

ABOUT THE LONG BEACH COMMUNITY FOUNDATION



MISSION

To initiate positive change for Long Beach through charitable giving, stewardship and strategic grantmaking.

VISION

We strive to be the preeminent steward of endowments serving the needs of Long Beach in perpetuity.

KEY OBJECTIVES

- Encourage charitable giving and assist individuals and organizations to manage their philanthropic giving
- Establish endowment funds to benefit nonprofits in Long Beach
- Make strategic grants to Long Beach nonprofits

OUR HISTORY

- Founded in 1996 as the *Greater Long Beach Community Foundation* by members of the Estate Planning & Trust Council
- Operated as an affiliate of the California Community Foundation until 2006, when independent status was achieved to bring greater focus to Long Beach
- Changed name to the *Long Beach Community Foundation* and obtained tax-exempt status from the IRS in April 2006
- Officially began operating as independent organization July 1, 2007

TYPES OF FUNDS

Donor Advised Funds allow donors the most flexibility to achieve their charitable purposes. These are a simple alternative to a Private Foundation and designed for donors to be actively involved in directing how the funds are used. Through their own research or with guidance from our knowledgeable staff, donors may request grants be made to specific organizations as charitable needs arise.

Field of Interest Funds allow donors to specify a broad category for funding. For example, a fund can be dedicated to children's health and welfare issues, another to assist battered and abused women, others that enhance the arts, and so forth. A Field of Interest fund allows donors to direct their gifts to a charitable area of interest without the "hands-on" involvement of a donor-advised fund.

Designated Funds Donors specify which organization(s) will receive the grants each year from their endowed fund. Recipients remain the same each year.

Scholarship Funds offer donors an opportunity to build the community's future by investing in the education of tomorrow's leaders. Our staff members work closely with the donors to create and carry out their objectives. Together we design a scholarship program to meet those goals within a structure that ensures that the donors' contributions are fully tax deductible and that scholarship awards are not treated as taxable income to the recipients.

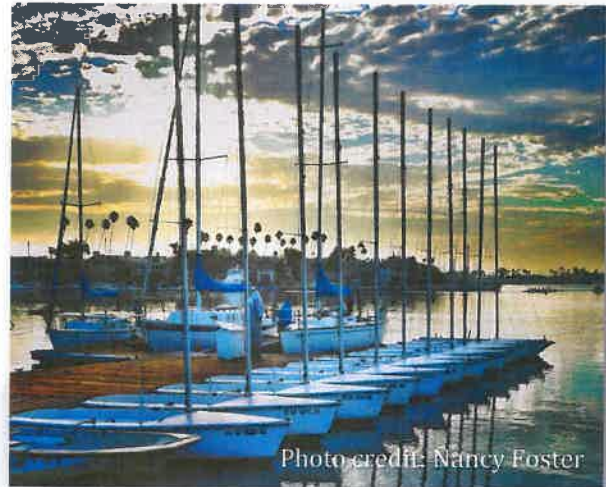
Agency Funds are established by 501c3 nonprofit organizations for their own benefit. Funds are endowed or quasi-endowed and create a steady revenue stream the organization can depend on in perpetuity. An annual payout calculation is made every year to determine the spendable income on the fund while protecting the principal. As the dollar amount in the fund increases over the years, so will the available payout.

DONOR ADVISED FUND

The most flexible way to achieve your philanthropic goals. This fund is designed for donors who prefer to be actively involved in directing how the funds are used, and who wish to request grants be made to specific organizations as charitable needs arise.

BENEFITS AND SERVICES:

1. Highly personalized and flexible service tailored to your charitable and financial interests.
2. Knowledgeable staff with in-depth grantmaking and giving expertise.
3. An easy and secure online portal so you can view your fund balance 24/7.
4. Grants administration and processing by LBCF allows for easy and hassle-free grant making.
5. Tax benefit is realized by the donor immediately after a contribution is made.
6. An array of investment options that are carefully selected and managed as part of a \$3 billion portfolio, bringing you economies of scale investment results.
7. Protective oversight of your fund provided by LBCF on a local and national level.
8. An option to have your financial advisor manage the fund assets.
9. Invitations to exclusive Community Foundation events with other donors and local nonprofit grantees.
10. Quarterly statements show all investment, donation and grant activity.



11. Comparable rates and fees to other community foundations.
12. Double your impact: the fees charged support philanthropic grants and programs in the Long Beach community.
13. Available option to raise funds through the LBCF website.

ADVANTAGES OF OPENING A FUND INCLUDE:

1. No legal liability. The Community Foundation remains in full compliance with state and federal regulations as they relate to grants and contributions.
2. Name your fund and issue grants in your name or anonymously.
3. Simple alternative to a Private Foundation with the same benefits and without the hassle and costly legal fees.
4. Be actively involved in directing how the funds are used.
5. Request grants be made to specific organization as charitable needs arise or select an advisory committee (such a family or friends) to choose grant recipients.
6. LBCF makes a conscious effort to work with Long Beach based organizations.



Investment Performance Summary

As of 10/31/2019

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Combined Equity Pools	20.62	2.46	2.34	12.87	12.69	8.61	11.29
Equity Benchmark	20.57	2.52	2.17	12.81	12.69	8.64	11.62
Domestic Equity Pool TR*	22.54	2.10	1.76	13.50	14.45	10.31	
Domestic Equity Benchmark*	22.56	2.11	1.76	13.48	14.46	10.29	13.64
International Equity Pool TR*	15.61	3.40	3.85	11.16	7.95	3.78	
International Equity Benchmark*	15.41	3.58	3.14	11.12	7.95	3.97	
S&P 500 TR USD	23.16	2.17	2.43	14.33	14.91	10.78	13.70
MSCI ACWI Ex USA NR USD	15.45	3.49	2.87	11.27	8.07	3.82	4.94
Intermediate-Term Fixed Income Pool TR	9.44	0.37	2.18	11.76	3.34	3.41	
Intermediate-Term Fixed Income Benchmark	9.46	0.43	2.20	11.87	3.43	3.53	4.46
Short-Term Fixed Income Pool TR	5.08	0.26	1.15	6.40	2.22	2.04	
Short-Term Fixed Income Benchmark	5.17	0.32	1.24	6.54	2.31	2.15	2.42
Money Market Pool TR	1.76	0.15	0.48	2.08	1.12	0.70	0.38
USTREAS T-Bill Auction Ave 3 Mon	1.88	0.14	0.47	2.29	1.65	1.05	0.56

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more investment Pools.

*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19; performance prior to that date is pro-forma.

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Aggressive Mix TR	17.89	1.97	2.18	12.24	10.74	7.51	9.88
Aggressive Mix Benchmark	17.86	2.03	2.04	12.22	10.76	7.56	10.08
Moderately Aggressive Mix TR	14.85	1.59	2.01	11.12	8.68	6.25	8.31
Moderately Aggressive Mix Benchmark	14.85	1.65	1.91	11.14	8.75	6.32	8.41
Moderate Mix TR	11.56	1.14	1.73	9.58	6.52	4.85	6.45
Moderate Mix Benchmark	11.59	1.19	1.68	9.65	6.65	4.97	6.46
Conservative Mix TR	8.27	0.70	1.47	7.94	4.33	3.41	4.55
Conservative Mix Benchmark	8.33	0.75	1.46	8.05	4.52	3.57	4.48
Short-Term Mix TR	3.91	0.22	0.92	4.87	1.84	1.57	
Short-Term Mix Benchmark	4.01	0.26	0.97	5.04	2.09	1.77	
Risk Averse Mix TR	1.76	0.15	0.48	2.08	1.12	0.70	0.38
USTREAS T-Bill Auction Ave 3 Mon	1.88	0.14	0.47	2.29	1.65	1.05	0.56

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which the Community Foundation rebalances.

Returns for periods greater than 1 year are compound annual returns.
TR = Total Return

Current Investment Mix Allocations	Domestic Equity Pool	Int'l Equity Pool	Intern-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	55%	22%	10%	10%	3%
Moderately Aggressive	43%	17%	14%	21%	5%
Moderate	29%	11%	18%	27%	15%
Conservative	14%	6%	22%	33%	25%
Short Term	0%	0%	0%	65%	35%
Risk Averse	0%	0%	0%	0%	100%

Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.06%
Moderately Aggressive	0.07%
Moderate	0.09%
Conservative	0.10%
Short Term	0.12%
Risk Averse	0.14%

Performance is presented net of all investment management fees, brokerage, consulting and other transaction costs but gross of Long Beach Community Foundation administrative fees.

Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact LBCF at (562) 435-9033 or info@longbeachcf.org.

Contact Colleen Bragalone at (562) 435-9033 ext 2254 or Colleen@longbeachcf.org for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

400 Oceangate, Suite 800, Long Beach, CA 90802
(562) 435-9033 www.longbeachcf.org

SCHEDULE OF FEES

Effective September 27, 2018

Certain fees are deducted from all funds monthly on a prorated basis. Foundation Support Fees (in chart below) cover general operating costs including: gift establishment, receipt of contributions and assets, grant processing and fund administration, due diligence procedures and research on nonprofit agencies, and other charitable purposes. In addition, an LBCF Investment Administration Fee of 0.15% of the average fair market value of the fund's assets covers the cost of internal investment accounting and management. Funds may also be charged additional fees for direct expenses incurred or rendered such as: commissions on the sale of contributed stock; extraordinary legal, banking and investment services; or other non-standard services. *Investment managers and consultant fees related to the portfolio investment pools are charged directly to the pools.*

Fund or Service Type	Annual Foundation Support Fees
Standard Fee <ul style="list-style-type: none"> • Donor-Advised Funds • Community Benefit Funds • Field of Interest Funds • Restricted Beneficiary Funds • Separately Managed Funds 	Minimum to open a fund = \$2,500 Fee tiered as follows: <ul style="list-style-type: none"> ✓ 1.25% to \$1.0 million ✓ 1.00% at > \$1.0 to \$2.5 million ✓ 0.75% at > \$2.5 to \$5 million ✓ Quoted on assets > \$5 million ✓ Minimum fee = \$300 (\$25 per month)
Agency Funds [501(c)(3)] <ul style="list-style-type: none"> • Fully Endowed • Quasi Endowed • Non Endowed • Separately Managed Funds 	Minimum to open a fund = \$25,000 Fee tiered as follows: <ul style="list-style-type: none"> ✓ 1.0 % to \$1.0 million ✓ 0.9% at > \$1.0 to \$2.5 million ✓ 0.75% at > \$2.5 to \$5 million ✓ Quoted on assets > \$5 million ✓ Minimum fee = \$300 (\$25 per month)
Scholarship Funds <ul style="list-style-type: none"> • Restricted Scholarship Funds • Committee Advised Funds 	Minimum to open a fund = \$50,000 <ul style="list-style-type: none"> ✓ 1.75% of assets ✓ Minimum fee = \$200 per quarter
Social Impact / Pass-Through Funds <ul style="list-style-type: none"> • Funds held less than 6 months 	Minimum to open a fund = \$20,000 <ul style="list-style-type: none"> ✓ Range 3% to 10% (evaluated annually) ✓ Fee assessed upon receipt of funds
Special Projects <ul style="list-style-type: none"> • Negotiated arrangements • Fiscal sponsorships • Non-Standard agreements 	Minimum anticipated contributions = \$20,000 <ul style="list-style-type: none"> ✓ Range 3% to 10% (evaluated annually) ✓ Fees assessed upon receipt of funds ✓ Minimum fee = \$500
Legacy Funds (<i>intent, not immediately funded</i>) <ul style="list-style-type: none"> • Memorandum of Philanthropic Intent 	No fees assessed until funding is received, at which time fund type specified determines fee schedule
Charitable Remainder Trusts <ul style="list-style-type: none"> • Unitrusts • Annuity Trusts 	Trust must be accepted by Board of Directors <ul style="list-style-type: none"> ✓ 0.75% of assets ✓ Minimum fee of \$100 per quarter
Charitable Gift Annuities	Minimum to open = \$50,000 <ul style="list-style-type: none"> ✓ Special fees apply

Note: Special or Non-Standard Foundation Support Fees may be higher or lower than fees shown above due to special arrangements, unusual situations, differences in services performed or differences in underlying agreements.



Memorandum of Philanthropic Intent regarding charitable distributions from the:

(Name of Trust/Account or Other Designating Instrument)

to the Long Beach Community Foundation

The purpose of this Memorandum of Philanthropic Intent is to serve as a guide to the Long Beach Community Foundation ("Foundation") in carrying out the philanthropic objectives of _____ ("Donor(s)") upon the distribution to the Foundation of assets from the Trust/Account or Other Designating Instrument ("Funding Source") named above.

Please choose from the following options: (You may choose one or more to meet your philanthropic needs.)

1) The distribution from the funding source shall support:

☐ **LBCF Endowment** used to make discretionary grants to nonprofits in the community ____%
or amount \$ _____

☐ **LBCF Operations Endowment** used to sustain Foundation operations ____%
or amount \$ _____

2) **Field of Interest:** Create a component fund of the Foundation. The Fund shall be known as the: _____ ("Fund") to support the following cause(s): _____

3) **Designated Fund:** Create a component fund of the Foundation. The fund shall be known as the: _____ ("Fund") to support the following charity(ies): _____

The Donor reserves the right to modify or change any of the above allocations to accommodate changes of charitable interest. Any such changes must be made in writing. Upon the Donor's death, all allocations shall remain intact as last written except as noted below. The Foundation shall charge the Fund to the extent sufficient for reasonable and proper compensation for services and expenses. The fee shall at all times be consistent with other component funds in the same category. If the balance of the distributed assets is less than the minimum balance to create a new Fund with the Foundation, the net assets will be fully distributed within a one year period to the above named beneficiaries in the respective percentage allocations herein designated. Unless otherwise indicated, all assets will be endowed, subject to the current spending policy adopted by the Foundation's Board of Directors. If, in the sole judgment of the Board of Directors of the Foundation, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation's Board of Directors shall modify any restriction or condition on the use or distribution of income from the Fund. This document shall become a permanent part of the Fund's documentation.

Donor Review and Confirmation

I (We) have reviewed this Memorandum of Philanthropic Intent and confirm that it accurately reflects my (our) philanthropic intentions as of the last signature date below.

DONOR(S):

(Printed name)

(Printed name)

Donor Signature

Date

Donor Signature

Date

LONG BEACH COMMUNITY FOUNDATION:

Marcelle Epley, President & CEO

Date