

CUSTODIAL FUND INVESTMENTS

How Your Congregation Can Benefit!



Many congregations across Synod have reserve or gifted funds set aside in various financial institutions and may not realize that Lutheran Foundation Canada provides an investment option for these funds. Currently, the Foundation has approximately \$20 million in assets under management, with \$10 million invested as 'endowment' funds and another \$10 million invested as 'custodial' funds. *Endowments* are established with funds gifted to the Foundation and typically invested into perpetuity, with annual distributions that support the LCC synodical family. *Custodial* funds however, are not donated but only transferred to

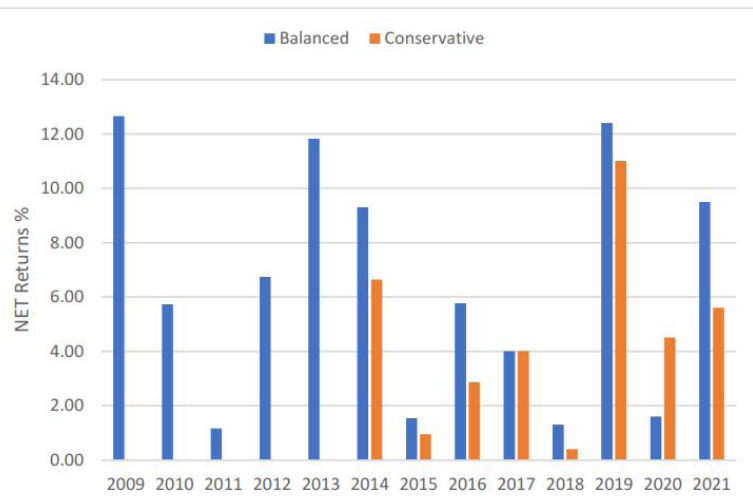
the Foundation for investment purposes, and remain the property of the organization that transferred them. These funds may be returned to the investing organization at any time. Both types of funds are invested using similar strategies as outlined in the Foundation's *Investment Policy Statement*.

As a service to member congregations and organizations of Lutheran Church–Canada's synodical family only, the Foundation accepts funds (\$25K min.) for investment purposes. These funds are pooled with other similar funds and placed in the Foundation's Custodial Investment Accounts. The Foundation uses

the same investment consultant (Ellement Consulting) and some of the same investment managers (TD Asset Mgmt, Romspen Commercial Mortgages, and Mawer Investment Mgmt.) as LCC's pension funds. This approach creates substantial economies of scale, reducing investment management fees, and providing access to investment options typically unavailable for smaller investment amounts. **Investment returns** for Custodial Funds have **averaged 6.42% in the Balanced Mandate and 4.50% in the Conservative Mandate, NET of fees**. The chart below shows annual performance by year. (*Note: Past performance is no guarantee of future returns.*)

LCCFM Custodial Fund Annual Returns (NET)

Year	Investment Returns (%)	
	Balanced	Conservative
2009	12.65	
2010	5.73	
2011	1.16	
2012	6.74	
2013	11.82	
2014	9.30	6.64
2015	1.54	0.95
2016	5.77	2.87
2017	4.00	4.00
2018	1.30	0.40
2019	12.40	11.00
2020	1.60	4.50
2021	9.50	5.60



When comparing these returns to a typical GIC where rates are usually below 2%, the overall value to a congregation can be significant in the long term.

Further information is available on the Foundation's website at www.lutheranfoundation.ca, or contact Allen Schellenberg, Foundation Executive Director, at 877-711-4438. You can download our Custodial Fund Agreement and Investment Policy Statement through our website's Resources section.

