

Local Council Participation

Only the National Council, local councils, and certain other BSA affiliates such as local council trusts and foundations are eligible to invest in the Commingled Endowment.

Local councils that wish to take advantage of the investment and custodial services offered may invest in the Commingled Endowment by acquiring a limited partnership interest or by merging a council trust into the BSA Endowment Master Trust. Today 66 local council affiliated entities representing \$143 million are participating in the program.

Fees, Contributions, Redemptions, and Distribution of Earnings

Investment income, gains, losses, and expenses are allocated among the limited partners on a pro-rata basis; participating councils are not charged any markup above actual costs. Fees include all management, fund, and advisory costs.

Limited partners may contribute additional funds or redeem a portion of (or all of) their interests at each month-end. Distributions can be made on a monthly, quarterly, or annual basis in accordance with the local council's endowment spending policy.



Financial Statements and Reporting Requirements

Each limited partner must report its distributive share of the limited partnership's income, gain, or loss on its annual federal tax return (Form 990). As the General Partner, BSAAM will provide a Schedule K-1 to each limited partner in order to complete Form 990.

In addition, financial statements will be prepared and audited annually, separately from the National Council's financial statements. Local council auditors may request a copy of the limited partnership's audited financial statements in order to complete the local council audit.

Strength in Numbers

Scouting remains strong because it represents a partnership between the National Council and local councils. By sharing the management of endowment funds through BSAAM, local councils can take advantage of low investment fees and proven fund management.

The BSA has devoted substantial resources to the creation and operation of BSAAM and the Commingled Endowment. Your council's participation can help make this investment pay dividends for years to come.



2015 Printing

634-408

FOR MORE INFORMATION

To learn more about BSAAM, call 972-580-2065,
or e-mail bsaam@scouting.org

All brochure data as of March 31, 2015

Your **Council** and **BSA** Asset Management: **Partnering** Together to Strengthen **Scouting**



 **BSA ASSET**
MANAGEMENT, LLC

Partnering Together to Strengthen Scouting

Prudent management of endowment funds is one of the best ways local councils can ensure their long-term financial viability. However, some local council endowments lack access to the range of investment options that are more readily available to larger institutional investors.

Recognizing the challenges that Scout executives face, the Boy Scouts of America has created an investment program that the BSA believes will enable our local councils to benefit from the National Council's purchasing power and dedicated investment staff.

Today BSA Asset Management (BSAAM) manages assets of approximately \$2.2 billion, including \$544 million in the Commingled Endowment. Through BSAAM, local councils are able to access the same investment managers and vehicles used for the Commingled Endowment.

About the Commingled Endowment

Overseen by BSAAM's Board of Managers, the Commingled Endowment has generated average annual returns of approximately 10 percent over the last 30 years. While past performance is no guarantee of future returns, the endowment's low fees are more of a certainty. Current management expenses—approximately 0.6 percent of total assets—are one-quarter to one-third the amount a local council with a smaller portfolio typically can expect to pay. By participating in the Commingled Endowment, local councils can enjoy the same low fees while knowing their assets are being professionally managed in accordance with the BSA's longstanding investment philosophy.



*Past performance of the BSA Commingled Endowment Fund, LP is no guarantee of future results. Future performance may be lower or higher than the past performance. Gross returns are before investment expenses of approximately 0.6 percent annually.

Structure and Governance

Two entities created in 2008 allow local councils to participate in the Commingled Endowment:

- BSA Asset Management, LLC is a Delaware limited liability company, of which the BSA is the sole member.
- BSA Commingled Endowment Fund, LP is a limited partnership through which investment interests are offered. BSA Asset Management, LLC serves as the General Partner, while the investors are limited partners. The National Council became the initial limited partner by investing all of the Commingled Endowment's assets in 2008.

BSAAM is governed by a Board of Managers, which has the authority to appoint its officers. The Board of Managers, elected by the National Executive Board, is composed of the same individuals who serve on the BSA's Finance Committee.

As General Partner of the limited partnership, BSAAM is responsible for the management of the limited partnership's assets. Day-to-day investment decisions are made by the investment management firms under contract to manage the Commingled Endowment. The Board of Managers, BSAAM staff, and an independent third-party consultant continually monitor management of the assets.

For local councils that want to participate in the Commingled Endowment but require a corporate trustee, the BSA Endowment Master Trust is an option that was created in 2010 for that purpose.