
TO: David Jackson of Goldman Sachs

FROM: Josh Yager of Anodos Advisors

CC: Nancy Wieman, Trustee

RE: Investment Delegation for the Jackie Wieman Irrevocable Trust

DATE: April 5, 201X

Anodos has been engaged by the trustee to (1) develop a series of governance procedures for the Jackie Wieman Irrevocable Trust and (2) provide ongoing administrative support on behalf of the trustee and trust beneficiaries.

The California Probate Code directs, ***“A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.”***¹

The risk expectations and return objectives for the trust, which are noted below, have been developed by Anodos on behalf of the trustee and the current and remainder beneficiaries.

The Code further directs, ***“A trustee may delegate investment and management functions as prudent under the circumstances. The trustee shall exercise prudence in... establishing the scope and terms of the delegation, consistent with the purposes and terms of the trust [and] periodically reviewing the agent's overall performance and compliance with the terms of the delegation.”***²

The trustee has delegated to you the responsibility of making strategic and tactical investment decisions that in your judgment best support these desired outcomes. Anodos will work with you and the trustee to ensure the appropriate compliance documents are maintained.

¹ CPC §16047(b) - Duty to balance risk and return

² CPC §16052(a)(2,3) - Duty to prudently delegate and monitor agent

Jackie Wieman Irrevocable Trust
DELEGATION OF INVESTMENT DUTIES
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Target Return (long-term, net of fee):	The long-term targeted rate of return for this portfolio, net of all fees, is Inflation+4.0% . (This return objective can alternatively be expressed as a 7.0% nominal return, assuming a 3.0% inflation environment.)
Risk Profile:	Given the “moderate” risk profile of this portfolio, the expected standard deviation is 13.0%, assuming a standard deviation of 16.0% for equity and 3.0% for fixed income.
Time Horizon:	The trust term is the life of the current beneficiary, which is expected to be in excess of 20 years.
Projected Distributions:	The trust document requires that at a minimum net income from the portfolio be distributed each year. The net income from this portfolio is estimated to be approximately \$80,000 per year or 2.5% of the \$3,210,000 liquid portfolio value.
Liquidity Requirement:	100% of the portfolio is to comply with the SEC “T+2” Settlement Rule. No illiquid assets are to be used within this portion of the trust.
Investment Advisory Fees:	David Jackson of Goldman Sachs has agreed to an annual advisory fee equal to 0.85% of the value of the portfolio.