



### Investment Process

The Allodium investment committee decision-making process is based on the fiduciary best practices outlined in the *Prudent Practices for Investment Advisors* handbook, written by F360 and reviewed by the American Institute of Certified Public Accountants (AICPA). Allodium has followed F360's guidance for fiduciary excellence since our firm was founded in 2005. In 2016, Allodium became the first investment advisory firm based in Minneapolis to be CEFEX certified.

### Investment Philosophy

We believe that investors are best served with objective advice that is based on academic research from highly respected sources. We think that investors can benefit by adopting a long-term investment time horizon and developing investment plans that will allow for them to participate in the growth of the capital markets over time. Patience, we believe, is a virtue that rewards the intelligent investor.

In our view, investors should focus on the things that they can control: diversifying their portfolios, reducing expenses, minimizing taxes, and sticking to a disciplined long-term investment plan. We manage investment risk with broad diversification. We diversify investment portfolios by both asset class and individual security.

We utilize a scientific approach to investing. Our investment committee incorporates evidence-based research into the development of our investment strategies, which provides the foundation of our advice to clients.

### Primary Functions

- Develop capital market assumptions.
- Create long-term strategic asset allocation models.
- Conduct due diligence analysis of custodians.
- Conduct due diligence analysis of investment managers.
- Negotiate with investment managers to reduce expenses for our clients.
- Review investment-related research.
- Educate clients on investment strategies and trends.

### Investment Committee Process

- Monthly meetings to review projects, potential new investment managers and investment related topics.
- Quarterly meetings to review all investment managers in our client portfolios and on our investment watchlist.
- Periodic meetings with primary investment managers.
- Annual review of our long-term strategic asset allocation models and investment benchmarks.
- Annual review of several outside research sources to create our long-term capital market assumptions.
- Quarterly investment review and commentary.
- Annual investment forum to educate clients and the community.
- Periodic white papers.

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