



# The Ministry Fund Agreement Packet

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## New Account Packet Contents

This packet is a collection of all documents needed to create a new Ministry Fund account. Once you submit the Agreement through the Adobe Sign portal, you will receive a verification email from Adobe Sign confirming the validity of the submitted Agreement. Once you verify the Agreement, you will receive a second email with your Agreement attached. Please keep this copy for your records. A Ministry Trust staff professional will also receive your Agreement and will contact you to complete the process.

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# The Ministry Fund Management Agreement

THIS CHARITABLE AGREEMENT ("Agreement") is by and between

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( Name of the Organization )

("Organization") and the MINISTRY TRUST, LLC., a Georgia nonprofit corporation, whose address is 6405 Sugarloaf Parkway, Duluth, Georgia 30097-4092 ("Ministry Trust").

**WHEREAS**, Ministry Trust is an Organization tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986 ("Code"), and its exempt purposes include the promotion of certain charitable and religious principles and beliefs;

**WHEREAS**, the provision of investment and other stewardship opportunities to the Organization, and to other section 501(c)(3) Organizations with religious and/or charitable purposes consistent with those of Ministry Trust, is substantially related to and directly furthers the accomplishment of those purposes;

**WHEREAS**, the Organization is exempt under section 501(c)(3) of the Code whose religious and/or charitable purposes are consistent with those of Ministry Trust;

**WHEREAS**, the Organization is the owner of certain monies, securities, and/or other properties described in Schedule A attached to this Agreement;

**WHEREAS**, the Organization wishes to place these properties in the custody of Ministry Trust, to be held and maintained by Ministry Trust in a common investment fund, The Ministry Fund ("TMF"), along with any substitutions and additions to the properties ("Property"), in accordance with Ministry Trust's Investment Policy Statement, as it may be amended from time to time, and with the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the following provisions and understanding, the parties agree as follows:

- I. The Property shall be held by Ministry Trust in a separate fund which shall be designated as the:

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( Name of the Fund )

Although the Fund shall be separately accounted for on the books and records of Ministry Trust, Fund assets may be co-mingled with other investment property held by Ministry Trust for investment purposes.

- II. Ministry Trust agrees:
  - A. To collect and receive the income, issues, dividends, and profits of the Property as the same become due and payable;
  - B. To review investments of TMF and the recommendations of TMF's investment advisors at least semi-annually as of June 30th and December 31st of each year and to make such investments and reinvestments in TMF as it deems best;
  - C. To collect, receive, and receipt for the principal of all investments and securities held by it under the terms of this Agreement, to retain the same in its possession, and to invest and reinvest the proceeds thereof;
  - D. To remit the income or return investment principal as directed on the Distribution Schedule attached to this Agreement.
- III. The Organization acknowledges that it has received a copy of Ministry Trust's current Investment Policy Statement, the Fund Management Disclosures, and other information related to the TMF, and that it and its representatives possess such knowledge and experience as to evaluate the risks and merits of investment in the TMF. The Organization further acknowledges the risks inherent in such investments and that Ministry Trust does not guarantee results of TMF investments, and that past performance of the TMF is neither an indicator nor a guarantee of future performance. The Organization agrees that Ministry Trust shall not be liable for loss of Fund principal or income, except when such loss is caused by Ministry Trust's gross negligence or willful misconduct.
- IV. Ministry Trust is a not a registered investment advisor, a broker-dealer or an investment advisor, and does not provide advice on investment in TMF to the Organization.
- V. Ministry Trust agrees to hold and invest all of the Property delivered to Ministry Trust and to redeliver part or all of the Property to the Organization upon written notification of the Organization ("Notice"), as soon as practicable, but in all cases within thirty (30) days of the Notice.
- Vi. Ministry Trust shall have the right to hold the Property in its name or in the name of its nominee.
- VII. Ministry Trust shall be authorized to employ any bank, trust company, or other appropriate financial institution to act as custodian or fiscal agent of Ministry Trust, and to delegate to such bank, trust company or financial institution the custody and

management of the Property.

- VIII. The Organization, as well as others, may add additional property to the Fund, provided such property is acceptable to Ministry Trust, by delivering or otherwise conveying by proper instruments of conveyance or transfer, the same to Ministry Trust during the term of this Agreement.
- IX. At least annually and at the termination of this Agreement, Ministry Trust shall provide a report on the Fund to the Organization. The report shall include the following information:
- A. A statement of the assets and liabilities pertaining to the Fund as of the end of the accounting period; and
  - B. A statement of the receipts and disbursements of principal and income pertaining to the Fund that have occurred during the last complete accounting period.
  - C. Delivery of the reports described above may be satisfied in the form of electronic statements made available through a web-based system, or through other means of electronic delivery in the discretion of Ministry Trust, rather than paper statements, and if web-based access is available to the Organization no reports need to be delivered by Ministry Trust. Paper statements may be requested by the Organization and if paper statements are available such statements shall be delivered to the address identified below in this Agreement.
- X. All accounts held by Ministry Trust participate in expenses paid to fund managers and custodians on a pro rata basis. Additionally, the Organization agrees that Ministry Trust shall be compensated for its services provided under this Agreement in accordance with its regularly published administrative fee schedule in effect and as amended from time to time, and such compensation may be deducted by Ministry Trust from the income and/or principal of the Property.
- XI. The Organization represents and warrants that it is the fee owner of the Property transferred under this Agreement, and that the undersigned officer of the Organization is authorized to transfer the Property.
- XII. This Agreement shall be terminable by either party upon the delivery of thirty (30) days written notice to the other party.
- XIII. All notices and reports identified in this Agreement, and all communications regarding the Fund, shall be delivered in writing by USPS or private delivery, by facsimile, or by electronic mail as follows:

- A. If to Ministry Trust: 6405 Sugarloaf Parkway, Duluth, GA 30097-4092 or **support@theministryfund.org**.
- B. If to the Organization: To the address listed below.
- C. The Organization and Ministry Trust shall each make best efforts to keep the other party informed of any changes in contact information.

XIV. This Agreement shall be governed by the laws of the State of Georgia without regard to its conflict of interest laws. The parties may amend this Agreement only by mutual written consent. This Agreement represents the entire understanding between the parties, and all prior agreements and understandings shall be of no further force and effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors. The Organization warrants and represents that the undersigned is an officer of the Organization and has been duly authorized by its governing body to execute this Agreement.

**THIS AGREEMENT** shall be effective upon the later of the date of the signature of the Organization's authorized representative below, and the date of the delivery by the Organization and acceptance by Ministry Trust of the property identified in Schedule A to this Agreement.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Street Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

EIN#: \_\_\_\_\_

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## Schedule A

Initial Contribution/Transfer

Accepted by:

By:

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Johnathan W. Gray, President, CEO

Date:

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## Distribution Schedule

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( Name of Fund )

### Income Beneficiary

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( Ministry Name )

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( Ministry Street Address )

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( City, State, Zip )

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**EIN#:**

### Income Distribution

**Quarterly** <sup>†</sup>

**Reinvest** <sup>\*\*</sup>

*<sup>†</sup> Quarterly distribution: Receive regularly scheduled periodic quarterly distribution of the income. The income is automatically credited to your organization's bank account and no additional action is needed.*

*<sup>\*\*</sup> Reinvest income: Earned income from investments is reinvested into the Ministry Trust Fund through the purchase of additional units of ownership. Units are purchased at the market value determined on the last day of the previous month.*

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**( Initial )**



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# Disclosures for Administration of Endowment and Other Institutional Funds

## Introduction and Purpose

Ministry Trust, LLC., (the “Ministry Trust”) is a religious, not-for-profit corporation incorporated to support evangelical ministries and churches with the objective of advancing the gospel of Jesus Christ. Ministry Trust manages endowments, charitable funds, designated accounts, and planned gifts through prudent, dependable, and competitive fiduciary services consistent with the highest ideals of Christian stewardship.

Ministry Trust is recognized as an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (the “Code”) and classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

The purpose of this disclosure statement is to provide guidance for, expectation of, and limitation on all parties bearing investment responsibilities with Ministry Trust.

## Delegation of Responsibilities

The administration of endowment and other institutional funds (“Fund”) is managed in compliance with all applicable fiduciary prudence, and due diligence requirements that experienced investment professionals would utilize and with all relevant laws, rules and regulations issued by local, state, and federal entities that apply to Ministry Trust. Ministry Trust will adhere to the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

## Standard of Conduct

- I. Subject to the intent of a donor expressed in a gift instrument or any express written agreement, Ministry Trust shall consider the charitable purposes of the beneficiaries and the purposes of the agreement in managing and investing the Fund.
- II. In addition to complying with the duty of loyalty, each person responsible for the management and investment of the Fund shall manage and invest such Fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, considering the purposes, terms, distribution requirements,

and other circumstances of the Fund.

- III. In managing and investing the Fund, Ministry Trust:
  - A. May incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the beneficiary and the account, and the skills reasonably available to Ministry Trust; and
  - B. Shall make a reasonable effort to verify facts relevant to the management and investment of such Fund.
- IV. Ministry Trust may pool two or more accounts for purposes of managing and investing.
- V. Except as otherwise provided by a trust agreement, the following rules apply:
  - A. In managing and investing the Fund, the following factors, if relevant, shall be considered:
    - 1. General economic conditions;
    - 2. The possible effect of inflation or deflation;
    - 3. The expected tax consequences, if any, of investment decisions or strategies;
    - 4. The role that each investment or course of action plays within the overall investment portfolio of the Fund;
    - 5. The expected total return from income and the appreciation of investments;
    - 6. Other resources of the beneficiary agencies, institutions and causes;
    - 7. The needs of Ministry Trust and the Fund to make distributions and to preserve capital; and
    - 8. An asset's special relationship or special value, if any, to the beneficiary agencies, institutions, and causes or to the donor;
  - B. Management and investment decisions about an individual asset shall not be made in isolation but rather in the context of the Fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the institution;
  - C. Ministry Trust may invest in any kind of property or type of investment consistent with its Investment Policy;
  - D. Ministry Trust shall reasonably manage the risk of concentrated holdings of assets by diversifying the investments of the Fund.

## Investment Managers

Subject to any specific limitation set forth in this agreement or in law, Ministry Trust may delegate to an external agent the management and investment of a fund to the extent that Ministry Trust could prudently delegate under the circumstances. Ministry Trust shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

1. Selecting an agent;
2. Establishing the scope and terms of the delegation consistent with the Ministry Trust's objectives.
3. Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

## Investment Policy

The Fund is actively managed by professional investment advisors within the guidelines imposed by Ministry Trust's Investment Policy.

## Income Spending Policy – Ministry Trust Fund

Distributions to Fund beneficiaries are managed through Ministry Trust's Investment and Spending Policy.

## Fees

Ministry Trust must charge an administrative fee to cover some of its costs. The fee is in accordance with the regularly published Cost Recovery Fee schedule (attached) in effect from time to time, and may be deducted from the income and/or principal of property.

## Reporting

Ministry Trust delivers electronic account statements each quarter. Upon request of a beneficiary entitled to account history, Ministry Trust will provide an account history for up to a 72-month period. Ministry Trust may require one month to fulfill the request.

## Risk

Most assets will be invested in units of a common investment pool. The pools adhere to the

Investment Policy (attached) and are actively managed by professional investment advisers within the guidelines imposed by Ministry Trust. The pools are unitized in a manner similar to mutual funds. The unit price of a pooled investment will vary and will reflect changes in the value of the underlying stocks and bonds. Redemptions of investments in the common investment pools will be made at the market value of pool units at the time of redemption. This may be higher or lower than the original investment cost, resulting in a realized gain or loss on the participation pool.

**There are no guarantees of positive quarter to quarter returns.** As an example, the year 2008 showed a 22% loss in the Ministry Trust Fund. Except as otherwise indicated, **the common investment pools are long-term investments and are not appropriate for an investment period of less than five years.**

## Acknowledgement

I (we) represent the party/ies to the subject agreement, and have read and understand the above information along with the referenced attachments.

Name of Organization:

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Signature:

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Date:

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Printed Name:

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Title:

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## Cost Recovery

Ministry Trust is committed to providing you with the highest possible professional services at the lowest cost. This mission is funded in part by a Cost Recovery Fee program. Ministry Trust establishes recovery rates based on the service and support required by each class of account.

### Annual Fee Rate Schedule

Management Agreements	Basis Points	%	\$
Ministry Trust Fund	60	0.60%	\$60 per \$10,000

### Administration of Fees <sup>†</sup>

The Ministry Trust Fund fee is deducted from a combination of both principal assets and accumulated Spending Policy dividends credited to the investing account. The principal portion of the annual fee is prorated and deducted monthly from the Fund itself. The income portion of the annual fee is prorated and deducted quarterly from the individual investing account.

<sup>†</sup>The fee schedule may be modified at the discretion of Ministry Trust.

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## The Ministry Fund Investment Policy

The Ministry Fund, LLC. was incorporated to support evangelical ministries and churches with the objective of advancing the gospel of Jesus Christ. Ministry Trust manages endowments, charitable funds, designated accounts, and planned gifts through prudent, dependable, and competitive fiduciary services consistent with the highest ideals of Christian stewardship.

### Scope of this Investment Policy

This document establishes the Investment Policy for Ministry Trust and is designed to assist in effectively supervising, monitoring, and evaluating the investment of the “Funds” under management. Ministry Trust has arrived at this Investment Policy through careful study of a range of investment strategies in relation to the current and projected distribution requirements of the Funds. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Funds which are described in the “Investment Objectives” section of this document; however, Ministry Trust shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of Ministry Trust or the ministries it supports to do so and may amend the Investment Policy at any time.

Ministry Trust has adopted a long-term investment horizon for The Ministry Fund such that the probability and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Funds will be in compliance with all applicable laws.

### Purpose of Investment Policy

The purpose of this policy is to outline Ministry Trust’s philosophy and worldview that will guide the investment management of the Funds and is set forth by Ministry Trust to:

1. Define and assign the responsibilities of all parties.
2. Establish a clear understanding of Ministry Trust’s general investment objectives and principles.
3. Establish guidelines for investment advisers and managers.

## Delegation of Authority

Ministry Trust is the fiduciary and is responsible for directing and monitoring the management of the Funds. The specific responsibilities of Ministry Trust relating to the investment management of the Funds' assets include:

1. Establishing an Investment Policy to oversee the management of the Funds; establishing and reviewing the investment objectives, permitted investments, asset allocations, and risk/reward profile for the Funds;
2. Electing and terminating the relationship with qualified investment professionals to manage the Funds; including Investment Adviser(s), Investment Manager(s), and Custodian(s); establishing the Spending Policy of the Funds.

As such, Ministry Trust is authorized to delegate certain responsibilities. These include:

## Investment Consultant

The Investment Consultant's role is to provide guidance to the leadership of Ministry Trust on matters pertaining to the investment of the Funds' assets including investment policy development, asset allocation, investment manager selection and oversight, monitoring the Funds' performance, spending policy distributions, and compliance with the Investment Policy. The Investment Consultant, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy in accordance with the terms of an investment management agreement between Ministry Trust and the Investment Consultant. The Investment Consultant acknowledges its fiduciary status as non-discretionary Investment Consultant. The Investment Consultant acknowledges that it is a co-fiduciary with Ministry Trust with respect to determining asset allocation of the portfolio and selection of the Investment Managers. The Consultant shall not act as co-fiduciary of any managers retained or obtained by Ministry Trust that do not meet the Consultant's compliance requirements.

## Investment Managers

The Investment Managers have the discretion to buy, sell, or hold specific securities used to meet the Fund's objectives as well as vote proxies on behalf of Ministry Trust. The Managers should report to the Investment Consultant any major changes to outlook, strategy, or any qualitative change to the Organization (personnel, ownership, philosophy, etc.).

## Custodian

The custodian is responsible for the safekeeping of the Funds, and the duties include maintaining separate accounts, providing daily values (whenever possible), collecting dividends and interest, settling all transactions, and providing at least monthly statements.

## UPMIFA

Ministry Trust is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns and consistent with the principles articulated in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which was enacted in the state of Georgia July 1, 2008. In this regard, Ministry Trust will consider, if relevant, the following factors in managing the Funds:

1. general economic conditions;
2. the possible effect of inflation or deflation;
3. the expected tax consequences, if any, of investment decisions or strategies;
4. the role that each investment or course of action plays within the overall investment portfolio of the Fund;
5. the expected total return from income and the appreciation of investments;
6. other resources of the institution;
7. the needs of the institution and the Fund to make distributions and preserve capital;
8. an asset's special relationship or special value, if any, to the charitable purpose of the institution.

In addition, each person responsible for managing and investing the Funds shall comply with the duty of loyalty imposed by law and manage and invest the Funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.

## Investment Objectives

The foremost objective is to ensure that investment portfolios overseen by Ministry Trust are managed in a manner that is consistent with the Organization's stated beliefs and values. The Funds' investments will be actively screened and monitored by the Investment Consultant. A list of the portfolios' active social screens including prohibited investments will be maintained in Appendix B.



The investment objective for The Ministry Fund is to provide sufficient cash flow from interest, dividends, and realized or unrealized capital gains to meet the spending policy payout as specified from time to time, and to generate enough additional growth of principal to maintain the purchasing power of the income dollar. The specific performance goal for the Ministry Fund is a portfolio that has a high probability of providing a five-year average return of 7.5% over a full market cycle.

## Asset Allocation

The asset allocation within the funds is driven by the overall objective of Ministry Trust, as stated above. Specific equity, fixed income, and alternative investment disciplines that are used in the asset mix, along with the percentage of the portfolio allocated to each, are listed in Appendix A. Such allocations are subject to change upon the recommendation of the Adviser and approval of Ministry Trust.

It will be the responsibility of the Consultant to monitor the balance quarterly and notify the President of Ministry Trust if at any time the portfolio allocations deviate from the policy target allocation ranges listed in Exhibit A. It is recognized that market action may cause an imbalance in the interim period, but such fluctuations are normal and acceptable.

## Income Distribution

### Ministry Fund

The Ministry Fund shall distribute income based on the Income Spending Policy. The Income Spending Policy payout shall be calculated and distributed as a dividend for each share of the fund. Ministry Trust will review the dividend annually with the intent of increasing the dividend by 3% each year unless the resulting dollar amount is more than 5% or less than 4% of the applicable market value of the fund. The Ministry Trust will review the dividend on a quarterly basis to determine if the dividend remains in the 4%-5% corridor. If the dividend moves outside the corridor in any given quarter, Ministry Trust will adjust the dividend so that it remains within the corridor.

## Risk Tolerance and Volatility

The primary measurement of risk will be the standard deviation of average returns. Consistent with the desire for adequate diversification, the Investment Policy is based on the assumption that the volatility (standard deviation) of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when

the portfolio duration exceeds that of the market and/or when alternative income strategies are utilized in the portfolio. The portfolio's risk objective is to maximize returns when adjusting for risk level and should not take inappropriate risks beyond what is necessary to generate the return objective.

Failure to achieve the goal in times of excessive market volatility is not a failure of the strategy, but will trigger an in-depth review and discussion with the Investment Adviser regarding the asset allocation and investment managers to insure that all are performing to expectations and to articulate a forward-looking plan for improvement.

All assets contributed to Ministry Trust shall be disposed of as soon as practical should they not conform to the established guidelines. In extraordinary circumstances, per Ministry Trust approval, assets contributed to Ministry Trust may not be allocated according to Appendix A and will be dealt with on a case-by-case basis.

## **Investment Guidelines**

### **Equity Manager Guidelines**

- I. Cash equivalent holdings in excess of withdrawal needs (approximately 5%) should be avoided. However, managers may increase cash assets in the portfolio if, in their professional judgment, market conditions so warrant. The manager shall inform the Adviser of this decision.
- II. Equity Holdings – Diversification and Quality Criteria
  - A. The market value of any one company holding shall not exceed 10% of the total market value of equities held in the portfolio of a specific manager.
  - B. Each manager's portfolio is expected to be appropriately diversified by industry given the manager's specific asset class and style.
  - C. Securities which are broadly classified as institutional quality issues – regardless of whether or not they are listed on a recognized stock exchange – are eligible for inclusion in the portfolio.
  - D. Convertible issues are suitable for use as investment vehicles if the quality rating conforms to the intent of these guidelines.
- III. Equity Holdings – Turnover

If performance results meet objectives, the rate of turnover will not be a factor in manager evaluation.

- IV. Equity Holdings – Universe: Permitted
  - A. Common stocks;
  - B. Securities convertible into common stock;
  - C. Common stocks of foreign companies, if listed on a major U.S. securities exchange;
  - D. Equity securities of foreign companies listed on any U.S. or foreign securities exchange (applies only to foreign equity managers);
  - E. ADRs, EDRs, and GDRs;
  - F. ETFs;
  - G. REITs;
  - H. Preferred stocks;
- V. Equity Holdings – Universe: Not Permitted
  - A. Short sales;
  - B. Put and Call Options.
  - C. Margin purchases, borrowing, or lending money;
  - D. Letter stock, private placement, or direct placements;
  - E. Commodities or futures of any type;
  - F. Real estate or mortgages, except to the extent directed by Ministry Trust;
  - G. Common stock of foreign companies, except as permitted in Para. 4.e (applies only to domestic equity managers).
- VI. Securities of the investment adviser, investment manager, the custodian, their parent, or subsidiaries are not permitted unless approved in writing by Ministry Trust.
- VII. Performance measurement will include the following:
  - A. Each equity manager will be measured against an appropriate index;
  - B. Each equity manager will be ranked against a universe of managers using the same investment style;
  - C. A list of appropriate equity manager benchmarks will be maintained in Appendix C.

## **Traditional Fixed Income Manager Guidelines**

- I. Fixed Income Holdings – Bond Diversification and Quality Criteria

- A. Marketable issues are desired so that the portfolio can be actively managed;
  - B. Bonds with maturities of one year or more should be of an original issue size in excess of \$50 million;
  - C. Bond holdings are expected to be well diversified across the permitted universe;
  - D. Quality: 90% of the portfolio will be Bank Investment Grade; the remaining 10% must have a Moody's or Standard & Poor's rating no lower than B2 or B.
  - E. The average duration of the portfolio should be +/- 25% of the durations of the benchmark.
- II. Fixed Income Holdings - Turnover
- A. Bonds may be actively managed;
  - B. Active management is meant to include altering the average coupon yields, shifting maturity schedules, "swapping", and such other prudent strategies which enhance the income or quality of the portfolio or decrease the risk.
- III. Fixed Income Holdings - Bond Investment Universe
- A. The following security categories are generally permissible investments for the fixed income portion of the portfolio:
  - B. Debt securities issued or guaranteed by the United States Government or its agencies (including U.S. Government Agency mortgage-backed securities and Small Business Administration securities);
  - C. Corporate bonds, debentures, and other forms of corporate debt obligations, including equipment trust certificates;
  - D. Indexed notes;
  - E. Yankee Bonds;
  - F. Debt securities issued by foreign governments provided they meet the quality criteria of Para. 1;
  - G. U.S. Municipalities;
  - H. AAA - rated Asset Backed Securities are permitted with a maximum duration of 3 years;
  - I. Student Loan backed securities including Sallie Mae bonds are not permitted.
- IV. Cash Equivalent Holdings - Diversification

- A. Excluding debt obligations of the U.S. Government or its agencies, or the Master custodian short-term reserve fund or money market fund, no single issue may exceed 10% of the market value of the total account.
- V. Cash Equivalent Holdings - Universe
  - A. The following short term investment vehicles are acceptable:
  - B. All obligations issued or guaranteed by the U.S. Government or its agencies;
  - C. Commercial paper rated A1 by Standard & Poor's and P1 by Moody's;
  - D. Certificates of Deposit - only of banks or savings and loan institutions with listed deposits in excess of \$500 mm (excluding the custodian bank) in the United States in terms of total assets;
  - E. Custodian bank short term reserve funds which meet the diversification and quality criteria set forth by the Controller of the Currency;
  - F. No-load money market mutual funds;
  - G. Euro-dollar CD's;
  - H. Bankers Acceptances.
- VI. Securities of the Investment Consultant, investment manager, the custodian, their parent, or subsidiaries are not permitted unless approved in writing by Ministry Trust (excluding short term reserve funds and money market funds).
- VII. Performance measurement will include the following:
  - A. Each fixed income manager will be measured against an appropriate index;
  - B. Each fixed income manager will be ranked against a universe of managers using the same investment style;
  - C. A list of the appropriate fixed income manager benchmarks will be maintained in Appendix C.

## Alternative Manager Guidelines

The investment objective of the Alternative Manager is to produce returns comparable to those of the equity markets over a full market cycle targeting substantially less volatility (standard deviation) than equities by investing in a concentrated portfolio of long/short hedge funds. The Alternative Fixed Income allocation is expected to include private real estate and private debt investments made through commitments to limited partnership funds dedicated to those asset classes. Real estate investments may include funds pursuing Core and/or Value Add

real estate sub-strategies. Core real estate investments are characterized by stable, well-leased properties in major metropolitan markets and are expected to produce consistent returns primarily through current yield. Value Add real estate may consist of properties primary or secondary metropolitan areas requiring some improvement or repositioning to drive rent increases; Value Add real estate is expected to provide a combination of current income and capital appreciation. Private Debt investments generally consist of directly originated or syndicated senior loans to middle market companies and are backed by the borrower's cash flows and potentially by their hard assets. Private Debt returns are primarily through current income at a premium to traditional fixed income credit yields. Due to the private nature of alternative investments Ministry Trust may be limited in its ability to administer the screening guidelines listed in Appendix B for assets placed with alternative managers.

The Investment Policy was adopted on **February 4th, 2021** and is subject to modification at the discretion of Ministry Trust, LLC.

## Appendix A

### The Ministry Fund

ASSET CLASS	PERCENTAGE	RANGE
Domestic Large Cap Equity	24%	20%-30%
Domestic Small/Mid Cap Equity	13%	5%-20%
Defensive Equity	15%	0%-20%
Developed International Equity	18%	10% - 25%
Emerging International Equity	5%	0%-10%
Traditional Fixed Income	17%	10%-30%
Alternative Fixed Income	8%	0%-20%

## Appendix B

### Screening Guidelines

As Christians, we are in the world but not of the world. Our goal as believers is to avoid the things of the world, while knowing that perfect avoidance is impossible until we stand before God.

In the same way, Ministry Trust strives to invest in such a way that we do not profit from the immorality of the world, yet knowing that in the complexities of the world, perfect avoidance is impossible. We commit to using the investment guidelines listed below to generally prohibit stocks and bonds of companies that significantly profit from the immorality of the world.

CATEGORY	SELECTION
Adult Entertainment	10% Revenue Threshold
Gambling	10% Revenue Threshold
<b>ALCOHOL</b>	
Manufacturing/Marketing/Branding	10% Revenue Threshold
Suppliers/Inputs	10% Revenue Threshold
Retailers	10% Revenue Threshold
<b>TOBACCO</b>	
Manufacturing/Branding	10% Revenue Threshold



Supplier	10% Revenue Threshold
Retailers	10% Revenue Threshold
<b>CANNABIS</b>	10% Revenue Threshold
<b>LIFE/CHOICE</b>	
Manufacturing/Marketing/Licensing of Abortifacients or Contraceptives	10% Revenue Threshold
Embryonic Stem Cell Research	10% Revenue Threshold
Abortion Medical Facilities and Providers	Restrict All

## Appendix C

### Investment Strategy Benchmarks

#### Equity Benchmarks

1. Large-cap growth managers will be measured against the Russell 1000 Growth Index
2. Large-cap value managers will be measured against the Russell 1000 Value Index
3. Large-cap core managers will be measured against the Russell 1000 Index
4. Small-cap growth managers will be measured against the Russell 2000 Growth Index
5. Small-cap value managers will be measured against the Russell 2000 Value Index
6. Small-cap core managers will be measured against the S&P 600 Index
7. International Developed Equity managers will be measured against the MSCI ACWI ex US Index
8. International Emerging Equity managers will be measured against the MSCI Emerging Markets Index
9. Defensive Equity managers will be measured against an index appropriate for their specific strategies as well as the S&P 500 Index for the allocation as a whole.

#### Traditional Fixed Income Benchmarks

1. Intermediate Duration Fixed Income manager will be measured against the Barclays US Govt/Credit Index
2. Short Duration Fixed Income managers will be measured against the Barclays 1-3 Year US Treasury Index
3. Dual Mandate Fixed Income portfolio will be measured against a composite index blend of 67% of the Barclays US Govt/Credit Index and 33% of the Barclays 1-3 year US Treasury Index

#### Alternative Income Benchmarks

1. Real Estate managers will be measured against the NCREIF Property Index
2. Private Debt managers will be measured against the LSTA Leveraged Loan Index

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## Income Spending Policy

### Ministry Trust Fund

The goal of the Income Spending Policy of the Ministry Fund (Fund) is to allocate total earnings between current spending and reinvestment to increase future spending and to provide a predictable and growing stream of income to accomplish Ministry Trust's and participating ministries' goals and objectives. The Income Spending Policy's payout may be taken from current income or, if current income is less than planned spending, principal. The Income Spending Policy is designed to ensure that the Fund preserves real purchasing power in perpetuity while providing consistent financial support to all the ministries served by Ministry Trust.

Ministry Trust, LLC. shall oversee the Fund and Income Spending Policy as it determines to be prudent for the uses, benefits, purposes, and duration for which the Fund is established. In making a determination to distribute or accumulate assets, Ministry Trust shall act in good faith and, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, if relevant, the following factors:

1. The duration and preservation of the endowment fund;
2. The purposes of the beneficiary institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the beneficiary institution; and
7. Ministry Trust's Investment Policy

Ministry Trust has established a spending payout goal of 4% - 5% annually. The spending payout shall be calculated and distributed as a dividend for each share of the Fund. Ministry Trust will review the dividend annually with the intent of increasing the dividend by 3% each year unless the resulting dollar amount is more than 5% or less than 4% of the applicable market value of the Fund. Ministry Trust will review the dividend on a quarterly basis to determine if the dividend remains in the 4%- 5% corridor. If the dividend moves outside the corridor in any given quarter, Ministry Trust will adjust the dividend so that it remains within the corridor.

## Policy Exceptions

Under UPMIFA, the calculation of historic dollar value has been eliminated, thus relieving the burden of restricting the income distribution when the endowment market value falls below the original gift value (underwater) and instead requires prudence to be exercised. Ministry Trust, LLC. has adopted guidelines for spending to identify and administer underwater irrevocable endowments.

The market values of irrevocable endowment investments are compared to their original gift values as of December 31 each year. If the market value is less than 80% of the original gift value, neither the Spending Policy payout, nor the income portion of the Cost Recovery Fee, will be distributed from the endowment for the upcoming year. The Spending Policy payout will be reinvested in the Fund until the market value of the investment recovers to 80% of the original gift value, measured as of December 31. Exceptions to this Policy must be approved by Ministry Trust, LLC.

The Spending Policy is reviewed periodically to consider if appropriate adjustment is necessary.

Approved by Ministry Trust, LLC. on **August 6, 2020**, and amended from time to time.

## Account Authorization

Account Name(s) \_\_\_\_\_

Account Number/s \_\_\_\_\_

### Mailing address for statements and other correspondence:

Organization Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

**Please indicate the persons authorized to sign withdrawal requests (W/D Auth.) and access The Ministry Fund online client portal (Ministry ClientView) below:**

#### Account Authorized Personnel

W/D Auth.    Ministry ClientView

Name<sup>1</sup>: \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

Name<sup>2</sup>: \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

Name<sup>3</sup>: \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

**Account Authorized Personnel (cont.)**

W/D Auth.    Ministry ClientView

Name <sup>4</sup>: \_\_\_\_\_ Phone: \_\_\_\_\_  

Title: \_\_\_\_\_ Email: \_\_\_\_\_

**IMPORTANT** Number of signatures required for withdrawals (if applicable): \_\_\_\_\_  
*( If above line is not completed, we will need 2 signatures for withdrawals. )*

Withdrawal requests must be submitted to The Ministry Fund on your ministry's/agency's stationery via email, fax, or US mail.

**Form must be signed by one party representing the organization:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**IMPORTANT: Please notify us of any leadership changes.****Ministry ClientView Disclosure:**

Account information available through Ministry ClientView is for inquiry purposes only. Information cannot be altered onscreen. No account activity (including withdrawals, wires, and transfers) can be initiated through Ministry ClientView. Data can be exported to the user's file for spreadsheet applications or saving as a .pdf document.

Please be aware that the first 10 business days of the month are needed to summarize and report activity through the prior month-end. Our goal is to fulfill account withdrawals within 10 business days. Account liquidations may take longer.

## Direct Deposit Authorization

### IMPORTANT INSTRUCTIONS

1. Please read and sign authorization agreement.
2. Attach a scanned voided check using the attach button.
3. Follow instructions to submit agreement.

 **ATTACH**

### Authorization Agreement for Automatic Deposits

The Organization authorizes Ministry Trust, LLC. to electronically deposit any distribution to the bank account specified on the voided check stapled below.

If monies to which the applicant or Organization is not entitled are deposited to the applicant's account, the applicant authorizes Ministry Trust, LLC. to direct the financial institution to return said funds. This authority will remain in effect until the applicant has filed a new authorization or until revoked in writing.

Organization Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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## Statement of Common Belief

### Scripture

The Holy Bible was written by men divinely inspired and is God's revelation of Himself to man. It is a perfect treasure of divine instruction. It has God for its author, salvation for its end, and truth, without any mixture of error, for its matter. Therefore, all Scripture is totally true and trustworthy.

### God

There is one and only one living and true God. He is an intelligent, spiritual, and personal Being, the Creator, Redeemer, Preserver, and Ruler of the universe. God is infinite in holiness and all other perfections. God is all powerful and all knowing; and His perfect knowledge extends to all things, past, present, and future, including the future decisions of His free creatures. To Him we owe the highest love, reverence, and obedience. The eternal triune God reveals Himself to us as Father, Son, and Holy Spirit, with distinct personal attributes, but without division of nature, essence, or being.

### Christ

Christ is the eternal Son of God. In His incarnation as Jesus Christ He was conceived of the Holy Spirit and born of the virgin Mary. Jesus perfectly revealed and did the will of God, taking upon Himself human nature with its demands and necessities and identifying Himself completely with mankind yet without sin. He honored the divine law by His personal obedience, and in His substitutionary death on the cross He made provision for the redemption of men from sin. He was raised from the dead with a glorified body and appeared to His disciples as the person who was with them before His crucifixion. He ascended into heaven and is now exalted at the right hand of God where He is the One Mediator, fully God, fully man, in whose Person is effected the reconciliation between God and man. He will return in power and glory to judge the world and to consummate His redemptive mission. He now dwells in all believers as the living and ever-present Lord.

### Salvation

Salvation involves the redemption of the whole man, and is offered freely to all who accept Jesus Christ as Lord and Saviour, who by His own blood obtained eternal redemption for



the believer. In its broadest sense salvation includes regeneration, justification, sanctification, and glorification. There is no salvation apart from personal faith in Jesus Christ as Lord.

## Marriage

Marriage is the uniting of one man and one woman in covenant commitment for a lifetime. It is God's unique gift to reveal the union between Christ and His church and to provide for the man and the woman in marriage the framework for intimate companionship, the channel of sexual expression according to biblical standards, and the means for procreation of the human race. The husband and wife are of equal worth before God, since both are created in God's image.

I acknowledge that beliefs and practices of:

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( Organization Name )

Signature:

Date:

Print Name:

Title