

## CHARITABLE DONORFLEX PROGRAM

# Alternative Investment Recommendation Overview & Process

Under the [Charitable DonorFlex Program](#) (“DonorFlex”), a donor can recommend that Fidelity Charitable® invest the assets in a Giving Account® in specific alternative investments. Every alternative investment transaction recommendation must be submitted to Fidelity Charitable® for review and approval, including alternative investment funds that were previously approved by Fidelity Charitable.

Participation in DonorFlex requires a minimum of **\$5 million** in the DonorFlex program portion of the Giving Account.®

To submit an alternative investment recommendation, the recommending donor must agree that consultant fees will be assessed to the donor’s Giving Account. DonorFlex investments may also be subject to ongoing research to be completed by the consultant, which may also come at an additional recurring cost that is generally assessed every two years after the investment is made. The total consultant research costs—including initial and any ongoing costs—will depend on the structure of the fund and

whether the consultant already maintains research coverage of the fund, among other factors. All research costs and expenses are assessed to the donor’s Giving Account.

All DonorFlex investments must meet a minimum acceptable rating by the third-party consultant, engaged by Fidelity Charitable, to be accepted. In addition to the criteria detailed below, Fidelity Charitable reviews each individual investment recommendation for suitability under standards set by the Trustees of Fidelity Charitable.

## Requirements for alternative investment funds within a Fidelity Charitable Giving Account®:

### All alternatives:

- Fund manager must be U.S. domiciled and registered with the U.S. Securities and Exchange Commission (“SEC”)
- The fund must be audited by a Public Company Accounting Oversight Board (“PCAOB”) registered auditor
- Minimum commitment size / investment size of \$100,000
- Fees must be reasonable as determined by Fidelity Charitable
- Unrelated Business Taxable Income (“UBTI”) must be minimal to none
- Fund manager must satisfy Fidelity Charitable background check
- Giving Account must maintain adequate diversification and liquidity, including recommended allocation to proposed fund
- Must satisfy all other Donorflex Guidelines requirements

### Hedge funds:

- Minimum fund size: \$100MM

### Private investments:

- Minimum fund size: \$50MM
- Maximum commitment to any fund:
  - 10% of total account value
  - 5% if the fund has a term of 10+ years
- The full capital commitment must be held by Fidelity Charitable in a separate capital call reserve account

All investments are also subject to the [DonorFlex Investment Guidelines](#) and the [Fidelity Charitable Program Guidelines](#).

## Process for a new fund (not previously approved within a Fidelity Charitable DonorFlex Account):

**Turnaround time: generally, 8 weeks from receipt of all required materials.** Specific turnaround times are determined by the underlying structure of the alternative investment being recommended, among other factors.

The donor recommending the fund (or the Fidelity Charitable Relationship Manager) is required to send the following materials to [fcalts@fmr.com](mailto:fcalts@fmr.com):

1. Required Giving Account materials:
  - [DonorFlex AI Recommendation Form](#)
  - [DonorFlex AI LOU Supplemental Due Diligence Form](#)
2. Fund materials:
  - Private Placement Memorandum or Offering Memorandum
  - Subscription documents (blank copy)
  - Limited Partnership Agreement
  - Recent performance/fact sheet
  - Due Diligence Questionnaire
  - Audited financial statements with auditor letter (if fund has greater than one year of history) or an auditor engagement letter if no previous financials are available
  - Name, phone number, and email address of contact at fund company

## Process for a fund previously approved within a Fidelity Charitable DonorFlex Account:

**Turnaround time: generally, three business days from receipt of all required materials.**

*Note: for funds on the Fidelity Investments platform, please allow for **eight business days**.*

The donor recommending the fund (or the Fidelity Charitable Relationship Manager) is required to send the following materials to [fcalts@fmr.com](mailto:fcalts@fmr.com):

1. Required Giving Account materials:
  - [DonorFlex AI Recommendation Form](#)
  - [DonorFlex AI LOU Supplemental Due Diligence Form](#)
2. Fund materials:
  - Subscription documents (blank copy)

**Independent Consultant Review** Upon receipt and review of the above items, the Alternative Investment Team will communicate the initial research costs and anticipated review time frame to the Philanthropic Strategist. The donor must agree to the fees (in writing, via the DonorFlex AI LOU Form) before Fidelity Charitable will engage the consultant for a review. **Any costs associated with the third-party consultant review will be assessed to the donor's Giving Account.**