

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 BSA Commingled Endowment Fund, LP.

Local councils that wish to take advantage of the investment and custodial services offered may invest in the Fund by acquiring a limited partnership interest or by merging a council trust into the BSA Endowment Master Trust. As of December 31, 2015, 64 local councils participate, holding \$152 million in 81 accounts, including 27 Master Trust accounts.

Fees, Contributions, Redemptions, and Distribution of Earnings

Investment income, gains, losses, and expenses are allocated among the limited partners, including the Master Trust, on a pro rata basis; there is no markup above actual costs. Fees include all management, fund, and advisory costs. Master Trust participants incur an additional 0.15 percent annual trustee fee.

Limited partners may contribute additional funds or redeem a portion (or all) of their interest 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 are prepared and audited annually, and a copy is provided to each limited partner and Master Trust participant. 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 BSA Commingled Endowment Fund, LP. Your council's participation can help make this investment pay dividends for years to come.



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FOR MORE INFORMATION

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

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



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, LLC (BSAAM) manages assets of approximately \$2.1 billion, including \$502 million in the BSA Commingled Endowment Fund, LP. Through BSAAM, local councils are able to invest in the BSA Commingled Endowment Fund, LP, getting access to managers and vehicles enjoyed by this half-billion-dollar fund.

About the BSA Commingled Endowment Fund, LP

Overseen by BSAAM's Board of Managers, the Fund has generated average annual returns of approximately 9 percent over the last 30 years. (Please contact us for further performance information.) While past performance is no guarantee of future returns*, low fees are more of a certainty. Current management expenses—approximately 0.64 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 BSA Commingled Endowment Fund, LP, 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 historical investment expenses of approximately 0.64 percent annually.



Structure and Governance

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

- 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 its commingled endowment 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 individuals who also serve on the BSA's Administration and 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 Fund. 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 Fund but require a corporate trustee, the BSA Endowment Master Trust is an option that was created in 2010 for that purpose. The Master Trust invests solely in the Fund.