[Date]

[Recipient Name]
[Title/Board of Trustees]
[Institutional Name]
[Address]
[City, State, Zip Code]

RE: Advisory Regarding Fiduciary Duties and Investment Oversight

Dear [Recipient Name],

The purpose of this letter is to provide a formal advisory regarding the fiduciary responsibilities associated with the management of institutional assets for [Institutional Name]. As a fiduciary, your primary obligation is to act solely in the best interests of the institution and its beneficiaries.

Specifically, your duties are governed by the following core principles:

- **Duty of Loyalty:** You must manage the portfolio for the exclusive benefit of the institution, avoiding any personal, professional, or third-party conflicts of interest.
- **Duty of Prudence:** You are required to act with the care, skill, and diligence that a "prudent person" acting in a like capacity would use. This includes conducting thorough due diligence on all investment vehicles and managers.
- **Duty to Diversify:** To minimize the risk of large losses, investments must be diversified across various asset classes, except under circumstances where it is clearly prudent not to do so.
- **Duty of Compliance:** All investment activities must adhere to the written Investment Policy Statement (IPS), governing bylaws, and applicable state and federal regulations.

To ensure ongoing adherence to these standards, we recommend a formal review of the following items during the upcoming quarter:

1. Current asset allocation versus IPS targets.
2. Performance benchmarks and fee transparency for all external managers.
3. Updated conflict of interest disclosure forms from all board members.

Failure to uphold these standards can result in personal liability and significant financial risk to the institution. It is imperative that all investment decisions are documented thoroughly in meeting minutes to demonstrate a prudent decision-making process.

Please contact our office if you require further clarification or wish to schedule a formal fiduciary training session for the board.

Sincerely,

[Your Name]
[Your Title/Company Name]
[Contact Information]