics (NCCS). November 2005–May 2015.

THE PARTNERSHIP

What the advisor will bring to the table

Financial advisors will provide critical relationship support to the institution. Many smaller institutions, especially community foundations, prefer to work with local partners. Advisors will manage all components of client interface, including: sourcing the opportunity, attending quarterly meetings, communicating portfolio changes, and educating the client. These functions leverage the advisor's strengths in building and maintaining local relationships, as well as their investment knowledge and experience.

Financial advisors who know of institutional opportunities but do not want to actively service the account, may contact FEG to ask about our referral program, including referral fees. Inquiries may be sent to communications@feg.com.

What FEG will bring to the table

To make this alliance as successful as possible, FEG will provide advisors with: (1) assistance qualifying the opportunity; (2) support and help winning the opportunity; and (3) resources to aid in servicing the client.

FEG'S THREE-STEP PROGRAM LEVERAGES OUR RESPECTIVE STRENGTHS IN:

1 QUALIFYING THE OPPORTUNITY

2 WINNING THE BUSINESS

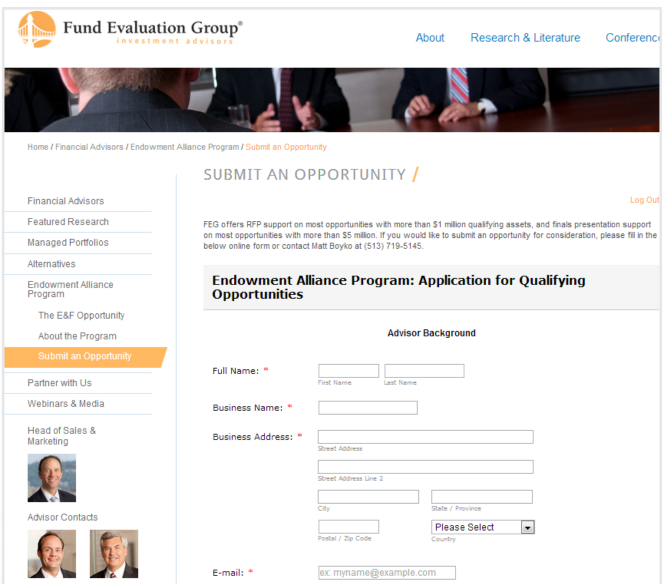
3 SERVICING CLIENT

1 QUALIFYING THE OPPORTUNITY

- PROFILING PROCESS
- INDUSTRY DATA & EDUCATION

PROFILING PROCESS

To profile an opportunity, an advisor provides a summary of the opportunity to FEG through our online submission form. Advisors may go to www.feg.com/submit_opportunity.php, fill out the opportunity questionnaire, and hit submit. An FEG associate will respond promptly. Advisors logging into our website for the first time will be prompted to register first.

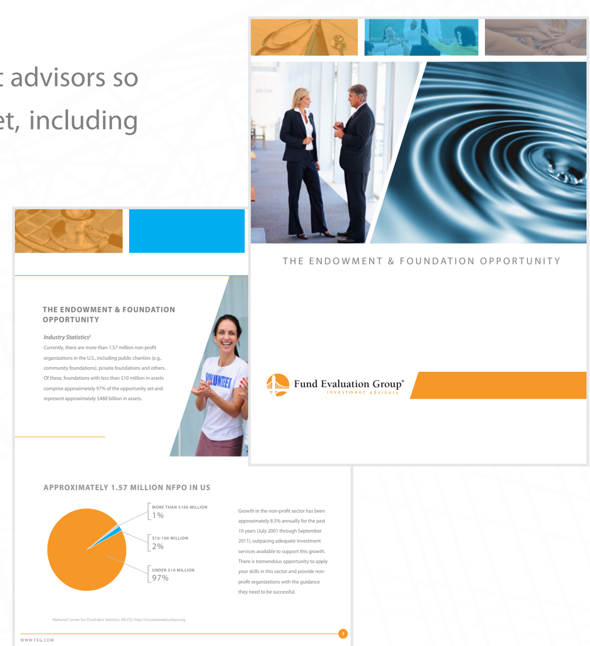


Opportunities with the following characteristics will typically qualify for FEG's program:

- Endowment, foundation, or other nonprofit institution
- Minimum of $1 million in investable assets
- Entity involved in active search for advisory services

INDUSTRY DATA & EDUCATION

While FEG will not provide lead lists, FEG can support advisors so that they may better understand the opportunity set, including industry data and related information.



2

WINNING THE BUSINESS

REQUEST FOR PROPOSALS (RFPs)

FINALS PRESENTATIONS

REQUEST FOR PROPOSALS & FINALS PRESENTATIONS

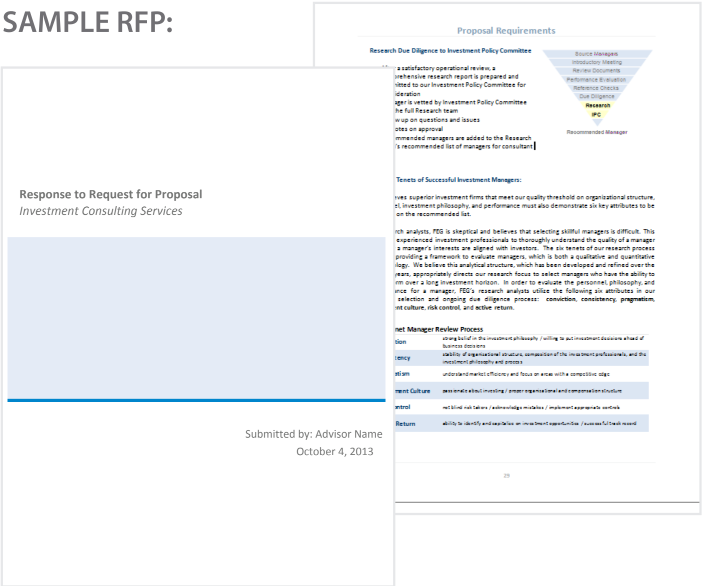
Often, Request for Proposals (RFPs) may pose a significant "barrier to entry" for independent advisors interested in expanding their institutional base. Commonly, these questionnaires contain 30-50 questions, require a dedicated team to complete, and have short turn-around times. To ease this process, FEG can help complete the RFP with answers that capture FEG's institutional experience and capabilities.

Nonprofit institutions appreciate finals presentations that reflect their organization's mission and vision. For some opportunities with more than $5 million in assets, FEG can assist advisors with the development of a finals presentation.

CRITICAL SUCCESS FACTORS AT THE RFP/ FINALS STAGE MAY INCLUDE:	INDEPENDENT ADVISOR	FEG
EXPERIENCE WORKING WITH ENDOWMENTS AND FOUNDATIONS		■
INDEPENDENT & OBJECTIVE	■	■
INSTITUTIONAL PORTFOLIOS *(may include access to Alternatives & Hedged Strategies)*		■
INVESTMENT EXPERIENCE	■	■
LARGE / DEDICATED RESEARCH TEAM		■
LOCAL PRESENCE	■	
RELATIONSHIP MANAGEMENT	■	

FEG's dedicated RFP team has significant experience creating proposals to help win institutional business.

SAMPLE RFP:



SAMPLE FINALS PRESENTATION:

3 SERVICING THE CLIENT

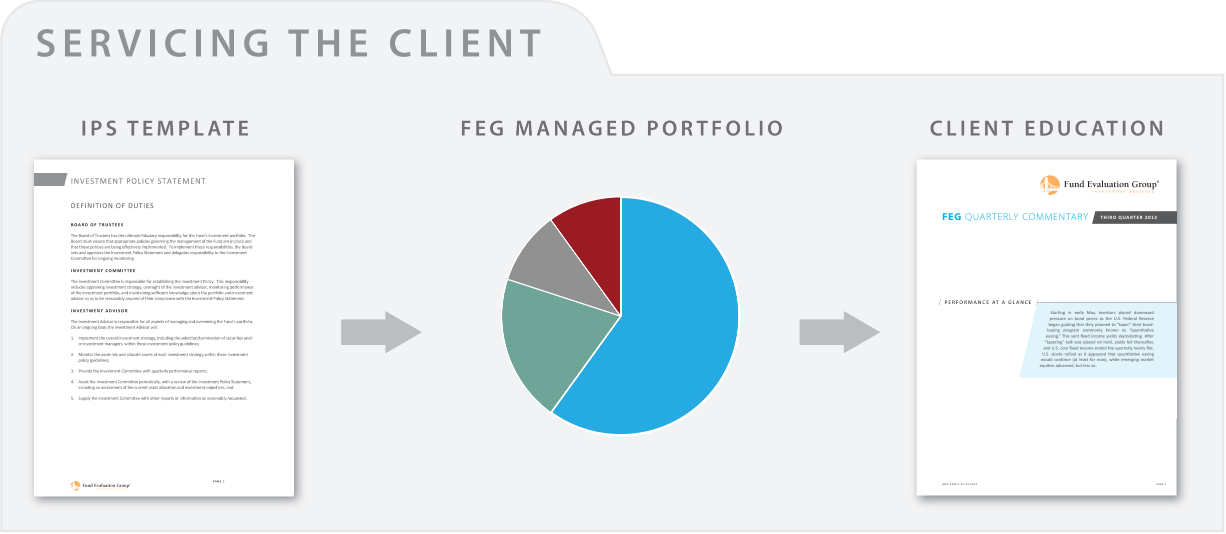
DEVELOPING INVESTMENT OBJECTIVES
STRUCTURING CLIENT PORTFOLIOS
SUPPORT FOR CLIENT MEETINGS

DEVELOPING INVESTMENT OBJECTIVES

The Investment Policy Statement (IPS) establishes expectations and is a powerful tool to assist in communications between the board, investment committee, staff, investment managers, and investment advisor. A well-written IPS will provide a new committee member with an understanding of the institution's investment objectives and how it intends to meet those objectives. The IPS may specify various items, such as:

- The fiduciary responsibility of all those involved and a statement defining the prudence with which all decisions will be made
- The role of the board, investment committee, staff, investment managers, and investment advisor
- Spending policy
- The institution's required return objectives
- The asset allocation targets and ranges developed to help achieve the return objectives
- Asset category rationales
- Rebalancing guidelines
- Policy on the use of active and passive management
- The performance and risk benchmarks for the overall portfolio and individual managers
- Manager guidelines and restrictions
- Social guidelines
- Manager evaluation process
- Acknowledgement section where all fiduciaries attest to these policies

FEG has years of experience with institutional Investment Policy Statements and can help support the advisor with sample policies and related education.



FEG MANAGED PORTFOLIOS

Once an IPS has been crafted, the client may be placed in a portfolio that best adheres to their risk tolerance and return objectives. A series of portfolios is available (see sampling below), and custom portfolios can also be designed that might include allocations to hedge funds, real assets, or socially responsible investing.

PORTFOLIO	BENCHMARK	INCEPTION
MODERATE GROWTH	70% MSCI All Country World Index / 30% Barclays Aggregate Index	2003
MODERATE	60% MSCI All Country World Index / 40% Barclays Aggregate Index	2010
BALANCED	50% MSCI All Country World Index / 50% Barclays Aggregate Index	2004
INCOME & GROWTH	40% MSCI All Country World Index / 60% Barclays Aggregate Index	2004
CAPITAL PRESERVATION	20% MSCI All Country World Index / 80% Barclays Aggregate Index	2008

FEG Managed Portfolios are designed as institutional-caliber solutions. Several institutional portfolio solutions are available with varying risk profiles, and include the following features:

- **Global Diversification:** FEG's global diversification is based on the fundamental drivers of correlation vs. the absolute quantity of funds, and incorporates alternative asset strategies. Drivers of correlation include: returns, equity risk mitigation, inflation protection, and diversifying strategies (e.g., alternative asset classes).

- **Blend of Active and Passive Management:** FEG selects active management strategies in categories and sectors that suggest possible outperformance. In other areas, FEG selects low-cost passive strategies including Exchange Traded Funds (ETFs) and index funds.

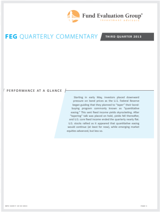
- **Dynamic Asset Allocation:** FEG Managed Portfolios dynamically adjust to long-term opportunities and threats in the marketplace—such as current market sentiment, valuation adjustments, and geographic exposure.

SUPPORT FOR CLIENT MEETINGS

FEG provides a number of resources that will help enable you to proactively service your client(s).

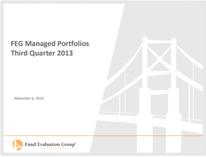
QUARTERLY PORTFOLIO COMMENTARY

FEG posts a portfolio and market commentary every quarter. This report reviews drivers of recent performance, our current outlook, and any portfolio shifts that occur during the quarter.



QUARTERLY WEBINARS

FEG hosts quarterly webinars with its Portfolio Strategist. FEG's goal is to provide a clear perspective of the portfolio allocation, strategy, and implementation. The discussion features the current market conditions, as well as how the portfolio is positioned relative to future market impact.

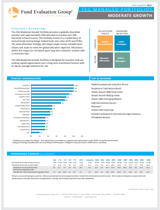


PORTFOLIO SPOTLIGHT

This report provides details of significant shift(s) made in FEG's Managed Portfolios and documents the rationale for portfolio trades.

PORTFOLIO FACT SHEETS

This piece outlines the strategy overview, portfolio diversification, and provides performance details of FEG Managed Portfolios.



RESEARCH REVIEW

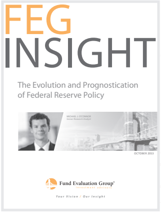
This monthly newsletter provides our economic and market commentary. We also provide education about strategies, including alternative investments, and current investment topics and trends.

ANNUAL INVESTMENT FORUM

FEG's annual investment forum attracts leading industry speakers to share their thoughts with clients, advisors, and invited guests. Past speakers have included Byron Wien, Mohamed El-Erian, Sam Zell, and David Rubenstein.

INSIGHT & EDUCATION

FEG also provides ongoing education and deep insight on current investment topics.



ABOUT FEG

FEG, established in 1988, is a leading national provider of investment advisory services with over 120 employees in three offices and approximately $50 billion in assets under advisement.[4] FEG clients include endowments, foundations, retirement plans, wealth managers, and investment advisors. FEG is employee-owned and derives revenue solely from client fees, ensuring independence and objectivity.

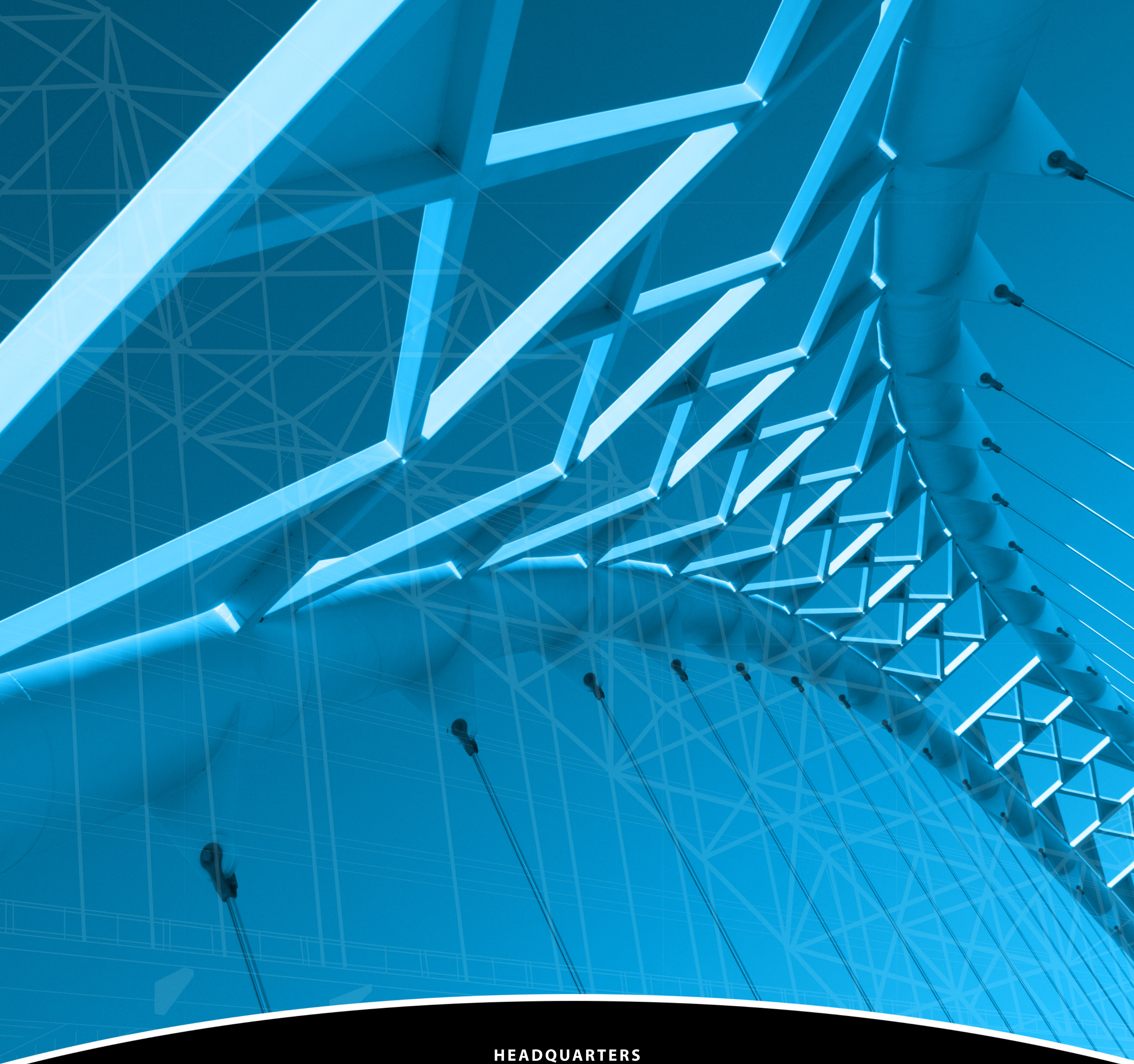
Contact our Advisor Client Development team to learn more at (513) 977-4400 or advisors@feg.com.

[4] As of March 31, 2016. Assets under Advisement include the assets of FEG and its affiliated entities. Some asset values may not be readily available at the most recent quarter end; therefore, the previous quarter's values were used for this calculation. The values may be higher or lower, depending on the current market conditions. These accounts are typically non-discretionary only. Assets under Advisement includes both discretionary assets, over which FEG has full trading authority, and non-discretionary assets which we advise and make recommendations on, but may not have authority to execute or facilitate trades on behalf of the client. AUA includes approximately $47 billion in non-discretionary assets. AUM includes approximately $2.8 billion under discretion and approximately $829 million under discretion in FEG affiliates.

This was prepared by Fund Evaluation Group, LLC (FEG), a federally registered investment adviser under the Investment Advisers Act of 1940, as amended, providing non-discretionary and discretionary investment advice to its clients on an individual basis. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Fund Evaluation Group, LLC, Form ADV Part 2A & 2B can be obtained by written request directed to: Fund Evaluation Group, LLC, 201 East Fifth Street, Suite 1600, Cincinnati, OH 45202 Attention: Compliance Department.

Neither the information nor any opinion expressed in this document constitutes an offer, or an invitation to make an offer, to buy or sell any securities.

This is for informational purposes only. It does not address specific investment objectives, or the financial situation and the particular needs of any person.



HEADQUARTERS

201 East Fifth St.
Suite 1600
Cincinnati, Ohio 45202
P: 513.977.4400
F: 513.977.4430
www.feg.com

Fund Evaluation Group®
investment advisors

CINCINNATI / DETROIT / INDIANAPOLIS