

Overview of Charitable Remainder Trusts with The Rotary Foundation (TRF) The Northern Trust, Custodian Bank

OVERVIEW

Possible Income Rates:	Generally, between 5 and 7 percent.
Possible Remaindermen:	The Rotary Foundation only.
Trust Forms:	Charitable Remainder Annuity Trust (CRAT) (fixed income) or Charitable Remainder Unitrust (CRUT) (variable income) -Straight -Flip with makeup -Net Income
Legal Fees or Costs Paid by TRF:	None.

INVESTMENTS & PORTFOLIOS

Standard Portfolio Balance: 60/20/20 (US Stocks/Non-US stocks/Bonds)

Standard Investment Allocation:

Standard Funds[^]

25% U.S. LargeCap Index
15% U.S. LargeCap Growth
10% U.S. LargeCap Value
5% U.S. SmallCap Growth
5% U.S. SmallCap Value
20% International Equity
20% U.S. Bonds

Composite Benchmark

25% S&P500 Index
15% Russell 1000 Growth Index
10% S&P 500/BARRA Value Index
5% Russell 2000 Growth Index
5% Russell 2000 Value Index
20% MSCI EAFE Index
20% Lehman Brothers Aggregate Bond Index

Individually Invested^{^^}

40% U.S. Individual Stocks
10 % U.S. LargeCap Value
5% U.S. SmallCap Growth
5% U.S. SmallCap Value
20% International Equity
20% U.S. Bonds

[^]The Standard Funds option invests in mutual funds that fulfill the above investment allocation.

^{^^} CRTs over \$1 million invests 40% in large-capitalization U.S. stocks, of which 15% must be growth oriented and 60% in mutual funds to fulfill the above investment allocation.

HISTORICAL PERFORMANCE

Annual performance, net of fees, for the standard investment option:

	Composite Benchmark	Standard Funds
2001	-9.58%	-11.43%
2002	-15.35%	-13.28%
2003	27.77%	25.32%
2004	12.04%	10.48%
3 year annualized	6.61%	6.29%

The composite benchmark provides context for performance comparisons. It is a blend of various indices, weighted according to the investment allocation.

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FEES

INVESTMENT MANAGEMENT FEE*:

Northern Funds Investments:

\$499,000 and less: .5%
\$500,000 to \$999,999: .375%

Paid quarterly

Individually invested accounts^:

First \$1,000,000: .5%
Next \$4,000,000: .25%
Next \$5,000,000: .125%
Next \$10,000,000: .1%

^An option for accounts \$1,000,000 and over.

Paid quarterly

**The fees listed reflect the fees charged directly to the trust; additional fees are paid by TRF but are not listed and include 50% of the investment management fee and 100% of any base fee. Fees are subject to change.*

ANNUAL TAX RETURN FILING FEES:

\$300.00 paid by the trust to The Northern Trust.

STATE ANNUAL REPORT PREPARATION & FILING FEE:

\$65.00 total paid by the trust to The Northern Trust.

STATE REGISTRATION FEE:

\$15.00 paid by the trust to the State of Illinois (one-time).

FUNDING SOURCES

Cash (Check or wire)

Real Estate (Subject to Gift Acceptance Committee approval)

Stock (Non-publicly traded stock may be subject to Gift Acceptance Committee approval)

Mutual Funds

RECOGNITION*

Benefactor, if the remainder is designated to the Permanent Fund.

Major Donor.

Arch C. Klumph Society for cumulative giving of \$250,000 or more.

**Donor recognition is determined by the full fair market value (face value) of the contribution on the date of the gift; however, for accounting purposes, the amount reported on the Monthly Contribution Report is the amount of the tax receipt only.*

CONTACT INFORMATION

For more information please check our on-line resources at www.rotary.org or contact your Foundation staff member or the Planned Giving Officer:

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