

FUND STATEMENT EXPLANATION OF TERMS
ADVISED, SCHOLARSHIP, AND DISCRETIONARY FUNDS

ACTIVITY SUMMARY

Contributions: Consists of gifts of cash, securities, real estate, and personal property to the fund during the statement period. See statement for a detailed list.

Investment Activity: Consists of interest, dividends, gains (losses) from trade activity, changes resulting from fluctuations in market value, and third-party fees related to investment management, investment consulting and bank custody.

Grants: Consists of all grants approved during the statement period, including grants paid and those scheduled to be paid. See statement for detailed list.

Foundation Supporting Fee: The supporting fee assessed to funds covers the cost of philanthropic advising for fundholders, grantmaking, gift and grant/distribution processing, planned giving services, nonprofit fund management, new fund development, and communications and outreach work. The fee is assessed on a quarterly basis.

Other Fund Expenses: Expenses incurred by the fund that do not result from investment activity (e.g., brokerage fees on the sale of gifted securities).

Grants Account Balance: This amount is part of the ending fund balance. It does not reflect any grants that have been made since the end of the statement period. For advised funds the grants amount is a guideline and depending on your personal goals, you may choose to grant more or less. If you would like to reinvest a portion or all of the grants account balance, please notify the Foundation. Note: Interest generated from the grants account supports our operations and does not accrue to the fund.

FUND PROFILE

Fund Type: Fund types include discretionary (unrestricted and field of interest), advised, designated, nonprofit (endowment and reserve), and scholarship.

Foundation Supporting Fee Rate (the minimum annual fee applies to funds with balances less than \$50,000 for Discretionary Funds and \$25,000 for all other fund types):

Fund Type	VCF Annual Supporting Fee	Minimum Annual Fee
Discretionary	3%	\$1,500
Advised*	2%	\$500
Designated	1%	\$250
Nonprofit Endowment	1%	\$250
Nonprofit Reserve	1%	\$250

*Advised funds that are not actively invested are considered passthrough funds and are assessed a supporting fee of 2% of gifts rather than the annual supporting fee.

Note on Scholarship Funds: The VCF does not establish new scholarship funds. Existing scholarship funds have an annual fee of 2%. Our philanthropic advisors are happy to discuss alternative options to scholarship funds with you.

Spending Rate: This is the rate used in the spending calculation and determines the amount that is transferred annually from the invested portion to the grants account of your fund.

INVESTMENT OPTIONS

Long-Term Pool: This is the Foundation's most diversified pool and based on its mix of equities, alternatives, and fixed income, it is also expected to produce the highest long-term returns. As the pool is oriented towards long-term returns, it

maintains considerable exposure to the equity markets. We believe this is an important quality over long periods although it will periodically produce weak results over shorter periods. Long-Term Pool funds incur third party investment management, investment consulting, and bank custodial fees. Investment management fees are a blended rate based on the fees charged by our underlying investment managers weighted for the assets they manage on behalf of the Foundation. Please contact us to find out the current rate.

Socially Responsible Pool: This pool pursues long-term returns with a broad range of social criteria. Investments tend to include companies that foster positive relationships with their employees and shareholders, the community, and the environment. In addition, these companies typically provide life-enhancing products or services and have guidelines regarding human rights. As with the Long-Term Pool, it is oriented towards long-term returns and maintains considerable exposure to the equity markets. We believe this is an important quality over long periods although it will periodically produce weak results over shorter periods. SR pool funds incur third party investment management, investment consulting, and bank custodial fees. Investment management fees are a blended rate based on the fees charged by our underlying investment managers weighted for the assets they manage on behalf of the Foundation. Please contact us to find out the current rate.

Mid-Term Pool: This is a diversified pool for a fund with a medium-term time horizon. It primarily uses index funds and consists of a balanced mix of equities and fixed income securities. This pool is not expected to generate long-term returns that are as high as those in the Long-Term Pool, as the Mid-Term Pool holds a larger allocation to low returning fixed income instruments. This approach is pursued to control the risk of large short-term losses. Please note that the Mid-Term Pool will also experience periods of weak results either due to declining equity markets or rising interest rates. It is for this reason that the Pool is designed for funds with a three to seven-year time horizon. Mid-Term pool funds incur third party investment management, investment consulting, and bank custodial fees. Investment management fees are a blended rate based on the fees charged by our underlying investment managers weighted for the assets they manage on behalf of the Foundation. Please contact us to find out the current rate.

Passthrough: The passthrough option is available for funds that have a short time horizon and are invested in an interest-bearing account. The interest generated from these funds is used to support our operations and does not accrue to the fund. Passthrough funds are not assessed investment management or custodial fees.

Money Market Pool: The Foundation's money market pool is available for funds that prefer limited market risk. Over long periods of time, this pool will have both the lowest risk of capital losses and the lowest returns of any of our investment options. Money market funds incur third party investment management, investment consulting, and bank custodial fees. Investment management fees are a blended rate based on the fees charged by our underlying investment managers weighted for the assets they manage on behalf of the Foundation. Please contact us to find out the current rate.

Please note that past investment performance is no guarantee of future results. Individual performance results will vary, and the annual spending policy calculation may invade the original value of contributions to the fund based on actual performance.

PHILANTHROPIC LEADERSHIP FUND CONTRIBUTION

This rate is a voluntary commitment to the Foundation's Leadership Fund. Annually in March we will make a grant based on the prior year's ending fund balance multiplied by the chosen Leadership Fund contribution rate and will continue to do so unless you request otherwise. This fund supports activities that grow the impact of giving throughout the state. Since its inception in 2006, it has helped establish programs that help people learn about community needs, lead by identifying and cultivating promising ideas, and grow by inspiring others to give to the Fund.

For questions regarding your statement please contact Senior Fund Manager Lydia Brownell at lbrownell@vermontcf.org or 802-388-3355, ext. 227.

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