



Trust Fund Investment Options

The LCMS Foundation serves as trustee for individual life income agreements and endowments. The Foundation also acts as custodian for congregations, colleges, seminaries, auxiliaries and other related service organizations of The Lutheran Church – Missouri Synod. Several different investment vehicles or funds have been established to provide a wide array of investment opportunities that can meet the needs of various investment goals.

The Trust Funds were created to facilitate the management of individual trusts and are used exclusively for the investment of charitable remainder trusts. These trusts can have different investment objectives, depending on a number of factors. The most appropriate Trust Fund is used to meet these different investment objectives.

Net income unitrusts are invested in the Income Funds, while straight unitrusts are invested in the Total Return Funds. Investment allocations within the Trust Fund options are based on the expected maturity of the trust and investment objective. Expected maturity dates for trust accounts are actuarially derived and monitored on an ongoing basis. Account investments will be changed as required.

The six Trust Funds are:

Income Short	A fixed income portfolio with an investment horizon of 5 years or less, focusing on income generation.
Income Intermediate	A blended portfolio with an investment horizon of 6 to 13 years, focusing on income generation.
Income Long	A blended portfolio with an investment horizon of 14 years or more, focusing on income generation.
Total Return Short	A blended portfolio with an investment horizon of 5 years or less, focusing on.
Total Return Intermediate	A blended portfolio with an investment horizon of 6 to 13 years.
Total Return Long	A blended portfolio with an investment horizon of 14 years or more.



Trust Funds Structure Summary

Trust Fund	Preference Fund	Policy Weight	Fund Benchmark (per policy weight allocation)	Asset Class
Income Short	Core Bond	90%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	10%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
Income Intermediate	Core Bond	40%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	45%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
	Domestic Equity	9%	DJ Wilshire 5000	US equity market
	International Equity	6%	MSCI ACWI x-US	Non-US global equity market
Income Long	Core Bond	15%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	70%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
	Domestic Equity	9%	DJ Wilshire 5000	US equity market
	International Equity	6%	MSCI ACWI x-US	Non-US global equity market
Total Return Short	Core Bond	65%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	15%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
	Domestic Equity	12%	DJ Wilshire 5000	US equity market
	International Equity	8%	MSCI ACWI x-US	Non-US global equity market
Total Return Intermediate	Core Bond	40%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	10%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
	Domestic Equity	30%	DJ Wilshire 5000	US equity market
	International Equity	20%	MSCI ACWI x-US	Non-US global equity market
Total Return Long	Core Bond	25%	Barclays Aggregate	Investment grade, aggregate US bond market
	High Yield Bond	5%	Merrill Lynch High Yld BB/B Constrained	BB / B non-investment grade US bond market
	Domestic Equity	42%	DJ Wilshire 5000	US equity market
	International Equity	28%	MSCI ACWI x-US	Non-US global equity market

The Trust Funds were created to facilitate the management of individual trusts and are used exclusively for the investment of charitable remainder trusts. Since the trusts may have different investment objectives, depending on a variety of factors the most appropriate of the above six investment choices will be chosen.