

Donor-Advised Fund Program

INSTRUCTIONS

Information in **bold** indicates a required field. Return this completed, signed agreement to Horizons Donor-Advised Fund Program by fax at 415.398.4733, or by mail to 870 Market Street, Suite 728, San Francisco, CA 94102.

Before you complete this agreement, please:

1. Read the Horizons Foundation Program Guide.
2. Evaluate your philanthropic goals. You may wish to discuss with Horizons Foundation staff how the Horizons Donor-Advised Fund Program can meet your charitable giving needs.
3. Select a name for your fund.
4. Contribute to your fund. You may wish to discuss with your financial advisor the best way for you to do this.

Fund Information

DONOR INFORMATION

Primary Donor _____
MR./ MS. FIRST INITIAL LAST

Address _____
STREET

_____ CITY _____ STATE _____ ZIP

Telephone _____ **Email** _____
(REQUIRED FOR ONLINE FUND ACCESS)

Social Security Number _____ **Date of Birth** _____
(SS Numbers are necessary to ensure only you can access your account) MONTH DAY YEAR

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Donor 2 _____
MR./ MS. FIRST INITIAL LAST

Address _____
STREET

_____ CITY _____ STATE _____ ZIP

Telephone _____ **Email** _____
(REQUIRED FOR ONLINE FUND ACCESS)

Social Security Number _____ **Date of Birth** _____
(SS Numbers are necessary to ensure only you can access your account) MONTH DAY YEAR

If you are interested in having additional individuals function as advisors on the fund with full authority to make grant recommendations, please attach their names and full contact information.

NAME YOUR FUND

Please create a name for your Donor-Advised Fund. You can name the fund after yourself (e.g., The Jane Smith Philanthropic Fund) or any other name that you choose. Some donors create names that are meaningful to them, and some donors in our program use the fund to ensure their contributions have an LGBT “stamp” on them (e.g., The Gay Values Fund). We are happy to have a strategic naming discussion with you if you are interested in thinking this decision through together. With each grant recommendation, you may elect to have the accompanying letter acknowledge a donor’s name, your personalized fund name (e.g., The Jones Family Fund), or indicate an anonymous donor.

Fund Name _____

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FUND BENEFICIARIES AND SUCCESSORS

You may wish to recommend what Horizons Foundation will do with any balance in your fund in the event of your death(s). You may name up to two fund successors to succeed you in advising the fund after your death OR you may elect to have specific charities or the Horizons Foundation LGBT Community Endowment Fund receive all or a percentage of the fund. By organizational policy, if there is no instruction from the donor and no successor advisor, the remaining balance will automatically transfer to the LGBT Community Endowment Fund. In the event that no grant recommendation is made for three consecutive years, Horizons Foundation will make reasonable attempts to contact the donor or fund successors. If Horizons Foundation cannot contact those parties, then the amount in the fund will transfer to the LGBT Community Endowment Fund for on-going grantmaking to the LGBT community.

Charitable Beneficiaries

Please fill in either the Charitable Beneficiaries or Fund Successor section below:

Charitable Beneficiaries must equal 100% of your fund. Please allocate among the three options below:

- a. _____% Horizons Foundation LGBT Community Endowment Fund
- b. _____% Issue areas (identified below)
- c. _____% Specific organizations (listed below)

A. HORIZONS FOUNDATION'S LGBT COMMUNITY ENDOWMENT FUND

Because I/we recognize the importance of ensuring that the LGBT community has the capacity to meet future needs, including those which we cannot predict today, I/we recommend that _____ per cent or \$_____ of the available funds be made to the LGBT Community Endowment Fund of Horizons Foundation. I/we understand that the LGBT Community Endowment Fund is dedicated in perpetuity to the support of the LGBT community and the organizations that serve the community.

DONOR CONTRIBUTION AGREEMENT

b. AREAS AND ISSUES OF SPECIAL INTEREST

I/we recommend that Horizons Foundation award grants to qualifying organization(s) working in the following area(s) and/or addressing the following issue(s):

	Area or Issue <i>(e.g., LGBT youth; women's health; arts and culture; etc.)</i>	Percentage	Restrictions or other designation (if any)
1			
2			
3			
4			

c. ORGANIZATIONS

I/we recommend that Horizons Foundation award grants to the following organization(s):

	Organization	Address	Percentage	Restrictions or other designation (if any)
1				
2				
3				
4				

I/we request that these grants be: ___ Anonymous ___ Named by fund

DONOR CONTRIBUTION AGREEMENT

SUCCESSOR ADVISORS

Upon the death or incapacity of all the original donor(s) of the fund, you may select one of the following options:

- Successor advisor(s) will succeed the fund and make recommendations jointly.
- Successors will split the fund evenly between them for recommendations.

Successor 1 _____
MR./ MS. FIRST INITIAL LAST
Address _____
STREET
CITY STATE ZIP
Telephone _____ Email _____
Social Security Number _____ Date of Birth _____
MONTH DAY YEAR

Successor 2 _____
MR./ MS. FIRST INITIAL LAST
Address _____
STREET
CITY STATE ZIP
Telephone _____ Email _____
Social Security Number _____ Date of Birth _____
MONTH DAY YEAR

Gift Information

The minimum initial contribution is \$5,000. Each individual asset must have an estimated fair market value of at least \$500. Please review the Program Guide for information on asset types that can be contributed.

CASH

Dollar Amount \$ _____

CHECK: Make payable to Horizons Foundation and return with this application

WIRE: Wire to: US Bank
2890 North Main Street
Walnut Creek, CA 94596
Routing Number: 101210000
Account Name:
Wire Transfer ABA #: 121122676
Fund Number: xxxxxx
Fund Name: Horizons Foundation

SECURITIES

Transfer Securities to: Vanguard
HSBC Bank USA
140 Broadway
New York, NY 10005
DTC Participant # 0300;
FBO XXX Securities; FRB ABA 021001088
For Credit To: Account No: 000112046
Fund Name: Horizons Foundation
FBO: donor's name

Name of Security 1 _____

Number of Shares _____ Estimated Dollar Value: \$ _____

Type of Security (common stock, bond, etc.) _____ CUSIP or Symbol _____

Physical Certificate (Y or N) _____ Firm _____

Fund Number: _____

Name of Security 2 _____

Number of Shares _____ Estimated Dollar Value: \$ _____

Type of Security (common stock, bond, etc.) _____ CUSIP or Symbol _____

Physical Certificate (Y or N) _____ Firm _____

Fund Number: _____

Attach additional sheets if needed for additional securities.

DONATION FROM OTHER CHARITABLE ORGANIZATION

Name of Charitable Organization _____

Estimated Dollar Amount: \$ _____ Type of Gift _____

Special Instructions _____ Donation of Other Type of Asset

Type of Gift _____

Estimated Dollar Amount: \$ _____

Special Instructions _____

Recommended Asset Allocation

Please recommend an initial asset allocation for your Horizons Foundation Donor-Advised Fund. The investment options are explained below, and Horizons staff or member of Horizons Investment Committee is available to discuss them if you wish. You may choose one investment portfolio or a custom allocation among the individual investment options. Your total must equal 100 percent.

- Portfolio 1
- Portfolio 2
- Portfolio 3
- Custom Plan: (Total must equal 100%)
 - ____% Vanguard Prime Money Market Fund
 - ____% PIMCO Total Return Fund
 - ____% Horizons Foundation Community Investment Fund
 - ____% Neuberger Berman Socially Responsive Fund
 - ____% Vanguard Total Market Index Fund
 - ____% Vanguard – Calvert Social Index Fund
 - ____% Dodge and Cox International Fund

Horizons Foundation offers a variety of investment options to meet the varied needs and interests of donors. We are especially proud of the options we offer in socially responsible funds, including those that support the LGBT community in areas such as employment non-discrimination.

You may recommend any mix of investment options provided and may recommend changes to those allocations quarterly. If you choose not to recommend an allocation, funds in your DAF will be held in the Vanguard Prime Money Market Fund.

For donors desiring guidance on allocating funds among the Investment Options with a significant element of social responsibility, Horizons Foundation has prepared the Model Portfolios outlined below. The Model Portfolios strive to maximize the social and community impact of investments by emphasizing socially responsive and community investment options that, at a minimum, ensure attention to LGBT equality issues and non-discriminatory practices. The three Model Portfolios propose differing allocations among asset classes and risk-reward tradeoffs to support donors' grant making timeframes.

Investment Options

FIXED INCOME AND BOND OPTIONS

- **Vanguard Prime Money Market Fund** invests in a combination of commercial paper, certificates of deposit, bankers' acceptances, and U.S. government securities. This fund typically offers the highest yield of Vanguard's money market funds. (VMMXX, annual fee: 30 basis points)
- **PIMCO Total Return Fund, Class D** is an actively managed intermediate-term bond fund that invests in fixed income instruments issued by the U.S. government and corporations with investment-grade credit ratings. The fund seeks return from both income and capital appreciation. (PTTDX; 75 bp)
- **Horizons Foundation Community Investment Fund, administered by Calvert Foundation** is a groundbreaking investment program that channels critically needed investment capital to communities throughout the world. The Fund finances opportunity and development among socially responsive enterprises by funding microcredit, affordable housing, small business, community facilities and other socially responsive enterprises, including LGBT nonprofits. Accounts earn a fixed rate and the return of principal. (No symbol; no fee)

EQUITY OPTIONS:

- **Neuberger Berman Socially Responsive Fund** is an actively managed large-cap stock fund that seeks growth of capital primarily by investing in securities of US and foreign companies that meet both financial criteria and social policy. The managers initially screen companies using value investing criteria, then look for companies that show leadership in major areas of social impact such as the environment, workplace diversity, and progressive employment practices, including LGBT anti-discrimination policies and practices. (NBSRX; 106 bp)
- **Dodge & Cox International Stock Fund** employs active management and invests primarily in equity securities issued by non-U.S. companies from a minimum of three different foreign countries, including emerging markets. The fund invests in medium to large well-established firms that are temporarily undervalued but have long-term growth prospects. It is a simple, low-cost way to hold a diversified portfolio of international stocks. (DODFX; 77 bp)
- **Vanguard Total Market Index Fund** employs a "passive management"—or indexing—investment approach designed to track the performance of the MSCI® US Broad Market Index, which consists of nearly all regularly traded U.S. common stocks. The fund typically invests substantially all of its assets in a representative sample of the stocks that make up the index, and it operates at very low cost. (VTSMX; 19 bp)
- **Vanguard Calvert Social Index Fund** employs a passive management strategy designed to track the performance of the Calvert Social Index, which is composed of large- and mid-cap stocks that have been screened for favorable performance on certain criteria—environmental policies, workplace issues, product safety and impact, international operations and human rights, and weapons contracting. Calvert screens out companies having significant involvement in tobacco, alcohol, gambling, weapons manufacturing, nuclear power, or unfair labor practices. Calvert supports shareholder resolutions requesting sexual orientation be added to corporate non-discrimination policies. (VCSIX; 25 bp)

Model Portfolios

Horizons Foundation's Donor-Advised Fund investment options provide a range of choices to ensure the appropriate level of preservation, diversification, and growth of your charitable dollars based on your grantmaking horizon, your funding plans, and your desire for socially responsible investments.

PORTFOLIO 1: THE ANNUAL PHILANTHROPIST

If you plan to replenish your fund on an annual basis or at periodic intervals, and expect to recommend grants that spend down most funds within a 1 to 2 year timeframe, we recommend that 100% of your funds remain liquid in the Vanguard Prime Money Market Fund. This alternative protects against short-term market shifts, minimizes expenses, and helps ensure that funds will be available for grants you may recommend. Please note that money market funds may lose purchasing power during periods of inflation. The current annual expense ratio is 30 basis points* for this fund.

PORTFOLIO 2: THE GROWING PHILANTHROPIST

If you are planning to slowly grow your fund over the next 3+ years, while still making regular grant recommendations throughout the years, then we suggest Model Portfolio 2 with the following allocation:

- 40% Vanguard Prime Money Market Fund
- 20% Horizons Foundation Community Investment Fund
- 20% PIMCO Total Return Fund
- 5% Dodge and Cox International Stock Fund
- 15% Vanguard Total Market Index or Vanguard Calvert Social Index Fund.

This option will balance the opportunities to grow the value of your fund with cash availability for annual grant making. Please note that allocations to stock and bond funds will have price volatility and money market funds may lose purchasing power during periods of inflation. The current expense ratio for this portfolio is 35 basis points.

PORTFOLIO 3: THE PERMANENT PHILANTHROPIST

If you plan to retain a sizeable balance in your fund for the next 5+ years, while making regular grant recommendations, we suggest Model Portfolio 3 with the following allocation:

- 15% Vanguard Prime Money Market Fund
- 20% Horizons Foundation Community Investment Fund
- 15% PIMCO Total Return Fund
- 50% equity
 - 20% Neuberger Berman Socially Responsive Fund
 - 10% Dodge & Cox International Stock Fund
 - 20% Vanguard Calvert Social Index Fund

This allocation is intended to grow the principal in your fund over a longer time horizon, while maintaining some cash availability for annual grantmaking. Please note that the higher allocation to stock and bond funds of this portfolio makes it more susceptible to price volatility and that money market funds may lose purchasing power during periods of inflation. The current expense ratio for this portfolio is 50 basis points.

PORTFOLIO 4: CUSTOM PLAN

If you have another time frame in mind or wish to recommend an allocation that differs from the model portfolios, you may select any or all of the existing investment vehicles and recommend percentages among them. For example, you may have unusually high cash income this year, and plan to give it all over a set period of time, or you may not wish to make grants for a period of time while you grow your fund, or you may wish to have 100% of the money in socially responsible investment products. Please feel free to discuss your individual needs and situation with Horizons. We will be happy to consider your custom recommendations for investment of your fund assets.

Horizons Foundation			
Donor-Advised Funds Investment Options			
Recommended asset allocation	Portfolio 1	Portfolio 2	Portfolio 3
Vanguard Prime Money Market Fund	100%	40%	15%
Bonds/Fixed Income:			
PIMCO Total Return Fund	0%	20%	15%
Horizons Foundation Community Investment Fund	0%	20%	20%
Equity:			
Neuberger Berman Socially Responsive Fund	0%	0%	20%
Vanguard Total Market Index or Vanguard Calvert Social Index Fund	0%	15%	20%
Dodge and Cox International Stock Fund	0%	5%	10%
Total	100%	100%	100%
Current expense ratio	30 basis points*	35 basis points	50 basis points

*Expense ratios may change from time to time.

Acknowledgement of Terms

The Horizons Donor-Advised Fund Program is a program operated by Horizons Foundation, a 501(c)(3) public charity. I/We acknowledge that I/we have read the Program Circular and agree to the terms and/or conditions contained therein. I/We understand that any contributions to Horizons Foundation through the Horizons Donor-Advised Fund Program Fund are irrevocable. I/We certify that, to the best of my/our knowledge, all information enclosed is accurate and I/we will notify the Horizons Donor-Advised Fund Program in writing of any changes.

SIGNATURES REQUIRED FROM ALL DONORS LISTED ON THE FUND

Primary Donor Signature _____ Date _____

Donor 2 Signature _____ Date _____