



COMMUNITY FUND OHIO

Protect the Present, Fund the Future
The Special Needs Trust Advisor Since 1993

Frequently Asked Questions About Investments

What does it mean to be a “pooled trust?”

Pooled trusts are a specific type of trust created under federal and state law for individuals with disabilities. Every pooled trust must be managed by a nonprofit. Community Fund Management Foundation dba Community Fund Ohio (Community Fund) serves as the nonprofit Trust Advisor. While a separate account is maintained for each beneficiary, the accounts are pooled for investment and management purposes. This allows all sub-accounts to receive the benefits of a professional investment manager, trustee, tax preparer, and trust advisor even if an individual sub-account is of modest size.

Who makes the investment decisions?

As Trust Advisor, Community Fund and its Board of Directors selected The Huntington National Bank to serve as both the Trustee and the investment manager. Our Board has worked with Huntington to develop an Investment Policy Statement (IPS). The IPS is reviewed at least annually.

Can the beneficiary or the person who establishes the trust pick the investments?

No. Community Fund is responsible for working with our Board of Directors and our Trustee to select the investments.

How is the pooled trust invested?

Community Fund’s primary investment objective is to meet current income needs, such as making distributions, while investing for the future needs of all trust beneficiaries. Historically, all pooled trusts were invested in our moderate growth portfolio, which strives to provide growth of principal with a moderate level of trust income, such as interest and dividends. Starting on August 1, 2020, Community Fund began investing new trusts in either the moderate growth portfolio or a short-term fixed income (STFI) portfolio based on information provided on the Investment Questionnaire at trust establishment. The STFI portfolio allows Community Fund to invest trusts that need distributions within three years, and that expect to be spent down to zero within five years, in fixed income and cash, with a smaller percentage invested in equities.

Why do you invest the pooled trust assets?

One of the unique benefits of a pooled trust is the investment opportunity that comes from pooling numerous sub-accounts together. The large pool can take advantage of investment strategies and professional investment management that may not be available for smaller, individual accounts. Although beneficiaries will enter and exit the pooled trust at different times, the projected time horizon for the pooled trust does not end or expire. We do not use an expected retirement date or a projected life expectancy the way an individual might when investing personal assets.

Is the pooled trust FDIC insured?

No. Federal Deposit Insurance Corporation (FDIC) insurance covers deposit accounts such as checking, savings, and money market accounts, as well as certificates of deposit. It does not extend to other financial products like stocks, bonds, mutual funds, life insurance policies, annuities, or securities. Our trust is not FDIC insured because it is not a deposit account.

Do you invest the Master Trust and Pooled Medicaid Payback Trust differently?

No. All invested sub-accounts are pooled together.

What types of investments are allowed?

Our Board of Directors allows our investment manager to invest in both equity and fixed income securities, as well as exchange traded funds (ETFs) and other liquid investments. The investment in any ETF or other indexed investment vehicle must be readily marketable, publicly traded, and in existence for at least three years. The most that can be invested in any single equity or fixed income security is 5% of the portfolio's total market value. Individual bond holdings must be rated "investment grade," which is defined by a credit rating of BBB or better as determined by a nationally recognized statistical rating organization (NRSRO) like Moody's, Standard & Poor, or Fitch Ratings Inc. The investments are actively managed and kept within the following ranges:

Type of Investment	Moderate Growth Portfolio Target	Short-Term Fixed Income Portfolio Target
Equities	55%	0%
Fixed Income	38%	80%
Real Assets (Real Estate and Commodities)	5%	0%
Cash	2%	20%
Total	100%	100%

Are there prohibited investments?

Our Board of Directors does not allow the investment manager to use leveraged ETFs, hedge funds, or other illiquid investments.

All investing involves risk, including the possible loss of principal. An investment's yield, share price, and/or rate of return fluctuate and, when sold or redeemed, you may receive more or less than your original investment. There is no assurance that any investment strategy will be successful. Past performance is not an indication or guarantee of future results.

Please contact Community Fund Ohio by calling **216.736.4540** if you have questions regarding this informational document or our pooled trust investments.

www.communityfundohio.org