

Endowment Funds

February 24, 2022
Land Trust Alliance of British Columbia



Permanent and Transferable Funds

An investment fund provides a consistent and sustaining source of income for a charity.

Permanent:

- Permanently held
- Perpetually invested
- \$10,000 minimum initial contribution

Transferable:

- Capital encroachment permitted
 - Years 2-5: 10% annually
 - Year 6 or after: a portion or all
- Invested while held
- \$100,000 minimum initial contribution

Capital and Income

Capital

- Consolidated Trust Fund (CTF)
- Socially Responsible Investment (SRI) Fund
- One Fund / One Switch

Income

- Income Distributions
- Grant or Reinvest

Consolidated Trust Fund (CTF)

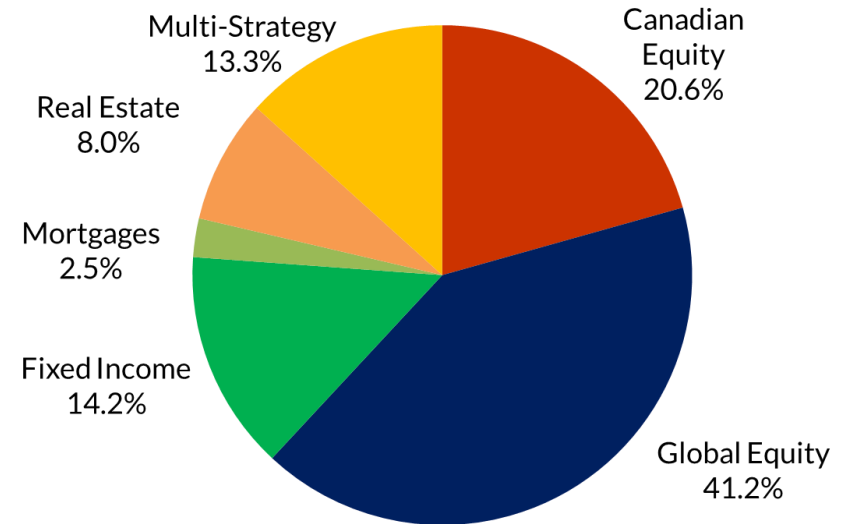
A diversified balanced fund of equities, fixed income, real estate and multi-strategy funds.

Inception date: 1943

Total Assets: \$1.42 billion
(December 31, 2021)

Investment Managers: 13

Asset Allocations:



Socially Responsible Investment (SRI) Fund

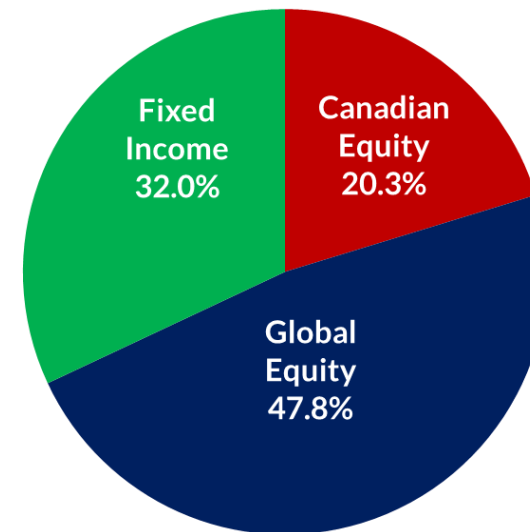
A balanced fund that screens out companies predominantly involved in fossil fuels, military weapons, nuclear power utilities, and tobacco.

Inception date: 2002

Total Assets: \$42.5 Million
(December 31, 2021)

Investment Manager:
Jarislowsky Fraser Global
Investment Management

Asset Allocation:



CTF and SRI Returns

Annualized Rate of Return	1 Year	3 Years	5 Years	10 Years
CTF	13.05%	12.06%	8.82%	9.88%
SRI	14.00%	15.23%	10.34%	8.73%
CPI + 3.5%	8.30%	6.08%	5.82%	5.32%

To December 31, 2021

(Annualized)

*Returns are gross of fees estimates based on available data

CTF and SRI Historical Distributions (% of Market Value)

Distribution Rate History	2022	2021	2020	2019	2018	2017	2016
CTF	4.37%*	4.06%	3.95%	3.88%	3.80%	3.83%	3.74%
SRI	4.25%**	3.81%	3.86%	3.91%	3.84%	3.71%	3.62%

Formula

70% x prior year's actual \$ distribution (adjusted for inflation)

PLUS

30% x "spending target" (4%) x market value of assets expressed as a unit value

*2022 CTF Base distribution of 3.77% plus one-time Community Response Recovery Benefit of 0.60%

**2022 SRI Base distribution of 3.65% plus one-time Community Response Recovery Benefit of 0.60%



What is the BC Land Trust Alliance Fund?

- A permanent fund, generating income to support Land Trust Alliance of British Columbia
- Started in 2004
- Prudently invested – SRI, 10-year annualized return of 8.73%
- Income of approximately 3.9% per year



Supporting Land Trust Alliance of BC

- **Gifts of Securities**
- **Giving Options for American Donors**
- **Flow-through Option**
- **Beneficiary of donor advised fund, legacy fund, bequest**

	Sell securities and donate the cash proceeds to Vancouver Foundation	Donate securities directly to Vancouver Foundation	
Original cost of securities	\$1,000	\$1,000	
Current market value of securities	\$10,000	\$10,000	
Capital gain	\$9,000	\$9,000	No capital
Tax on capital gain	\$1,980 ¹	\$0	
Donation amount after tax	\$8,020 ²	\$10,000	Charity gets
Charitable tax credit³	\$3,457	\$4,323	You get more

¹This assumes a 44% marginal tax rate. For calculating capital gain tax, this rate is applied to 50% of the capital gain.

²\$8,020 represents the full value of \$10,000 donation minus estimated capital gain tax of \$1,980.

³Charitable donation tax credits in BC for 2015 on donation amount after tax.

Note: These are general figures for the purpose of illustration and do not constitute legal or financial advice. We encourage you to seek professional legal and/or financial advice before deciding on your donation to charity.



Donor Engagement

- Is your donor aware of the endowment fund?
- Is your donor aware of the different ways to give?
- Does your donor have specific wishes for their gift?
 - Operation or long-term, specific project, recognition, anonymity
- What is the purpose of the endowment fund?
- What is your relationship with giving?



Thank you

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