

In order to ensure that Investment Advisor Program (IAP) assets are invested in a prudent manner, Raymond James Charitable and Raymond James Trust (as the service provider for Raymond James Charitable) have set forth the following investment guidelines:

- Donor advised funds (DAFs) must be appropriately diversified based on articulated investment strategy at all times (e.g., across securities, issuers, sectors and countries).
- Approved investments:
  - Cash, individual bonds, individual stocks, mutual funds and ETFs.
  - In addition to the approved investments listed above, financial advisors may also choose to recommend SMAs, UMAs and third-party manager(s) through Asset Management Services (AMS) or Raymond James Consulting Services (RJCS). Please note that if a third-party manager is utilized, additional manager fees apply.
- Raymond James Charitable reserves the right to determine whether an account should be further diversified. All accounts are subject to the asset class restrictions given below.
- The investment allocation target will be determined on the IAP Agreement (Form 2784) and verified during the initial welcome call and annual review.
- At least 1.0% of the DAF balance should be maintained in the Liquidity Reserve (held in money market) for fees and near-term grants, apart from the invested funds. The Liquidity Reserve is monitored on a monthly basis. If the value falls below 1.0%, available cash from the invested funds will automatically be transferred to replenish the reserve. If there is not available cash in the invested funds, RJ Charitable will contact the financial advisor to provide input to replenish the reserve.

### ASSET CLASS

### ASSET CLASS RESTRICTIONS WITHIN INVESTMENT SUBACCOUNT

#### CASH

- Shall not exceed 15% of the account (if annual cash needs are greater than 15%, an exception to this rule may be granted by Raymond James Charitable).

#### INDIVIDUAL BONDS<sup>1</sup>

- Must have an investment grade rating by all rating agencies (S&P, Moody's and Fitch) that render an opinion/rating on the security. For municipal bonds, the rating criteria apply to the underlying rating of the bond. Any exceptions must be approved by the senior fixed income manager or the director of investments of Raymond James Trust.
- After initial purchase, if an individual fixed income security is downgraded below investment grade while held in an account, the investment officer of Raymond James Trust will contact the financial advisor. The Raymond James Charitable Board of Directors must approve retaining any bond that is rated below investment grade, or has no rating, by Moody's, S&P or Fitch.
- Individual bond positions shall not exceed 15% of the account<sup>2</sup>.

#### INDIVIDUAL STOCKS<sup>1</sup>

- Individual stock positions shall not exceed 10% of the account<sup>2</sup>.
- Sector allocations should not exceed 25% of the account (e.g., financials, industrials, technology, etc.)

#### MUTUAL FUNDS AND ETFs<sup>1</sup>

- Individual positions should not exceed 25% of the account<sup>3</sup>.
- Mutual funds purchased at NAV; 12b-1 fee is credited back to Raymond James Charitable. As a default, dividends are paid in cash and capital gains (short and long term) are reinvested.
- Positions in any sector or asset class considered high risk or volatile should not exceed 20%. These include:
  - Leveraged funds
  - High-yield funds
  - Commodities/natural resources
  - International funds
  - Small cap
  - REITs
- Portfolios should include a broad range of management styles (growth, value, blend, etc.) and asset capitalizations (small-, mid-, large-cap).

## PROHIBITED INVESTMENTS AND TRANSACTIONS

The following investments and transactions are generally prohibited:

- Real estate, except as held in a diversified REIT, ETF or mutual fund position
- Closely held entities (i.e., Limited Liability Company, Limited Partnerships, General Partnership)
- Oil and gas interests
- Non-publicly traded structured products
- Futures, warrants or other leveraged investment strategies that employ derivatives, synthetics or forward contracts
- Promissory notes and mortgages
- Annuities
- Life insurance
- Options
- Alternative investments
- MLPs that generate unrelated business income tax (UBIT) for tax-exempt investors (generally indicated by the issuance of Form K-1); MLPs that provide 1099 reporting are usually acceptable
- Any other types of investments that may generate unrelated business income tax (UBIT)
- Any other types of investments that the Board of Directors may deem unsuitable or inappropriate
- Debt-financed or leveraged investments
- Investments in a participating advisor's or affiliate's own stock or debt and investments in for-profit companies for the purpose of exercising control or management

Diversification does not guarantee a profit nor protect against loss. A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency. Investments in any sector or asset class considered high risk or volatile involve increased risks.

<sup>1</sup>We do not track individual positions. However, if the nominated financial advisor tracks them, it is likely that the individual positions can remain in the account.

<sup>2</sup>We consider such positions a concentration. Under most circumstances, we will require changes be made in order to comply with policy limits.

<sup>3</sup>Exceptions can be made based on the market value of the account and/or based on the type of fund.

**In the event that an account is not in compliance with any of these guidelines, the financial advisor will be contacted to discuss and share ideas on how to address the issue(s).**

**The Raymond James Charitable Board of Trustees reserves the right to reallocate investments as it deems appropriate and require the nominated financial advisor be removed from the account at its sole discretion.**

**DAFs participating in the IAP program are expected to maintain a balance of \$500,000 or more. Accounts with market values of less than the minimum are subject to being moved out of IAP to one of the Liberty models.**

**In the event the nominated financial advisor is 1) a donor to the account, 2) serving as an active donor advisor to the account, or 3) is a family member (family is defined as spouse, ancestor, child, grandchild, great grandchild; spouses of a child, grandchild, great grandchild; brothers and sisters (of whole or half-blood) and brothers' and sisters' spouses) of the donor or donor advisor, a financial advisor fee will not be charged to the donor advised fund.**

If you have any questions about these guidelines or would like to learn more about the Investment Advisor Program (IAP), please contact us at **866.687.3863** or visit **RaymondJamesCharitable.org**.

**RAYMOND JAMES® Charitable**

P.O. Box 23559, St. Petersburg, FL 33742 // Phone: 866.687.3863 Fax: 727.567.8040 // raymondjamescharitable.org // RJCharitable@raymondjames.com

Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. © 2024 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. © 2024 Raymond James Financial Services, Inc., member FINRA/SIPC. Raymond James & Associates, Inc., and Raymond James Financial Services, Inc. are affiliated with Raymond James Trust, N.A. 24-RJCEF-0583 JPR 9/24