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THE LUTHERAN CHURCH—MISSOURI SYNOD FOUNDATION
Pooled Trust Fund Plan III
Declaration of Trust

On this 14th day of December, 2016, The Lutheran Church—Missouri Synod Foundation (hereinafter referred to as the "Foundation") desiring to establish a pooled income fund within the meaning of Rev. Proc. 88-53 and section 642(c)(5) of the Internal Revenue Code (hereinafter referred to as the "Code"), hereby creates The Lutheran Church—Missouri Synod Foundation Pooled Trust Fund III (hereinafter referred to as the "Fund") and designates the Foundation as the initial trustee to hold, manage, and distribute such property hereinafter transferred to and accepted by it as part of the Fund under the following terms and conditions.

1. Gift of Remainder Interest. Each donor transferring property to the Fund shall contribute an irrevocable remainder interest in such property to the Foundation.

2. Retention of Life Income Interest. Each donor transferring property to the Fund shall retain for himself or herself an income interest in the property transferred, or create an income interest in such property for the life of one or more named beneficiaries, provided that each income beneficiary must be a living person at the time of the transfer of property to the Fund by the donor. If more than one beneficiary of the income interest is named, such beneficiaries may enjoy their shares concurrently and/or consecutively. The Foundation may also be designated as one of the beneficiaries of the income interest. The donor need not retain or create a life interest in all of the income from the property transferred to the Fund and any income not payable to an income beneficiary shall be contributed to, and within the taxable year of the Fund in which it is received paid to, the Foundation.

3. Commingling of Property. The property transferred to the Fund by each donor shall be commingled with, and invested or reinvested with, other property transferred to the Fund by other donors satisfying the requirements of this instrument and of section 642(c)(5) of the Code or corresponding provision of any subsequent federal tax law. The Fund shall not include property transferred under arrangements other than those specified in this instrument and satisfying the said provisions of the Code.

All or any portion of the assets of the Fund may, however, be invested or reinvested jointly with other properties not a part of the Fund that are held by, or for the use of, the Foundation. When joint investment or reinvestment occurs, detailed accounting records shall be maintained by the Trustee specifically identifying the portion of the jointly invested property owned by the Fund and the income earned by, and attributable to such portion.

4. Prohibition Against Exempt Securities. The property transferred to the Fund by any donor shall not include any securities whose income is exempt from taxation under subtitle A of the Code or the corresponding provisions of any subsequent federal tax law. The Trustee of the Fund shall not accept or invest in such securities as part of the assets of the Fund.

5. Maintenance by Public Charity. The Foundation shall always maintain the Fund or exercise control, directly or indirectly, over the Fund. The Foundation shall always have the power to remove any Trustee or Trustees and to designate a new Trustee or Trustees.

6. Prohibition Against Donor or Beneficiary Serving as Trustee. The Fund shall not have as a Trustee a donor to the Fund or a beneficiary (other than the Foundation) of an income interest in any property transferred to the Fund. No donor or beneficiary (other than the Foundation) shall have, directly or indirectly, general responsibilities with respect to the Fund that are ordinarily exercised by a Trustee.

7. Income of Beneficiary to be Based on Rate of Return of Fund. The taxable year of the Fund shall be the calendar year. The Trustee shall pay income to each beneficiary entitled thereto in any taxable year of the Fund in the amount determined by the rate of return earned by the Fund for the year with respect to the beneficiary's income interest. Payments must be made at least once in the year in which the income is earned. Until the Trustee determines that payments shall be made more or less frequently or at other times, the Trustee shall make income payments to the beneficiary or beneficiaries entitled to them in four quarterly payments on or about March 31, June 30, September 30, and December 31, of each year. An adjusting payment, if necessary, will be made during the taxable year or within the first 65 days following its close to bring the total payment to the actual income to which the beneficiary or beneficiaries are entitled for that year.

On each transfer of property by a donor to the Fund, there shall be assigned to the beneficiary or beneficiaries of the income interest retained or created in the property the number of units of participation equal to the number obtained by dividing the fair market value of the property transferred by the fair market value of a unit in the Fund immediately before the transfer. The fair market value of a unit in the Fund immediately before the transfer shall be determined by dividing the fair market value of all property in the Fund at that time by the number of units then in the Fund. The initial fair market value of a unit in the Fund shall be the fair market value of the property transferred to the Fund divided by the number of units assigned to the beneficiaries of the income interest in that property. All units in the Fund shall always have equal value.

If a transfer of property to the Fund by a donor occurs on other than a determination date, the number of units of participation assigned to the beneficiary or beneficiaries of the income interest in the property shall be determined by using the average fair market value of the property in the Fund immediately before the transfer, which shall be deemed to be the average of the fair market values of the property in the Fund on the determination dates immediately preceding and succeeding the date of transfer. For the purpose of determining the average fair market value, the property transferred by the donor and any other property transferred to the Fund between the preceding and succeeding dates, or on such succeeding date, shall be excluded. The fair market value of a unit in the Fund immediately before the transfer shall be determined by dividing the average fair market value of the property in the Fund at that time by the number of units then in the Fund. Units of participation assigned with respect to property transferred on other than a determination date shall be deemed to be assigned as of the date of the transfer.

A determination date means each day within a taxable year of the Fund on which a valuation is made of the property in the Fund. The property of the Fund shall be valued at the beginning of the day on January 1, April 1, July 1, and October 1, of each year, and at such other times as the Trustee may determine; provided, however, that where such date falls on a Saturday, Sunday or legal holiday (as defined in section 7503 of the Code and the regulations thereunder), the valuation shall be made on the next succeeding day which is not a Saturday, Sunday or legal holiday.

The amount of income allocated to each unit of participation in the Fund shall be determined by dividing the income of the Fund for the taxable year by the outstanding number of units in the Fund at the end of the year, except that income shall be allocated to units outstanding during only part of the year by taking into consideration the period of time the units are outstanding during the year.

For purposes of this instrument, the term "income" has the same meaning as it does under section 643(b) of the Code or corresponding provision of any subsequent federal tax law and the regulations thereunder and, particularly, shall include:

1) All traditional forms of net income, including but not limited to, interest and dividends; and
2) All realized net short-term capital gains.

Notwithstanding anything herein to the contrary, however, any capital gains from the sale of an asset contributed to the trust must be allocated to principal to the extent of pre-contribution gain.

The income interest of any beneficiary of the Fund shall terminate with the last regular payment of income that was made before the death of the beneficiary. The Trustee of the Fund shall not be required to prorate any income payment to the date of the beneficiary's death.

8. Termination of life income interest. Upon the termination of the income interest of the designated beneficiary (or, in the case of successive income interests, the survivor of the designated beneficiaries) entitled to receive income pursuant to the terms of a transfer to the Fund, the Trustee shall sever from the Fund an amount equal to the value of the remainder interest in the property upon which the income interest is based. The value of the remainder interest for severance purposes shall be its value as of the date on which the last regular payment was made before the death of the beneficiary. The amount so severed from the Fund shall be paid to the Foundation. If at the time of severance of the remainder interest the Foundation has ceased to exist or is not a public charity (an organization described in clauses (i) through (vi) of section 170(b)(1)(A) of the Code, the amount severed shall be paid to an organization selected by the Trustee that is a public charity.

9. Prohibited Activities. The income of the Fund for each taxable year shall be distributed at such time and in such manner as not to subject the Fund to tax under section 4942 of the Code. Except for making the required payments to the life income beneficiaries, the Trustee shall not engage in any act of self-dealing as defined in section 4941(d) and shall not make any taxable expenditures as defined in section 4945(d). The Trustee shall not make any investments that jeopardize the charitable purpose of the Fund within the meaning of section 4944 or retain any excess business holdings within the meaning of section 4943.

10. Depreciable or Depletable Assets. The Trustee shall not accept or invest in any depreciable or depletable assets.

11. Incorporation by Reference. The provisions of this document may be, and are intended to be, incorporated by reference in any will, trust, or other instrument by means of which property is transferred to the Fund. Any property transferred to the Fund whereby an income interest is retained or created for the life of one or more named beneficiaries, where this document is not incorporated by reference shall become a part of the Fund and shall be held and managed under the terms and conditions of this document, unless the instrument of transfer is inconsistent with such terms and conditions, in which case the Trustee shall not accept the property.

12. Governing Law. The operation of the Fund shall be governed by the laws of the State of Missouri. However, the Trustee is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Fund under section 642(c)(5) of the Code and the corresponding regulations.

13. Power of Amendment. The Fund is irrevocable. However, the Foundation shall have the power, acting alone, to amend this document and the associated instruments of transfer in any manner required for the sole purpose of ensuring that the Fund qualifies and continues to qualify as a pooled income fund within the meaning of section 642(c)(5).

14. Spendthrift Provision. Neither the principal nor income of the Fund shall be liable for debts of any beneficiary thereof, nor shall the same be subject to garnishment, levy or seizure by any creditor of any beneficiary under any proceeding at law or in equity, and no beneficiary shall have the power to transfer, encumber or otherwise anticipate it, for a consideration or otherwise. Anything in this paragraph to the contrary notwithstanding, any income beneficiary(ies) may relinquish or assign his (their) interest(s) in the Fund, as evidenced by a specific Life Income Agreement, in favor of the Foundation if the effect of such relinquishment or assignment is the immediate termination of all income interests evidenced by the Life Income Agreement and acceleration of the remainder interests evidenced thereby.

15. Trust Information and Reports. The Trustee shall keep current accounts accurately reflecting the position of, and the receipts, disbursements, and other changes in, the income and corpus of the trust, which shall be available for inspection during all reasonable business hours by any beneficiary currently receiving income. The Trustee shall not be required to deliver any notices, reports, copies of the trust agreement or portions thereof, or any other information pertaining to the trust or its administration, unless requested by a beneficiary.

16. Administrative Expenses. The Trustee shall be entitled to charge administrative expenses from the trust according to its schedule of reimbursement of expenses in effect at the time its services as Trustee are rendered. Administrative expenses of the Trustee will be allocated against trust principal.

17. Trustee Liability. The Trustee shall not be liable for any loss unless such loss was caused by its bad faith or reckless indifference to the purposes of the trust or the interests of the beneficiaries.
IN WITNESS WHEREOF the Lutheran Church—Missouri Synod Foundation, as public charity and Trustee, by its duly authorized officers, has signed this agreement the day and year first above written.

The Lutheran Church—Missouri Synod Foundation, Public Charity and Trustee

By David Fiedler

David Fiedler, President

By: [signature]

Mark Cannon, Senior Vice President
Finance and Administration