



The Orchard Foundation

NEWSLETTER

SUMMER 2017

IN THIS ISSUE:

- ◇ **Worth the Climb**
- ◇ **Capital Market News**
- ◇ **Planning your Summer vacation**
- ◇ **Statement Information**

Worth the Climb

Almost every summer for the last nine years, I have joined the men from my church for a backpacking trip into the Rocky Mountains. We hike to a lake to camp for the weekend which usually entails climbing 1000 feet or more over a three to four mile mountain trail. My backpack normally weighs about 40 pounds and, as I have gotten older, this part has become more and more difficult for me. Once we get there, however, and the pack is removed, the joy of accomplishing the hike makes it worth the pain. Despite my anticipation of the discomfort, I would never have the pleasure of seeing the beauty of the Rockies with its roaring waterfalls, pristine lakes, beautiful wild flowers and variety of wildlife if I were sitting comfortably at home on my couch.



In some ways, the effort to plan for the future by making sure our earthly belongings are effectively used for both our family and the Kingdom can also seem daunting and somewhat painful. It might be easier to ignore this task, but in the long run, the accomplishment far outweighs the discomfort and can actually be a source of joy and fulfillment. This is certainly what I experience when I trudge into our campsite after a difficult climb. I would encourage you to read and meditate on David's prayer in 1 Chronicles 29:10-17, "We give you thanks, and praise your glorious name ... Everything comes from you, and we have given only what comes from your hand ... all these things I have given willingly and with honest intent. And now I have seen with joy how willingly your people who are here have given to you." These verses truly represent the heart of David who desired to glorify and honor God with all he had as his legacy.

You too can leave a lasting legacy with whatever you have - be it small like the widow's mite or large like King David - for it is not a matter of size but a matter of the heart and your willingness to praise God with your resources.

Many of you who receive our newsletter have already taken the steps to honor the Lord with your legacy and we at Orchard find great delight in serving you and your generous hearts. May you be blessed and full of joy knowing you have accomplished the climb.



Many Blessings,

Timothy W. Cummings, J.D., C.M.A., C.C.N.L.
VP/COO/CFO

Capital Market News

Second Quarter Update: Stocks continued upward trends during the second quarter of 2017 even amidst valuation concerns, low inflation, pending interest rate increases and ongoing policy uncertainty in the U.S. Global equity performance also continues to pick up with growth stocks, led by technology, outperforming value investments. As you are probably aware, the Fed did finally raise the interest rate on June 14. Bond yields moved lower, however, the U.S. bond market also responded with gains of 1.5 percent, with U.S. Treasury notes and bonds increasing 1.2 percent and U.S. Corporates up 2.4 percent. Focus on bonds now turns to balancing the health of the yield curve so that rates increase the longer funds are invested.



The S&P 500 increased 3.1 percent during the quarter and 9.3 percent year-to-date. Also for the quarter, the DJIA increased 4.0 percent and the Nasdaq Composite was up 4.2 percent with increases of 9.4 percent and 14.7 percent year-to-date, respectively. The MSCI All Country World Index (ACWI) was up 4.3 percent for the quarter and 11.5 percent year-to-date.

After significant review and evaluation of our investment models, Orchard decided to make a change in how we invest in equities in order to drive performance. Effective June 1, 2017, the equity portion for all offered models will be the same. This means every model is invested in the same mix of equity investments. The overall risk tolerance continues to be managed by limiting the percentage of an account that is invested in equities. This change simply means that your account will benefit from the best equity performance our team of experts can deliver.

Planning Your Summer Vacation?

Are you headed to the beach, the mountains, or perhaps a foreign country for your summer vacation? Will you be flying, driving, or cruising to your destination? When we make vacation plans, it's common to think about things like:

- What happens if the Lord calls me home while I'm traveling?
- Is my will in good order?
- Did I properly plan for my loved ones so they will be well taken care of if something happens to me?

The good news is... you're not alone. This is a normal thought process and attorneys receive a lot of calls in the late spring and early summer to draft wills for people leaving on vacation.

Unfortunately, when most people draft their wills, they often fail to realize that writing their will should be a scriptural and prayerful process before it becomes a legal

process. Often, we simply visit an attorney and have a legal document written without taking into consideration that God is the owner of all we have, and we are just His stewards. This means our will is the legal document that transfers stewardship of everything God has entrusted us. So, we should seek the Lord and consider His Word when writing our will.

If you would like help thinking through your will and estate plan from a biblical perspective, Orchard is here to help! Contact Guy Burgo, Orchard's Director of Estate and Gift Design Services at (719) 268-7208 or BurgoG@theorchard.org



Statement

- Those of you who receive statements by mail, they are enclosed.
- Donors who receive their statements online may go to our website: www.theorchard.org.
- Those with donor advised funds can access statements on your DonorFirst™ Web page at <https://orchard.donorfirst.org> and click on the name of your fund on the left side of the screen.

Please do not post or distribute this letter due to confidential information contained herein.

The market information contained herein, including but not limited to prices, quotes, and statistics, has been obtained from sources that we believe to be reliable, but we do not offer any guarantees as to its accuracy or completeness. Past performance is not a guarantee of future results. All information is subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security or other instrument.

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July 1, 2017

RE: Fiduciary Schedule of Fees from The Orchard Foundation

Thank you for your loyalty to The Orchard Foundation and the privilege of administering your account. We are grateful for the opportunity to partner with you in using God's resources to fulfill God's calling.

Effective July 1, 2017, The Orchard Foundation has updated its Fiduciary Schedule of Fees. Included with your 2nd quarter statement and newsletter is the revised schedule for your review. We have made this change after carefully reviewing the effort needed to maintain high levels of service for the various types of accounts. In some cases the fees did increase, but please be aware that some fees also have decreased or stayed the same depending on the type of account and account balances.

If you have any questions about how this revision impacts your account or would like to discuss this in further detail, please contact your account representative listed below:

- For Donor Advised Funds, Ministry Gift Funds or Endowments, please contact Rachel Gray at (888)689-6300 ext. 7237 or by email at grayr@theorchard.org.
- For Trusts or Institutional Reserve Funds, please contact Davina Bieniek at (888)869-6300 ext. 7215 or by email at bieniekd@theorchard.org.

We look forward to continuing to assist you with the same values-based, knowledgeable service you have come to expect from The Orchard Foundation.

Sincerely,

A handwritten signature in black ink that reads "Rachel S. Gray". The signature is written in a cursive, flowing style.

Rachel S. Gray
Fiduciary Services Supervisor

Fiduciary Fee Schedule Table 2*

CHARITABLE REMAINDER, IRREVOCABLE, REVOCABLE & CHARITABLE LEAD TRUSTS Account Types 20, 21, 22, 23, 24, 25, and 28
Minimum Annual Fee — \$2,750.00

Orchard Model	Non-Orchard Model		
1.10%	1.30%	On the first	\$500,000
0.90%	1.10%	On the next	\$500,000
0.75%	0.95%	On the next	\$4,000,000
0.40%	0.60%	On the balance over	\$5,000,000

*Trusts with Alliance Development Fund (ADF) investments only will be charged Orchard model rates.

INSTITUTIONAL RESERVE FUNDS Account Type 60
Minimum Annual Fee — \$1,250.00

Orchard Model	Non-Orchard Model		
0.50%	0.70%	On the first	\$500,000
0.45%	0.65%	On the next	\$500,000
0.40%	0.60%	On the next	\$4,000,000
0.25%	0.45%	On the balance over	\$5,000,000

Tax Services Fee Schedule Table 3*

Type/Description	Base Fee
Revocable Agreements Account Type 20	\$250 - \$700
Irrevocable Agreements Account Type 21	\$450 - \$950
Unitrusts Account Types 22, 23, 24, 28	\$650 - \$950
Annuity Trusts Account Types 25, 28	\$400
NOTE: The tax service fees above are approved basic fees that consider the type of agreement and standard investment models. Actual fees will include charges for additional state returns, new or terminated trusts, and other complexities such as the number of beneficiaries, types of distributions, outside investment models, etc. which increases the time and skills required.	

*Fee Schedule Notes

- a) All fees in this brochure are calculated on an account aggregate basis.
- b) Fiduciary fees do not include investment management, advisory and consulting fees charged directly to the account. Applicable trade commissions and tax service fees are also not included.
- c) Orchard reserves the right to charge an hourly fee of \$150.00 for extraordinary services outside the scope of normal duties associated with an account.
- d) Termination fees for each trust shall be charged as per the specific language in the trust agreement. If a termination fee is not addressed in the trust agreement, then these fees will be based upon governing state law. If the governing state law is not specified within the trust agreement, then termination fees shall be charged in accordance with Colorado law, which allows for reasonable fees.
- e) A 10% termination fee will be applied to life insurance proceeds received.
- f) All non-cash or illiquid assets other than marketable securities will incur an administration fee of 1.15% and a transaction fee of 1.5% when converted to cash. Minimum transaction fee of \$1,500.00.
- g) All fees are subject to change.

*But store up for yourselves treasures in heaven,
where moths and rust do not destroy, and where
thieves do not break in and steal. For where your
treasure is, there your heart will be also.*

—Matthew 6:20-21 (NIV)



Schedule of Fees

This brochure outlines the fees charged for various services provided by The Orchard Foundation. To determine which fees apply to your agreements, first determine the type of agreement you have by noting the first two numbers of your account.

Fiduciary Fee Schedule Table 1*

DONOR ADVISED FUNDS AND MINISTRY GIFT FUNDS

Minimum Annual Fee — \$200.00 Account Type 27

Orchard Model	Non-Orchard Model		
1.10%	1.30%	On the first	\$500,000
0.95%	1.15%	On the next	\$500,000
0.80%	1.00%	On the next	\$2,500,000
0.50%	0.70%	On the balance over	\$3,500,000

DAF Grants: \$250 minimum grant/\$100 for automatic recurring grants

LEGACY ADVISED FUNDS Minimum Fee* — \$300.00

*charged at distribution; monthly fees begin if held more than 3 months

ENDOWMENT FUNDS Minimum Annual Fee — \$2,500.00 Account Type 26

Orchard Model	Non-Orchard Model		
1.00%	1.20%	On the first	\$500,000
0.90%	1.10%	On the next	\$500,000
0.75%	0.95%	On the next	\$4,000,000
0.40%	0.60%	On the balance over	\$5,000,000



Helping God's people use God's resources to fulfill God's calling

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Revised July 2017