

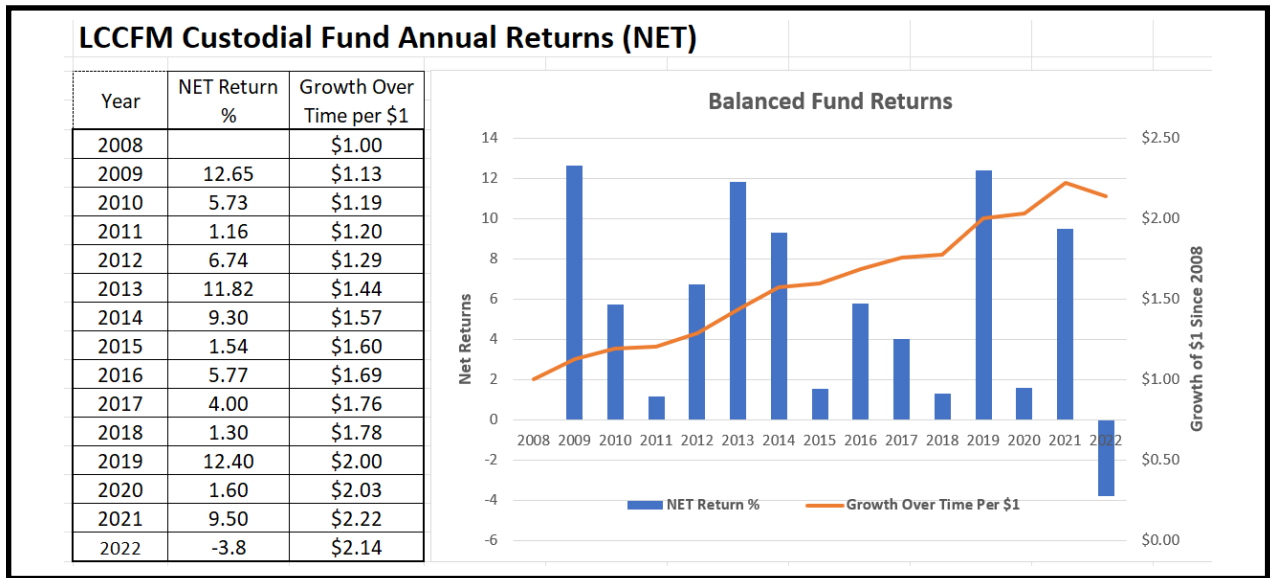


Lutheran Foundation Canada
REFLECTING GOD'S GRACE

Custodial Fund Investments

Lutheran Foundation Canada has approximately \$23million in assets under management, with \$10 million invested as 'endowment' funds and \$13 million invested as 'custodial' funds. Whereas *endowments* are established with funds gifted to the Foundation and typically invested into perpetuity, *custodial* funds are not donated, but only transferred to the Foundation for investment purposes. These funds may be returned to the investing organization at any time. Both types of funds are invested using similar strategies.

As a service to the 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 Management, Romspen Commercial Mortgages, and Mawer Investment Management) as previously used by LCC’s pension funds. This approach not only created substantial economies of scale enabling the Foundation to enjoy significant savings in investment management fees, but also provided access to investment opportunities unavailable for small investment amounts. Investment returns for Custodial Funds in the Balanced Mandate have averaged 5.69 %, NET investment fees. For the first time since 2008, investment and administration fees of 0.5% will increase in 2023 to 0.7% each. The chart below shows annual performance by year, and the accumulated value over time, for each dollar invested in 2008.



It is important to understand that investment returns vary with changing market conditions. Past performance is no guarantee of future returns, especially in the short term. As seen above, for every dollar invested in 2008, even with all the bull and bear markets over time, that one dollar is now worth \$2.14 in early 2023. If markets continue to fluctuate as they have in the past, even initial investments made in early 2022 suffering a loss of capital, should experience a similar pattern of growth over time.

To learn more about the Foundation’s Custodial Funds, please visit our website at www.lutheranfoundation.ca. You can download our *Custodial Fund Agreement* and *Investment Policy Statement* through our Resources section. If you have questions, please call 877-711-4438.