Trusts, Estates, and Gift Planning

Strategic financial planning for your Cornell philanthropy

Investment strategies at Cornell for Charitable Remainder Trusts

giftplanning.giving.cornell.edu

What are the options?

Cornell charitable remainder trusts may be invested in a mix of two pooled funds: Charitable Trust Investment Fund Growth and Charitable Trust Investment Fund Income. For this strategy, investment decisions for the funds are made based, in part, on excluding specific asset classes that produce unrelated business taxable income (UBTI). These include, most prominently, hedge funds, private equity, and debt-financed instruments. This strategy is known as our **traditional strategy**, which involves a blend of the growth and income pools with the standard model being 70% growth and 30% income.

In late 2007, Cornell University received a private letter ruling from the Internal Revenue Service (IRS) providing that certain eligible charitable remainder trusts could now be invested using the same strategy as Cornell University's endowment. This ruling brings significant diversification and growth potential to charitable remainder trusts in concert with Cornell's endowment. This strategy is known as our **endowment strategy**.

While historic results are not an indicator of future performance, this table provides a comparison of the strategies available to you:

Investment Fund Performance Comparison

As of 3/31/25	1 Year	3 Years	5 Years	10 Years
CU CTIF Income	4.76%	0.94%	0.45%	1.63%
CU CTIF Growth	5.68%	7.09%	15.97%	9.66%
70/30 Traditional Strategy	5.02%	4.90%	10.84%	7.02%
Endowment Strategy	6.47%	2.44%	11.26%	7.33%

Choosing between strategies

The **traditional strategy** is open to all qualified charitable remainder trusts where Cornell is the trustee. In order to participate in the **endowment strategy**, the participating charitable remainder trust must meet the following conditions set forth by the IRS. These are:

- Cornell University must be the **sole charitable remainder beneficiary** of the trust. Many charitable remainder trusts have more than one charity named as the remainder beneficiary when the trust terminates.
- Additionally, Cornell must be the **sole trustee of the trust.**

Many trusts that ultimately benefit Cornell are held by outside financial institutions and have individual or institutional trustees. To benefit from either Cornell investment strategy, these trusts would need to name Cornell as trustee.

How can Cornell's Office of Trusts, Estates, and Gift Planning be of assistance?

We are charitable planning specialists who have resources available to fully support both your investigation and your implementation of a gift planning technique. Our services are professional, confidential, and collaborative and are provided without cost or obligation. We encourage you to call on us to assist you, your family, and your advisors in exploring your charitable planning.

Learn more
Additional resources are available for you to review on our website **giftplanning.giving.cornell.edu**

Cornell's Office of Trusts, Estates, and Gift Planning
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