

LCMS Foundation Fee Structure - Investment Accounts

The LCMS Foundation has hired a number of experienced investment management firms to invest the assets entrusted to the Foundation. The management fees paid to these managers are charged to their respective accounts at one-twelfth the rate each month, reducing the net income distributed to the holders of the fund. The blended annual management fee reduction in distributable income is as follows:

<u>STANDARD FUNDS</u>		<u>PREFERENCE FUNDS</u>	
Money Market	0.00%	Money Market	0.00%
Fixed Income	0.24%	Core Bond	0.16%
Conservative Balanced	0.27%	High Yield Bond	0.55%
Moderate Balanced	0.30%	Domestic Equity	0.25%
Aggressive Balanced	0.33%	International Equity	0.50%
Equity	0.36%		

(These fees are based on the investment structure and management fees effective as of January 31, 2020.)

All returns are reported net of the fees shown above.

Investment accounts are charged administration and reporting services fees on a monthly basis. The current schedule for these annual fees for investment accounts invested in the Foundation Preference or Standard Funds is:

0.55% on the first \$1,000,000
 0.45% on the next \$9,000,000
 0.35% on all \$15,000,000
 Negotiable thereafter

All administration and reporting services fees are charged directly to the custodial account, while the management fees referenced earlier are paid at the investment fund level.