

## Investment-Related Fees for Endowments

Innovia reports its investment returns net of the following investment management fees, but for your convenience, here is a breakdown of those investment-related fees:

The explanations below focus on the fees related to the investment of endowments. This includes fees for our investment consultant and for individual fund investment managers.

1. Investment consultant – Innovia contracts with an investment consultant to assist in the performance analysis and reporting of the following:
  - Consolidated Investment Portfolio,
  - ESG (Environmental-Social-Governance) Pool and
  - DDA (Donor Designated Advisor) Funds, funds managed by local investment managers recommended by fund founders.

**FEG (Fund Evaluation Group)** is the consultant currently used by Innovia. FEG does not have any commission-based relationships with the fund investment managers they recommend. Fees are always subject to change; however, we are pleased to report that the fee paid to FEG is currently **0.24%, or 24 basis points**. This fee is paid, on a quarterly basis, by each endowed fund at Innovia. The amount paid by each fund is proportionate to the amount their respective fund balance makes up of the total value of all endowed funds at Innovia.

2. Fund investment managers – Innovia’s Board approves recommendations from FEG and Innovia’s Investment Committee for a variety of fund investment managers to achieve proper diversification and performance goals. Each of these managers has their own fee structure, similar to mutual funds. These fees are typically expressed in terms of an “expense ratio,” which is provided in various publications from the managers. The total investment manager expenses are approximately **0.62%, or 62 basis points**.
3. Total investment-related fees – In summary, the total investment services provided by Innovia consist of the two elements explained above – an investment consultant and fund investment managers. The consultant fee is 24 basis points, and the current fund investment manager fees total approximately 62 basis points for the Consolidated Investment Portfolio and the ESG Pool or **86 basis points, or 0.86% in total fees** for investment-related services. Note: this does not include the DDA fees, which are a small percentage of our overall endowments. These fees tend to be higher, are typically higher-yield investments and result in a higher return. These fees and returns are folded in with other returns, and fees and earnings are shared proportionately across funds.

Questions? Please contact Innovia’s CFOO for additional information.

A list of our current fund investment managers and the expense ratios associated with each is available on request.

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