

# THE COMMON FUND OF THE DIOCESAN FOUNDATION

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## Disclosure Document

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January 1, 2024

*This Disclosure Document sets forth concisely the information about the Common Fund that a prospective investor ought to know before investing and should be retained for future reference. The delivery of this Disclosure Document does not imply that the information contained herein is correct as of any time subsequent to the date set forth above (or the respective dates set forth herein, if different).*

*The Participation Units described in this Disclosure Document have not been approved or disapproved by the Securities and Exchange Commission or the Illinois Securities Department, nor has the Securities and Exchange Commission or the Illinois Securities Department passed upon the accuracy or adequacy of this Disclosure Document. Any representation to the contrary is a criminal offense.*

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## TERMS USED IN THIS DISCLOSURE DOCUMENT

To assist prospective investors in reading and understanding this Disclosure Document, this section sets forth and defines certain basic terms that are frequently used in other sections.

**“Articles”** is the Articles of Incorporation of the Foundation, as filed with the Secretary of State of the State of Illinois.

**“Bishop”** is the Bishop of the Diocese, when acting in that capacity.

**“Board”** is the Board of Trustees of the Foundation, as described more fully in this Disclosure Document.

**“By-Laws”** are the By-Laws of the Foundation, as described more fully in this Disclosure Document.

**“Canon 35A”** is Canon 35A of the Diocese, as described more fully in this Disclosure Document.

**“Church”** is the Protestant Episcopal Church in the United States of America.

**“Common Fund”** is the common investment fund sponsored by the Foundation, as described more fully in this Disclosure Document.

**“Congregations”** means the various parishes and missions within the Diocese.

**“Diocesan Organizations”** are various religious, charitable and educational organizations and institutions related to and function within the Diocese.

**“Diocese”** is the Episcopal Diocese of Chicago.

**“Elected Trustees”** are Trustees of the Foundation elected by members of the Foundation.

**“Foundation”** is the Diocesan Foundation, a corporation organized under the Illinois General Not-for-profit Corporation Act.

**“Trustees”** are the Bishop and Elected Trustees.

**“Units”** are participation units held by investors in the Common Fund.

## WHAT IS THE DIOCESAN FOUNDATION?

The Foundation was organized on June 14, 1952 as a Not-for-profit Corporation under the Illinois General Not for Profit Corporation Act. At present, the Foundation's sole activity is to operate a "collective" investment vehicle known as the Common Fund. See **"WHAT IS THE COMMON FUND?"** below. The Foundation, however, does not render investment advice directly to investors in the Common Fund and is not registered as an investment adviser under the Investment Advisers Act of 1940. A decision to invest in the Common Fund rests solely with prospective investors.

The Foundation and the Common Fund are governed by the Board in accordance with Canon 35A and the By-Laws. See **"HOW ARE THE FOUNDATION AND THE COMMON FUND GOVERNED?"** below.

The address of the Foundation and the Common Fund is c/o The Diocese of Chicago, 65 E. Huron Street, Chicago, Illinois 60611 (attention: Diocesan Foundation) and the telephone number is (312) 751-4201.

## WHAT IS THE COMMON FUND?

The Common Fund is a "collective" investment vehicle in which the Diocese, the Bishop, the Congregations, and the Diocesan Organizations may invest their funds in exchange for Units. The Common Fund "pools" the funds it receives from its investors and invests those funds in the types of investments described below under **"WHAT DOES THE COMMON FUND INVEST IN?"** The Common Fund's investment objective is to generate an attractive "total return." "Total return" is a combination of current income, composed of dividends and interest on the Common Fund's investments, and appreciation in the value of those investments. There can be no assurance, of course, that the Common Fund will achieve its investment objective. See **"DOES INVESTMENT IN THE COMMON FUND INVOLVE RISK?"**, **"DOES THE COMMON FUND PAY DIVIDENDS?"** and **"HOW HAS THE COMMON FUND PERFORMED?"** below. The Board may change the Common Fund's investment objective from time to time in its sole discretion without the need to obtain approval from investors, but currently does not intend to do so.

The Common Fund operates in some respects like an open-end investment company (commonly known as a "mutual fund"). Unlike a typical mutual fund, however, the Common Fund is not subject to registration or regulation under the Investment Company Act of 1940 (a Federal statute which imposes a comprehensive regulatory regime on publicly offered mutual funds), but is exempt from such registration and regulation pursuant to Section 31(10) of that Act (which provides an exemption for certain not-for-profit organizations such as the Common Fund). See **"DOES INVESTMENT IN THE COMMON FUND INVOLVE RISK?"** below. (The Foundation is likewise exempt.)

## WHAT DOES THE COMMON FUND INVEST IN?

The Board has adopted the investment policies set forth in **Exhibit B**. The Board may change those policies from time to time in its sole discretion without the need to obtain approval from investors.

## DOES INVESTMENT IN THE COMMON FUND INVOLVE RISK?

Investing in the Common Fund is subject to the same types of risk as investing in the types of investments in which the Common Fund invests. For example, to the extent the Common Fund invests in equity securities such as common stocks, preferred stocks, convertible securities, and warrants (or in shares of mutual funds which in turn invest in equity securities), the value of the Common Fund's investments (and, consequently, the value of an investor's interest in the Common Fund) may fluctuate — sometimes dramatically — in response to changes in market conditions and other corporate, political and economic developments.

To the extent the Common Fund invests in fixed-income securities such as government and corporate bonds, notes and debentures (or in shares of mutual funds which in turn invest in fixed-income securities), the value of the Common Fund's investments (and, consequently, the value of the investor's interest in the Common Fund) is subject to fluctuations in prevailing interest rates and to the risk that the issuers of the fixed-income securities will not be able to make timely payments of principal and interest. In this regard, the level of interest rates available in the marketplace can be expected to change from time to time. As prevailing rates fall, the prices of fixed-income securities tend to rise. On the other hand, as prevailing rates rise, the prices of fixed-income prices tend to fall. Accordingly, a change in the level of prevailing interest rates will tend to cause a change in the value of the Common Fund's fixed-income investments and, by extension, a change in the value of an investor's interest in the Common Fund.

The risks associated with investments in the underlying securities held by the mutual funds in which the Common Fund invests may be summarized as follows:

*Stock risk* is the risk that a stock may suffer a short- or long-term price decline. When a stock's price declines, its market value is lowered, even though the intrinsic value of the company that issued the stock may not have changed. Some stocks, like those issued by so-called "small cap" issuers and certain non-US companies, are more susceptible to stock risk than others.

*Industry risk* is the risk that the companies of a particular industry will experience a decline in the price of their stocks. Sometimes a negative economic condition affects an industry or group of industries. For example, the automotive industry may have a greater exposure to a single factor, such as an increase in the price of oil, which may affect the sale of automobiles and impact the value of the industry's securities.

*Market risk* is typically the result of any of a number of negative economic or political condition that affects the value of an entire class of securities, such as stocks or bonds.

*Prepayment or call risk* results from the likelihood that, during periods of falling interest rates, debt securities, such as bonds, will be prepaid (or “called”) prior to maturity, requiring the proceeds to be invested at a generally lower interest rate.

*Interest rate risk* is the potential for fluctuations in the prices of debt securities due to changing interest rates. For example, when interest rates rise, bond prices generally fall, and when interest rates fall, bond prices generally rise.

*Income risk* is the potential for a decline in income due to falling interest rates and is a component of both prepayment or call risk and interest rate risk.

*Credit risk* is the possibility that an issuer will fail to make timely payments of either principal or interest on its debt securities.

Prospective investors may contact the Foundation to examine copies of the prospectuses and related statements of additional information relating to the mutual funds in which the Common Fund invests, for a more complete description of the risks associated with investing in those mutual funds.

As noted above, the Common Fund is not subject to registration or regulation under the Investment Company Act of 1940. As a result, investors in the Common Fund are not entitled to the protections afforded by that Act. At the same time, many of those protections may not be necessary or appropriate in the case of a not-for-profit organization such as the Common Fund, as evidenced by the exemption from investment company registration and regulation contained in Section 31(10) of the Investment Company Act for certain not-for-profit organizations such as the Common Fund. Further, Canon 35A and the By-Laws contain provisions that are designed to protect against certain conflicts of interest on the part of the Foundation’s trustees and officers. See “**HOW ARE THE FOUNDATION AND THE COMMON FUND GOVERNED?—The By-Laws—Conflicts of Interest**”, below.

#### **DOES THE COMMON FUND PAY DIVIDENDS?**

The Board has sole discretion to determine whether the Common Fund will pay dividends to investors. At its regular meeting on August 14, 1997, the Board unanimously approved the following dividend policy:

***The Common Fund will strive to maintain a smooth dividend by basing the payout on a trailing five-year total return. It is more important to maintain a steady or slightly increasing dividend per Unit than maintaining a steady payout percentage.***

***The dividend will be declared at the October meeting for the following year in order to allow Unitholders to budget accordingly.***

***The dividend will not be increased if by doing so the yield will exceed 5% of the September 30 Unit value.***

At the regular quarterly meeting held in October 2023 at the Diocesan Center, the Trustees of the Diocesan Foundation set the following dividend to be paid in 2024:

❖ **\$.57 per unit per quarter (\$2.28 per unit per year)**

An investor may “automatically” reinvest the dividends it receives from the Common Fund in additional Units, by electing to reinvest either (a) the entire dividend that otherwise would be paid to the investor or (b) the entire capital portion of that dividend (*i.e.*, that portion of the dividend that is attributable to realized capital appreciation in the value of the Common Fund’s investments or that consists of a return of a portion of the Common Fund’s capital). See “**HOW DOES AN INVESTING ENTITY MAKE AN INVESTMENT IN THE COMMON FUND?**” below. Certain investors may be prohibited under their charters and other governing documents from expending the capital portion of their dividends. See “**OTHER CONSIDERATIONS**”, below.

A history of the dividends paid by the Common Fund is set forth in **Exhibit C**. There can be no assurance that the Common Fund will be able to maintain or increase the level of its dividends or that the level of its dividends will not decrease. See also “**HOW HAS THE COMMON FUND PERFORMED?**” below.

### **HOW HAS THE COMMON FUND PERFORMED?**

Prospective investors are directed to **Exhibit D** for a discussion of the Common Fund’s investment performance. ***Past performance, however, is not necessarily indicative of future performance, and no assurance can be given that the value of Units will remain steady or increase or that it will not decrease.***

### **HOW ARE THE FOUNDATION AND THE COMMON FUND GOVERNED?**

As noted above, the Foundation and the Common Fund are governed by the Board in accordance with Canon 35A and the By-Laws. This section contains a brief discussion of the salient features of Canon 35A and the By-Laws, as well as brief biographies of the members of the Board of Trustees and of the officers of the Foundation. ***The discussion is qualified in its entirety by reference to Canon 35A and the By-Laws (Exhibits E and F, respectively).***

### **Canon 35A**

Canon 35A, which may be amended only at an annual Diocesan Convention, establishes the basis framework governing the operation of the Foundation and the Common Fund. Canon 35A provides, among other things, that:

The Trustees of the Foundation shall consist of the Bishop, *ex officio*, and six Elected Trustees. The six Elected Trustees must be either lay persons who are communicants in good standing in a parish or mission of the diocese, or members of the clergy who are “canonically resident” in the Diocese.

The Elected Trustees shall be elected by the members of the Foundation at annual meetings of members (usually held in February of each year). Members of the Foundation shall consist of holders of participation units in any of the common investment funds sponsored by the Foundation. (Because the Common Fund is the only common investment fund currently sponsored by the Foundation, holders of Units currently are the only members of the Foundation. In addition, as of the date of this Disclosure Document, the Bishop owns or controls a substantial majority of the Units and is expected to continue to own or control a substantial majority of the Units for the foreseeable future. This means that the selection and election of Trustees currently rests and is expected to continue to rest for the foreseeable future, with the Bishop.)

The members of the Foundation shall elect two of the six Elected Trustees each year at the annual meeting of members. Elected Trustees are elected to serve three - year terms. This means that the Foundation has a “staggered” board.

The Trustees may establish one or more common investment funds under the auspices of the Foundation and may permit any such common investment fund to invest in any securities or other instruments in which an individual may invest his or her own funds. (As noted above, the Common Fund is the only common investment fund currently sponsored by the Foundation.) The Foundation, by action of the Board, may at any time terminate the operation of any common investment fund sponsored by the Foundation, which termination shall be affected by payment of all expenses and obligations of such fund and distributing among the participants in such fund, in proportion to their respective interests therein, all assets of such fund either in cash or securities as the Board may determine.

### ***The By-Laws***

The By-Laws, which may be amended by the Board at any annual or regular meeting of the Board without the need to obtain approval from investors, are designed to implement the general framework established by Canon 35A. The By-Laws provide, among other things, that:

#### **The Board.**

The work and property of the Foundation shall be managed by the Board, and each common investment fund sponsored by the Foundation shall be managed, administered, invested, and reinvested, and in general its operations conducted, by the Foundation through and by the Board.

The Board may establish one or more committees and appoint Trustees or such other persons as the Board designates, to serve on the committee or committees. Each committee shall have two or more Trustees, a majority of its membership shall be Trustees, and all committee members shall serve at the pleasure of the Board. To the extent specified by the Board, each committee may exercise the authority of the Board to the extent permitted by the Illinois General Not-for Profit Corporation Act.

#### **Officers of the Foundation.**



The Foundation shall have a President and a Vice President, both of whom must be members of the Board, and a Secretary and Treasurer, who may but need not be members of the Board. All officers of the Foundation other than the President are to be elected at each annual meeting of the Board, to serve for a period of one year.

The Bishop shall be the President of the Foundation *ex officio* and, when in attendance, shall preside at all meetings of the Board and of the members of the Foundation. The Bishop shall perform all duties usually incident to the office of President. The Vice President shall perform all duties of the President in the absence of the President and shall assist the President as the President may request. The Secretary shall record the minutes of the meetings of the Board and of the members of the Foundation and shall perform all other duties usually incident to the office of Secretary. The Treasurer shall have general oversight of the funds, securities, and books of account of the Foundation (including the common investment funds sponsored by the Foundation) and shall perform all other duties usually incident to the office of Treasurer.

### **Members of the Foundation.**

The members of the Foundation shall be those persons who are holders of one or more participation units in any common investment fund sponsored by the Foundation. (As noted above, because the Common Fund is the only common investment fund currently sponsored by the Foundation, holders of Units currently are the only members of the Foundation.)

Membership in the Foundation shall not carry with it any right to vote in that capacity, except the right to vote at annual meetings for the election of Trustees. See “**Canon 35A**”, above. Members do not have cumulative voting rights in connection with the election of Trustees. Each member shall be entitled to one vote for each dollar in value of each participation unit held by it. Holders of participation units do not have the right to vote on amendments to the By-Laws, but the By-Laws provide that proposed amendments must be sent to holders for their information prior the meeting of the Board at which they are proposed to be adopted.

The Foundation shall submit to participants in each common investment fund sponsored by the Foundation, on an annual basis, a written financial report relating to such fund for the fiscal year last ended, including a balance sheet and detailed list of securities and other investments held by such fund as of the end of such year. Except by such annual report, the Foundation need not notify the participants in any common investment fund of the actions taken with respect to such fund, but any participant may at any time examine the Foundation’s books and records, including those relating to such fund.

### **Conflicts of Interest.**

No member of the Board, and no partnership, company or other entity of which such member is a partner, director, officer or employee, shall receive any compensation for services rendered, or any commission or profit on transactions in respect of any common investment fund sponsored by the Foundation.

### **Distributions by Common Investment Funds.**

The Foundation must collect the income arising from investments in each common investment fund sponsored by it and, after payment of the expenses of the operation of such fund, make quarterly distributions of such income, in such amounts as the Board may determine in its sole discretion, to the participants in such fund in proportion to their respective interests. Such quarterly distributions, and the participants entitled thereto, shall be determined as of each Valuation Date (as defined below under “**HOW DOES THE COMMON FUND DETERMINE UNIT VALUE**”). Income distributed to the holders of participation units in a common investment fund sponsored by the Foundation may or may not include all or any portion of the realized or unrealized capital gains of such fund, as determined by the Board in its sole discretion. The distributions in each case shall be made within forty-five days after the relevant Valuation Date.

### **Liability and Indemnification.**

No Trustee shall be liable for any loss to the Foundation, or any common investment fund sponsored by the Foundation, or to any participant therein, arising from the management thereof or the investment of the same, unless such loss shall result from a breach of good faith on the part of such Trustee.

The Foundation shall, to the fullest extent to which it is empowered to do so by the Illinois General Not For Profit Corporation Act or any other applicable laws as may from time to time be in effect, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she was a Trustee or officer of the Foundation, against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement and reasonably incurred by such person in connection with such action, suit or proceeding.

### ***Current Trustees and Officers***

Prospective investors are directed to **Exhibit G** for brief biographies of the Foundation’s current Trustees and officers.

### **WHO MAY INVEST IN THE COMMON FUND?**

The Common Fund permits only the following investors to invest in Units: the Diocese; the Bishop; Diocesan Congregations; Diocesan Organizations.

Prospective investors should be aware that, even though the Common Fund may permit them to invest, their own charters and other governing documents might preclude an investment. ***The Foundation is not in a position to determine whether a prospective investor is permitted to invest under its charter and other governing documents.*** Accordingly, prospective investors are urged to review their charters and other governing documents carefully, in consultation with legal counsel if that is deemed appropriate, prior to investing in the Common Fund.

The Common Fund is exempt from Federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 and, consequently, does not pay Federal or state income taxes on dividends or interest on, or capital gains realized upon the sale of, its investments. Further, since the Common Fund only permits organizations that also are exempt under Section 501(c)(3) to invest in the Common Fund, those organizations should be free of Federal and state income tax in connection with their receipt of dividends on, or proceeds from the redemption of, Units. The Foundation, however, is not in a position to provide legal or tax advice to investors, who are encouraged to seek such advice from their legal counsel and accountant if that is deemed appropriate.

In order to preserve its exempt status under Federal tax and securities laws, the Common Fund requires each investor to represent and warrant as the matters described in **Exhibit H**.

### **HOW DOES AN INVESTING ENTITY MAKE AN INVESTMENT IN THE COMMON FUND?**

A prospective investor may invest in Units by submitting a written request to the Foundation specifying the amount the investor wishes to invest. If the Board in its sole discretion accepts such request and the investor timely transmits the necessary funds to the Common Fund, Units will be issued to the investor as of the first day following the first Valuation Date (as defined below under “**HOW DOES THE COMMON FUND DETERMINE UNIT VALUE**”) that falls 30 days after the Foundation’s acceptance of the investor’s written request. The number of Units issued shall be determined on the basis of the net asset value per Unit as determined by the Board as of such Valuation Date. The Foundation may permit Units to be issued to an investor on lesser notice.

Upon the request of an investor, made upon such notice and in such form as the Foundation may determine, an investor may “automatically” reinvest the dividends it receives from the Common Fund in additional Units, by electing to reinvest either (a) the entire dividend that otherwise would be paid to the investor or (b) the entire capital portion of that dividend (*i.e.*, that portion of the dividend that is attributable to realized capital appreciation in the value of the Common Fund’s investments or that consists of a return of a portion of the Common Fund’s capital), such reinvestment to be made as of the first day following the Valuation Date on which the amount of such dividend is determined.

### **ARE THERE ANY CHARGES ASSOCIATED WITH MAKING AN INVESTMENT IN THE COMMON FUND?**

There are no brokerage or similar charges associated with investing in the Common Fund. The Common Fund, however, pays its own costs and expenses in connection with its investment activities. These costs and expenses may include, among others, investment management and advisory fees paid to investment managers and advisers in connection with managing the assets of the Common Fund, brokerage commissions incurred in connection with buying and selling investments for the Common Fund, custodial fees and expenses, and legal and accounting fees and expenses. To the extent the Common Fund invests in shares of mutual funds, it indirectly bears these types of expenses, because the mutual funds themselves typically bear these types of

expenses. The Common Fund does not compensate the Foundation or its Trustees or officers for their services.

### **DO INVESTING ENTITIES RECEIVE CERTIFICATES REPRESENTING THEIR INVESTMENTS IN THE COMMON FUND?**

In order to reduce the administrative burdens and expenses associated with issuing and redeeming Units, the By-Laws provide that Units shall be evidenced exclusively by periodic (currently quarterly) account statements sent to investors. Accordingly, no certificates representing Units will be issued. This practice is in accordance with the usual practice in the mutual fund industry. If an Investing Entity believes that an account statement incorrectly reflects the number of Units held by the entity, the entity should contact the Foundation promptly after its receipt of the statement for the purpose of attempting to resolve the discrepancy.

### **HOW DOES AN INVESTING ENTITY DISPOSE OF ITS INVESTMENT IN THE COMMON FUND?**

Units generally are not transferable from one investor to another investor or to a prospective investor. However, an investor may withdraw in whole or in part from the Common Fund by submitting a written request to the Foundation specifying the number of Units the investor wishes to have redeemed. No later than 45 days following the first Valuation Date (defined below under “**HOW DOES THE COMMON FUND DETERMINE UNIT VALUE?**”) that falls 30 days after the Foundation’s receipt of such request, the Foundation shall cause the Common Fund to redeem the number of Units specified in the investor’s written request at their net asset value determined as of such Valuation Date.

Apart from the right to withdraw as described above, no investor in the Common Fund shall have the right to call for a partition or division of the assets of the Common Fund.

### **HOW DOES THE COMMON FUND DETERMINE UNIT VALUE?**

The net asset value of Units is determined four times each year by ascertaining the net asset value of the entire Common Fund as of the close of business on the last day of each March, June, September and December (a “Valuation Date”) (provided, however, that if a Valuation Date is not a business day, such net asset value for such Valuation Date shall be determined as of the close of business on the business day first preceding such Valuation Date), and dividing the net asset value so determined by the number of Units outstanding as of such Valuation Date. The net asset value of the entire Common Fund as of a particular Valuation Date is ascertained by totaling the fair value of all of the Common Fund’s cash, investments, income receivable and prepaid and other assets, and reducing the amount so ascertained by accounts payable, assets pending distribution, accrued and other liabilities and the amount of the quarterly distribution to be made for the quarter ending with such Valuation Date. In ascertaining fair value, the Foundation relies on the net asset values supplied by mutual funds (to the extent the Common Fund invests in mutual funds) and on market values supplied by the Common

Fund's custodians and other agents. Where market values are not readily available, the Board may determine fair value on any other basis that it deems fair and reasonable.

## FINANCIAL STATEMENTS

Prospective investors are directed to Exhibit I for certain financial statements of the Foundation.

## OTHER CONSIDERATIONS

As noted above, in light of the Board's "level" dividend policy, dividends paid by the Common Fund may consist in part of realized capital appreciation in the Common Fund's investments (and, though unlikely, a return of the Common Fund's capital). Each dividend notice sent to investors will set forth that portion of the dividend that is attributable to dividends and interest on the Common Fund's investments, on the one hand, and that portion that is attributable to realized capital appreciation (or return of capital), on the other. The charters and other governing documents of certain investors may prohibit them from expending the capital portion of their dividends (*i.e.*, that portion of their dividends that is attributable to realized capital appreciation in the value of the Common Fund's investments or that consists of a return of a portion of the Common Fund's capital). As a general matter, if such a prohibition exists, it applies only in situations where the net asset value of the Unit on which the dividend is paid is less than the price the investor paid for the Unit. In that case, the investor generally may not expend the amount of the capital portion of the dividend that is necessary to make up that difference. For example, assume that an investor paid \$30.00 for a Unit, that the net asset value of the Unit is currently \$29.90, and that the investor has just received a dividend consisting of a 25-cent income portion and a 15-cent capital portion. In that case, the investor generally is free to expend all of the income portion of the dividend but may spend only 5 cents of the capital portion of the dividend, since 10 cents of the capital portion of the dividend is necessary to make up the difference between the price the investor paid for the Unit and the (lower) current net asset value of the Unit. (In order to determine the price paid for a Unit for purposes of making the foregoing calculations, if an investor has purchased Units at different times, the investor generally would determine the aggregate purchase price for all of such Units, subtract from such aggregate purchase price the aggregate amount received by such investor in connection with all redemptions of Units, and divide the remainder by the total current number of such investor's Units.) ***The Foundation is not in a position to determine whether an investor may or may not expend the capital portion of a dividend.*** Accordingly, investors are urged to review their charters and other governing documents carefully, in consultation with legal counsel if that is deemed appropriate, prior to expending the capital portion of any dividend. To guard against the possibility of inadvertently expending the capital portion of a dividend contrary to the investor's governing documents, the investor may elect to "automatically" reinvest that portion in additional Units. ***However, if the investor elects that "automatic" dividend reinvestment option, it must elect to reinvest the entire capital portion (i.e., the investor may not elect to retain that amount of the capital portion that it lawfully may expend and reinvest that amount of the capital portion that it may not lawfully expend).*** See "HOW DOES AN INVESTING ENTITY MAKE AN INVESTMENT IN THE COMMON FUND?" above.

## Exhibit A

### *Portfolio Investments of the Common Fund*

*as of 12 /31/2023*

Cash & Federal Money Market	\$818,080.90
Short-Term Investment Grade Vanguard	4,267,251.13
Short-Term Bond Index Vanguard	4,227,550.95
Intermediate Term Treasury	1,351,822.29
Intermediate Term Corp Bond Index	1,389,751.48
Short Term Inf Pro Index Vanguard	2,093,700.64
Small Cap Value Index Vanguard	1,175,538.07
Total Stock Market Vanguard	16,221,686.35
International Stock Market	1,966,598.84
Value Index Vanguard	4,302,989.54
Wellington Fund Vanguard	<u>1,230,458.48</u>
Total	\$ 40,231,234.29

## Exhibit B

### *Investment Policies of the Common Fund*

The investment policies of the Foundation with respect to the investment of the assets of the Common Fund are as follows:

1. Assets of the Common Fund shall be invested within the following parameters, except where, in the opinion of the Board, market conditions warrant otherwise:

<b><i>Instrument</i></b>	<b><i>Percentage of Market Value of Common Fund</i></b>
Cash equivalents and other fixed-income securities having a maturity of one year or less	0 to 5%
Fixed-income securities having a maturity of more than one year	25 to 48%
Equities	50 to 70%
International equities	5 to 25%

For purposes of the foregoing, if the Common Fund should purchase common shares or shares of beneficial interest in a collective investment vehicle such as an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), the Board shall have exclusive authority to classify such shares as fixed-income securities and/or equities based on a good faith determination as to the nature of the investments held by such collective investment vehicle.

If the assets of the Common Fund are not invested within the foregoing parameters immediately after and as the result of market movements or the disposition of securities, the Board shall cause the assets of the Common Fund to be invested within such parameters as soon as practicable having due regard for market conditions, but in no event shall the Common Fund be required to dispose of an investment or investments at a loss in order to accomplish that goal.

2. No more than 25% of the market value of either the fixed-income portfolio or the equity portfolio of the Common Fund shall be invested in securities issued by issuers within a single industry. For purposes of the foregoing, the Board's good faith determination as to whether a particular issuer falls within a particular industry shall be conclusive.

3. No more than 10% of the market value of the total portfolio of the Common Fund shall be invested in any single issue of securities.

4. No more than 30% of the market value of the total portfolio of the Common Fund shall be invested in securities issued by foreign governments or by companies domiciled outside of the United States. For purposes of the foregoing, the Board's good faith determination as to whether a particular company is domiciled outside of the United States shall be conclusive.

5. No more than 10% of the market value of the total portfolio of the Common Fund shall be invested in securities issued by an issuer that has been in operation for less than 10 years.

6. The Common Fund shall not hold more than 5% of the outstanding common stock of any one issuer.

7. The Common Fund shall not engage in short sales of securities, margin transactions or securities lending.

8. The Common Fund shall not invest in real estate, except that the foregoing shall not prohibit the Common Fund from investing in real estate investment trusts or similar collective real estate investment vehicles, mutual funds that invest in real estate or securities collateralized by real estate.

9. The Common Fund shall not invest in "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933 without the prior approval of the Board.

10. The Common Fund shall not invest in securities issued by an issuer that derived 10% or more of its gross revenue during its last fiscal year, and that is reasonably expected to derive 10% or more of its gross revenue during its current fiscal year, from any one or more of the following activities:

- A. manufacturing or dealing in weapons, including nuclear weapons.
- B. conducting gambling operations, including operating gambling casinos, and manufacturing gambling devices; or
- C. manufacturing or distributing tobacco products.

For purposes of the foregoing, the Board's good faith determination as to whether an issuer has engaged or is currently engaging in one or more of the foregoing activities or has derived or is expected to derive 10% or more of its gross revenue from any one or more of the foregoing activities shall be conclusive.

11. The percentage restrictions set forth in paragraphs 2, 3 and 5 shall not apply to securities issued or guaranteed by the United States government or its agencies or instrumentalities.

12. The Common Fund may invest in shares of broad-based "index" investment vehicles and "money market" funds organized as open-end management-type investment companies or unit investment trusts under the 1940 Act (each, an "Index Fund"), without regard to the restrictions set forth in paragraphs 2, 3, 5 and 6 and



notwithstanding that an Index Fund may not be obligated to adhere to the restrictions set forth in paragraphs 2-10.

13. With the prior approval of the Board, the Common Fund may invest in other collective investment vehicles registered under the 1940 Act without regard to the restrictions contained in paragraphs 2, 3, 5 and 6 and notwithstanding that those investment vehicles do not adhere to the restrictions set forth in paragraphs 2-10; *provided, however,* that the Board shall not approve any such investment unless it reasonably believes that such investment would not materially contravene those restrictions when such investment is viewed in light of the Common Fund's total portfolio.

14. For Purposes of the foregoing, "market value" shall have such meaning as the Board shall determine in good faith on a consistent basis.

15. The restrictions and definitions set forth herein may be modified from time to time by the Board in its sole discretion at any regular or special meeting of the Board.

## Exhibit C

### *Ten Year Dividend History of the Common Fund*

***In reviewing the dividend history set forth below, a prospective investor should bear in mind that there can be no assurance that the Common Fund will be able to maintain or increase the level of its dividends or that the level of its dividends will not decrease.***

<u>Year</u>	<u>Total Dividend Per Unit</u>
2015	\$1.96
2016	\$1.96
2017	\$1.96
2018	\$1.96
2019	\$1.96
2020	\$1.96
2021	\$1.96
2022	\$1.96
2023	\$2.40
2024	\$2.24

## Exhibit D

### Ten Year Performance of the Common Fund

***In reviewing the performance history set forth below, a prospective investor should bear in mind that past performance is not necessarily indicative of future performance, and no assurance can be given that the value of Units will remain steady or increase or that it will not decrease.***

The Diocesan Foundation (Common Fund) past returns:

Year Ended December 31	Dividend	Change in Unit Value	Total Return		Ending Unit Value
			Amount	Percent	
1952	Common	Fund	Established		
1987					\$26.37
1988	\$1.85	\$0.72	\$2.57	9.75%	27.09
2013	\$1.96	\$5.02	\$6.99	15.27%	\$50.78
2014	\$1.96	\$2.14	\$4.09	8.06%	\$52.92
2015	\$1.96	(\$1.70)	\$0.26	(0.05%)	\$51.13
2016	\$1.96	\$2.10	\$4.06	7.93%	\$53.23
2017	\$1.96	\$6.00	\$7.96	14.95%	\$59.23
2018	\$1.96	(\$5.03)	(\$3.07)	(5.18%)	\$54.20
2019	\$1.96	\$8.17	\$10.13	18.7%	\$62.37
2020	\$1.96	\$5.63	\$7.59	12.2%	\$68.00
2021	\$1.96	\$6.91	\$8.87	13.2%	\$74.91
2022	\$2.40	(\$12.52)	(\$10.12)	(13.51%)	\$62.39
2023	\$2.24	\$7.27	\$9.51	14.95%	\$69.66

Common Fund total return at 12/31/2023 is:

4.2% three years

8.7% five years

6.8% ten years

## Exhibit E

### *Canon 35A of the Diocese*

**Sec. 1.** There shall be incorporated under the laws of the State of Illinois a corporation under the name Diocesan Foundation.

**Sec. 2.** The Board of Trustees of the corporation shall consist of seven members, namely, the Bishop of the Diocese of Chicago *ex officio* and six persons who shall be lay communicants in good standing in a parish or mission of the Diocese, or clergy canonically resident, in said Diocese and who shall be elected by the members of the corporation in the manner described below (the "Elected Trustees"). Members of the corporation shall consist of holders of interests in the Common Funds (as such term is defined below), as provided from time to time in the corporation's By-Laws.

All Trustees of the corporation who are Trustees on October 25, 1994 shall serve as Trustees until the annual meeting of members of the corporation held in 1995. At the annual meeting of members of the corporation held in 1995, the members of the corporation shall elect (1) two Trustees to serve until the annual meeting of members of the corporation held in 1996; (2) two Trustees to serve until the annual meeting of members of the corporation held in 1997; and (3) two Trustees to serve until the annual meeting of members of the corporation held in 1998. At the annual meeting of the members of the corporation held in 1996, and at each succeeding annual meeting of members of the corporation, the members of the corporation shall elect two Trustees to serve until the annual meeting of members of the corporation held in the third year following the year of such election. A vacancy occurring among the Elected Trustees prior to expiration of term shall be filled by the remaining Trustees within 60 days for the unexpired portion of the term, subject to ratification at the next election of Trustees. All Elected Trustees shall serve during the terms for which they are elected and until their respective successors shall be elected or appointed, as the case may be, and qualify.

**Sec. 3.** The purpose of the corporation shall be to further the religious, charitable and educational work of the Church, carried on within the boundaries of the Diocese of Chicago, by the Bishop and the several departments of the Diocese, by the various Parishes of the Diocese, and by the religious, charitable and educational organizations and institutions of or affiliated with the Church and functioning within the Diocese, and, when requested, to advise and assist in the management and conduct of the financial affairs of the Bishop, the departments and Parishes of the Diocese, and said religious, charitable and educational institutions.

**Sec. 4.** In furtherance of the purposes of the corporation and not in enlargement thereof, the corporation shall have all the powers granted under the General Not for Profit Corporation Act of the State of Illinois, including, without limiting the generality of the foregoing, the power to purchase, take, receive, or otherwise acquire, and to own, hold, use, and otherwise deal in and with, any real or personal property, including shares or other interests in or obligations of domestic or foreign corporations, situated in or out of the State of Illinois, and to sell, convey, mortgage, pledge, and otherwise dispose of all or any part of said property.

**Sec. 5.** (a) Further in pursuance of said purposes, the corporation shall have the right, but in no instance shall have the obligation, to receive from the Diocese and the Bishop thereof, and from such of the said Parishes and religious, charitable and

educational organizations and institutions (each, an “Investing Entity”) as may so desire, moneys and other property, consisting of Federal, State or municipal bonds, notes or other evidences of indebtedness, corporate stock, bonds, debentures or other evidences of corporate indebtedness and notes of corporations or individuals secured by first mortgages on real estate, owned and held by them as endowments or otherwise for their religious, charitable and educational purposes, for placement in one or more common investment funds (each, a “Common Fund”) to be established from time to time by the Board of Trustees of the corporation in its discretion, each of which shall issue to its participants periodic account statements reflecting their interests therein. On October 28, 1995, all then-outstanding certificates representing interests in any Common Fund shall be deemed to be canceled, and thereafter interests held by a participant in a Common Fund shall be reflected solely on the periodic account statements issued by such Common Fund to such participant.

(b) The corporation may invest moneys of any Common Fund in any securities or other instruments in which an individual may invest his or her own funds (including, without limiting the generality of the foregoing, securities or other instruments of the type described in Section 5(a) of this Canon), may sell any such securities or other instruments as well as any securities or other instruments accepted by it from a participant for placement in such Common Fund, and may reinvest the proceeds of such sales in securities or other instruments as aforesaid, all as may be determined by the Board of Trustees of the corporation, pursuant to the By-Laws of the corporation.

(c) The corporation shall collect the income arising from investments in each Common Fund and, after payment of expenses of operation, distribute the same to the participants therein in proportion to their respective interests, at such stated intervals as shall be provided in the By-Laws of the corporation and in such amounts as the Board of Trustees of the corporation shall determine in its sole discretion, evaluating such Common Fund at such intervals, and returning to such participants therein as may request it, as of any such stated interval, their respective interests in such Common Fund as so evaluated, either in cash, securities or other property, as provided in the By-Laws. Income distributed to the participants in a Common Fund may or may not include all or any portion of the realized or unrealized capital gains of such Common Fund, as determined by the Board of Trustees of the corporation in its sole discretion. In general, each Common Fund shall be managed in accordance with the best judgment of the Board of Trustees of the corporation and for the sole benefit of its Investing Entities.

(d) No funds, securities or other property shall be received for, or placed in, any Common Fund maintained by the corporation except funds, securities or other property received from an Investing Entity.

**Sec. 6.** The corporation may employ one or more banks, trust companies, broker-dealers, or investment companies registered under the Investment Company Act of 1940, as amended, to act as custodian or custodians of the securities held in any Common Fund and as agent or agents for the collection of income therefrom, and such other agents and employees as the Board of Trustees of the corporation shall deem necessary or advisable in connection with the safekeeping and management of any Common Fund and the income arising therefrom. Securities held in any Common Fund may be registered in the name of the corporation or in the name or names of such nominee or nominees as the Board of Trustees of the corporation may from time to time determine.

**Sec. 7.** No member of the Board of Trustees of the corporation or company that the Trustee is employed by shall receive any compensation for services rendered, or any commission or profit on transactions in respect of any Common Fund, and (subject to the provisions of Section 51 of this Canon) the entire income received from each Common Fund, less costs and expenses chargeable to such Common Fund as set forth in the By-Laws, shall be remitted to the participants therein in proportion to their respective interests therein. No member of the Board of Trustees of the corporation or member of the corporation shall be liable for any loss to the corporation or to any Common Fund, or to any participant therein, arising from the management of any Common Fund or the investment of the same, or otherwise, unless such loss shall result from a breach of good faith on the part of such member of the Board of Trustees of the corporation or member of the corporation.

## Exhibit F

### *By-Laws of the Foundation*

#### ARTICLE I

##### NAME

The name of the Corporation shall be the Diocesan Foundation.

#### ARTICLE II

##### PURPOSES

The purposes of the Corporation shall be:

To further the religious, charitable and educational work of the Protestant Episcopal Church, carried on within the boundaries of the Diocese of Chicago, by the Bishop and the several departments of the Diocese, by the various parishes of the Diocese, and by the religious, charitable and educational organizations and institutions of or affiliated with the Protestant Episcopal Church and functioning within said Diocese, and, when requested, to advise and assist in the management and conduct of the financial affairs of the Bishop, the departments and parishes of said Diocese, and said religious, charitable and educational institutions.

As a means of assisting in the management and conduct of the financial affairs of the Bishop, the departments, and parishes of said Diocese, and said religious, charitable and educational institutions, to establish and maintain one or more common investment funds for the investment of such of their funds as they or any of them may from time to time wish to deposit therein, under the rules and regulations hereinafter set forth.

#### ARTICLE III

##### POWERS

In furtherance of the purposes of the Corporation and not in enlargement thereof, the Corporation shall have all the powers granted under the General Not for Profit Corporation Act of the State of Illinois, including, without limiting the generality of the foregoing, the power to purchase, take, receive, or otherwise acquire, and to own, hold, use, and otherwise deal in and with, any real or personal property, including shares or other interests in or obligations of domestic or foreign corporations, situated in or out of the State of Illinois, and to sell, convey, mortgage, pledge, and otherwise dispose of all or any part of said property.

#### ARTICLE IV

##### BOARD OF TRUSTEES

Section 1. Duties and Authority. The work and property of the Corporation shall be managed by its Board of Trustees.

Section 2. Number and Qualification. The Corporation's Board of Trustees shall consist of seven members, namely, the Bishop of the Diocese of Chicago *ex officio* and

six persons who shall be lay communicants in good standing in a parish or mission of the Diocese, or clergy canonically resident, in said Diocese and who shall be elected by the members of the Corporation in the manner described below (the "Elected Trustees").

Section 3. Terms of Office. All Trustees of the Corporation who are Trustees on October 25, 1994 shall serve as Trustees until the annual meeting of members of the Corporation held in 1995. At the annual meeting of members of the Corporation held in 1995, the members of the Corporation shall elect (1) two Trustees to serve until the annual meeting of members of the Corporation held in 1996; (2) two Trustees to serve until the annual meeting of members of the Corporation held in 1997; and (3) two Trustees to serve until the annual meeting of members of the Corporation held in 1998. At the annual meeting of members of the Corporation held in 1996, and at each succeeding annual meeting of members of the Corporation, the members of the Corporation shall elect two Trustees to serve until the annual meeting of members of the Corporation held in the third year following the year of such election. A vacancy occurring among the Elected Trustees prior to expiration of term shall be filled by the remaining Trustees within 60 days for the unexpired portion of the term, subject to ratification at the next election of Trustees. All Elected Trustees shall serve during the terms for which they are elected and until their respective successors shall be elected or appointed, as the case may be, and qualify.

## ARTICLE V

### MEETINGS OF THE BOARD OF TRUSTEES

Section 1. Annual and Other Regular Meetings. The Board of Trustees shall hold four regular meetings in each year, the first of which meetings in each year shall be designated the annual meeting of the Board of Trustees. The annual meeting and the three succeeding regular meetings shall be held on the second Thursday of February and on the fourth Thursdays of April, July and October, respectively, at the hour of twelve o'clock P.M. at the office of the Bishop of Chicago, provided that when any such Thursday shall fall upon a legal holiday, the meeting date shall be the first day thereafter not a Saturday, Sunday or legal holiday; and provided further, that the date, hour and place of any regular meeting may be changed by order of the Board of Trustees or of the President of the Corporation prior to delivering the notice of such meeting. The Corporation may deliver notice of each regular meeting, whether such meeting is to be held on the date specified in the By-Laws or as changed as above provided, by (a) mailing such notice to each Trustee at his or her address as noted on the books of the Corporation, not less than ten days prior to the meeting date; (b) personally delivering such notice to such Trustee at said address, not less than five days prior to the meeting date; or (c) transmitting such notice to such Trustee by facsimile to such facsimile number of such Trustee as is noted on the books of the Corporation, not less than five days prior to the meeting date.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President of the Corporation or by any three members of the Board of Trustees, provided that written notice thereof shall either be (a) mailed to each Trustee at his or her said address, not less than five days prior to the meeting date; (b) personally delivered to such Trustee at said address, not less than three days prior to the meeting date; or (c) transmitted to such Trustee by facsimile to said facsimile number, not less than three days prior to the meeting date.



Section 3. Quorum. A quorum of the Board of Trustees shall consist of four members. At any regular meeting convened at which there is not a quorum present, the meeting may be adjourned to such date as the members present may determine, but not earlier than three days thereafter, and written notice of such adjourned meeting shall either be (a) mailed to each Trustee at his or her said address, not less than five days prior to the adjourned meeting date; (b) personally delivered to such Trustee at said address, not less than two days prior to the adjourned meeting date; or (c) transmitted to such Trustee by facsimile to said facsimile number, not less than two days prior to the adjourned meeting date.

Section 4. Business Transacted At Meetings. Unless otherwise required by law, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Trustees need be specified in the notice or waiver of notice of such meeting.

Section 5. Waiver of Notice. Notwithstanding the foregoing provisions for notices of meetings, any meeting, regular or special, may be held upon written consent and waiver of notice signed in one or more counterparts by each of the Trustees.

## ARTICLE VI

### OFFICERS

Section 1. The officers of the Corporation shall be a President and a Vice President, both of whom shall be members of the Board of Trustees, and a Secretary and Treasurer, who may but need not be members of the Board of Trustees. In addition, the Board of Trustees may create such other offices as it deems necessary and prescribe the authority and duties pertaining thereto. Except in the case of additional vice presidents, the persons elected to fill such offices need not be members of the Board of Trustees. Unless otherwise provided in these by-laws, any two or more offices may be held by the same person.

Section 2. All officers of the Corporation other than the President shall be elected by the Board of Trustees at each annual meeting of the Board, to serve for one year and until their respective successors shall be elected and qualify, except that when additional offices are created by the Board between annual meetings, elections to fill such offices until the next annual meeting may be held at any other regular meeting or any special meeting.

Section 3. The Bishop of Chicago shall be the President of the Corporation *ex officio*, and, when in attendance, shall preside at all meetings of the Board of Trustees and of the members of the Corporation. The Bishop shall perform all duties customarily incident to the office of President.

Section 4. The Vice President shall perform all of the duties of the President in the absence of the President and shall assist the President as the President may request.

Section 5. The Secretary shall record the minutes of the meetings of the Board of Trustees and of the members of the Corporation, shall have the authority to certify the by-laws, resolutions of the Board of Trustees and committees thereof, and other documents of the Corporation, as true and correct copies thereof, and shall perform all other duties customarily incident to the office of Secretary.

Section 6. The Treasurer shall have general oversight of the funds, securities, and books of account of the Corporation, and shall be responsible to the Board of Trustees. The Treasurer shall perform all of the duties usually incident to the office of Treasurer.

Section 7. A vacancy occurring between annual meetings of the Board of Trustees in any office other than in the office of President, may be filled by the Board of Trustees at any other regular meeting or any special meeting.

## ARTICLE VII

### COMMITTEES

Section 1. Creation of Committees. The Board of Trustees may create one or more committees and appoint Trustees or such other persons as the Board designates, to serve on the committee or committees. Each committee shall have two or more Trustees, a majority of its membership shall be Trustees, and all committee members shall serve at the pleasure of the Board.

Section 2. Quorum. A majority of any committee shall constitute a quorum, and a majority of committee members present and voting at a meeting at which a quorum is present is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to action by the Board of Trustees, the committee by majority vote of its members shall determine the time and place of meetings and the notice required, therefore.

Section 3. Authority. To the extent specified by the Board of Trustees, each committee may exercise the authority of the Board of Trustees to the extent permitted by the General Not-for-profit Corporation Act of the State of Illinois.

Section 4. Advisory Committees. The Board of Trustees may create and appoint persons to a commission, advisory body or other such body which may or may not have Trustees as members, which body may not act on behalf of the Corporation or bind it to any action but may make recommendations to the Board of Trustees or to the officers.

## ARTICLE VIII

### MEMBERS

Section 1. The members of the Corporation shall be those persons who are holders of one or more participation units in any Common Fund (as hereinafter defined). A person who becomes a member of the Corporation shall cease to be a member of the Corporation at such time as such person no longer holds one or more participation units in any Common Fund but may thereafter become a member of the Corporation in accordance with the first sentence of this Section 1.

Section 2. An annual meeting of the members of the Corporation shall be held each year at the office of the Bishop of Chicago immediately preceding the annual meeting of the Board of Trustees for such year. Additional meetings of the members of the Corporation may be held at such times and places as shall be specified by resolution of the Board of Trustees.

Section 3. Membership in the Corporation shall not carry with it any right to vote in that capacity, except the right to vote at annual meetings for the election of Trustees as provided in Article IV. Each member shall be entitled to one vote for each dollar in value of each participation unit held by him as of the record date (see Section 5 below) (plus a fraction of one vote corresponding to any fraction of a dollar in value of such participation unit). For purposes of the foregoing, the value of a participation unit as of a record date shall be the same as the value of a participation unit as of the Valuation Date next preceding such record date. Members shall have no rights to cumulative voting.

Section 4. Members of the Corporation holding one-tenth of the votes entitled to be cast for the election of Trustees, represented in person or by proxy, shall constitute a quorum for purposes of conducting such election. If a quorum is present, the affirmative vote of a majority of the votes present and voted, either in person or by proxy, shall be the act of the members.

Section 5. For purposes of determining members entitled to notice of or to vote at any meeting of members of the Corporation, the Board of Trustees may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than 60 days and not less than 5 days immediately preceding such meeting.

Section 6. Inasmuch as dividends and distributions by a Common Fund are made in respect of assets held by the Corporation as agent and not by the Corporation for its own account, such dividends and distributions shall not be deemed to be dividends or distributions by the Corporation of its money, property, or other assets.

## ARTICLE IX

### FISCAL YEAR

The fiscal year of the Corporation and of each Common Fund shall commence on the 1<sup>st</sup> day of January in each year and terminate on the 31<sup>st</sup> day of December of that year.

## ARTICLE X

### THE COMMON FUNDS

Section 1. The Corporation shall have the right, but in no instance shall have the obligation, to receive moneys and other property, consisting of Federal, State or municipal bonds, notes or other evidences of indebtedness, corporate stock, bonds, debentures or other evidences of corporate indebtedness and notes of corporations or individuals secured by first mortgages on real estate (such other property being hereinafter referred to as "securities"), from The Diocese of Chicago, the Bishop of the Protestant Episcopal Church in said Diocese, the various parishes of the Diocese and any of the religious, charitable and educational organizations and institutions of or affiliated with the Protestant Episcopal Church and functioning within said Diocese (each, an "Investing Entity"), for placement in one or more common investment funds to be established from time to time by the Board of Trustees in its discretion (each, a "Common Fund"), it being understood that no real estate, leaseholds, or other species of real property shall be accepted for inclusion therein.

Section 2. No funds, securities or other property shall be received by the Corporation for, or placed in, any Common Fund except funds, securities or other property owned and held by an Investing Entity as an endowment or otherwise for its religious, charitable or educational purposes.

Section 3. Each Common Fund shall be managed, administered, invested, and reinvested, and in general its operations conducted, by the Corporation through and by its Board of Trustees (herein sometimes referred to as the "Board").

Section 4. The operation of each Common Fund shall commence with the acceptance by the Board of the first moneys or securities offered for inclusion in such Common Fund. At the time of such acceptance the Board shall make an initial evaluation of such Common Fund and shall issue its first Statements (as defined below in Section 5 of this Article X). In making such initial evaluation, the Board shall use market values whenever such values are available, but where they are not available, the Board may determine fair value on any other basis which to it seems fair and reasonable, adding income accrued on bonds.

Section 5. Each Common Fund shall be represented by participation units which at the commencement of operation of such Common Fund shall be of such number as will give to each participation unit a net asset value of Ten Dollars (\$10.00) or such other net asset value as shall be determined by the Board of Trustees in its discretion. On October 28, 1995, all then-outstanding certificates representing participation units in any Common Fund shall be deemed to be cancelled, and thereafter the Corporation shall issue, at such intervals as the Board of Trustees shall determine in its sole discretion, account statements to each participant in a Common Fund reflecting the number of participation units, whether whole or fractional, in such Common Fund held by such participant as of the date of each such account statement (each, a "Statement").

Section 6. Following the initial evaluation of a Common Fund, the net asset value of each participation unit in such Common Fund shall be determined four times in each calendar year by ascertaining the net fair value of the entire Common Fund as of the close of business on the last day of each March, June, September and December (a "Valuation Date") (provided, however, that if a Valuation Date is not a business day, such net asset value for such Valuation Date shall be determined as of the close of business on the business day first preceding such Valuation Date), and dividing said net asset value by the number of participation units in such Common Fund outstanding as of such Valuation Date. The net fair value as of a Valuation Date shall be determined by totaling the fair value of all cash, investments, income receivable, prepaid and other assets, reduced by accounts payable, assets pending participation, accrued and other liabilities and the amount of the quarterly income distribution to be made as of the close of business of that Valuation Date. In ascertaining fair value, market values shall be used whenever such values are available. Where market values are not available, the Board may determine fair value on any other basis which to it seems fair and reasonable.

Section 7. Upon the receipt by the Corporation of a request in writing in form acceptable to the Board to participate in a Common Fund, with an offer of moneys or securities, or both, to be added to such Common Fund, if the Board in its sole discretion accepts such offer and receives such property, it shall add such property to such Common Fund as of the first day following the Valuation Date next succeeding the 30<sup>th</sup> day after receipt of the request (except that (a) the Vice President of the Corporation or his or her

designee may permit property to be added to a Common Fund as of the first day following a Valuation Date on lesser notice and (b) at the request of a participant in a Common Fund made upon such notice and in such form as the Vice President of the Corporation or his or her designee may from time to time determine, a participant may reinvest, in that Common Fund, all or any portion of a quarterly distribution made by that Common Fund, such reinvestment to be made as of first day following the first Valuation Date that precedes such quarterly distribution). The number of such additional participation units shall be determined on the basis of the net asset value per participation unit in such Common Fund as determined by the Board as of such Valuation Date and shall be reflected on the next Statement issued to such participant. Any securities accepted for such participation shall be valued as of such Valuation Date on the same basis as is set out in Section 4 hereof with respect to the initial evaluation of such Common Fund. If there be at any time accepted for participation any security of the type in which the only income provided is the appreciation in value due to approaching maturity, the Board may either (a) value such property without separating the portion of such value represented by accrued interest in the form of appreciation in value to date, in which case on maturity or redemption the amount of said accrued interest to said date shall be considered as principal and the balance considered as income, or (b) immediately pay to the participant from the income of such Common Fund on hand the amount representing accrued interest to date and deduct such payment in valuing the security, in which case on maturity or redemption the entire appreciation in value over the whole term of the security shall be considered as income. No participant shall be called upon or be liable for the payment of any sum of money or assessment whatever to the Corporation after delivery and acceptance of the moneys or securities offered for participation in such Common Fund.

Section 8. In case any participant desires to withdraw in whole or in part from participation in a Common Fund, such participant may request in writing that all or any portion of the units held by it be redeemed, whereupon no later than the 45<sup>th</sup> day following the Valuation Date next succeeding the 30<sup>th</sup> day after receipt of such request (or upon such lesser notice as the Vice President of the Corporation or his or her designee may determine), the Corporation shall make such distribution to the withdrawing participant on the basis of the net asset value per participation unit in such Common Fund as determined by the Board as of such Valuation Date, such redemption to be reflected on the next Statement issued to such participant. If the Board shall elect to make such distribution in whole or in part in securities instead of in cash, the securities so distributed shall be valued as of such Valuation Date on the same basis as is used in determining the value of securities accepted for participation as provided in Section 7 hereof.

Section 9. Participation units in a Common Fund and Statements reflecting such units shall not be transferable except in the sole discretion of the Board of Trustees.

Section 10. [Reserved.]

Section 11. The Corporation, acting through the Board, may invest moneys of any Common Fund in any securities or other instruments in which an individual may invest his or her own funds (including, without limiting the generality of the foregoing, securities or other instruments of the type described in Section 1 hereof), may sell any such securities or other instruments as well as any securities or other instruments accepted by it from a participant for placement in such Common Fund, and may reinvest the proceeds of such sales in securities or other instruments as aforesaid, all as may be determined by the Board.

Section 12. The Board shall keep full books of account for the Corporation relating both to principal and income of each Common Fund, and shall have full power to determine what is “income” and what is “principal” hereunder, and its decision thereon shall be final; provided, however, that (1) any interest or dividend received by the Corporation on any security held in a Common Fund which is accrued and unpaid at the time of the delivery of such security to the Corporation, shall be considered as income; (2) in the case of securities purchased at a discount, the entire subsequent sale price or maturity value shall be credited to principal, except in the case of securities purchased for a Common Fund of the type in which the only income provided is the appreciation in value due to approaching maturity, in which case the appreciation in value shall be considered as income; (3) in the case of securities purchased at a premium, the Board shall charge the premium against principal without amortizing the same; and (4) there shall be considered as principal any dividend payable in shares of the issuing corporation itself, or in shares of a subsidiary, or in shares of any other corporation whatsoever, and any right to subscribe to or purchase shares of the issuing corporation, of a subsidiary thereof or of any other corporation, or the proceeds of sale of such right.

Section 13. The Corporation shall collect the income arising from investments in each Common Fund, and, after payment of expenses of operation, make quarterly distributions of such income, in such amounts as the Board of Trustees may determine in its sole discretion, to the participants in such Common Fund in proportion to their respective interests. Such quarterly distributions, and the participants entitled thereto, shall be determined as of each Valuation Date in each fiscal year. Income distributed to the holders of participation units in a Common Fund may or may not include all or any portion of the realized or unrealized capital gains of such Common Fund, as determined by the Board of Trustees in its sole discretion. The distributions shall in each case be made within forty-five days after such Valuation Date.

Section 14. The Corporation may employ one or more banks, trust companies, broker-dealers, or investment companies registered under the Investment Company Act of 1940, as amended, to act as custodian or custodians of the securities held in any Common Fund and as agent or agents for the collection of income therefrom, and such other agents and employees as the Board of Trustees shall deem necessary or advisable in connection with the safekeeping and management of any Common Fund and the income arising therefrom. Securities held in any Common Fund may be registered in the name of the Corporation or in the name or names of such nominee or nominees as the Board of Trustees may from time to time determine.

Section 15. No member of the Board of Trustees, and no partnership, company, or other entity of which such member is a partner, director, officer, or employee, shall receive any compensation for services rendered, or any commission or profit on transactions in respect of any Common Fund, but they shall be reimbursed from the income account of the appropriate Common Fund for expenses incurred and disbursements made by them for or in connection with the operation of such Common Fund. No charge shall be made, or fee received by the Corporation for or in connection with the maintenance or operation of any Common Fund, but all costs and expenses of such maintenance and operation (including, without limitation, any costs and expenses arising from the operation of Article XI hereof) shall be borne by the appropriate Common Fund and charged first to income and, if income shall be insufficient, to principal. The Board of Trustees, in its sole discretion, may allocate costs and expenses among the various Common Funds in such manner as it deems fair and reasonable. No member of

the Board of Trustees or of the Corporation shall be liable for any loss to the Corporation or any Common Fund, or to any participant therein, arising from the management thereof or the investment of the same, or otherwise, unless such loss shall result from a breach of good faith on the part of such member of the Board of Trustees or of the Corporation.

Section 16. The Board may require any officer, agent, or employee of the Corporation whose duties, or any of which, pertain to the maintenance or operation of any Common Fund, to furnish bond in such form and amount as the Board may fix and determine.

Section 17. The Corporation shall submit annually to each of the participants (and, upon their request, their beneficiaries) in a Common Fund a written financial report in respect to such Common Fund for the fiscal year last ended, including a balance sheet and detailed list of securities as of the end of such year. Copies of this report, and notices and communications of any nature from the Corporation to a participant in such Common Fund, shall be deemed properly delivered as of one day after the date of mailing when sent by first class mail addressed to the participant at the last address received from such participant in writing. Except by such annual report the Corporation need not notify the participants of its actions with respect to such Common Fund, but any participant may at any time examine the Corporation's books and records, including those relating to such Common Fund.

Section 18. No participant shall have the right to call for a partition or division of a Common Fund, nor shall the participants be considered to be partners, the rights, interests and privileges of the participants being wholly those set forth in Canon 35A adopted at a meeting of The Convention of the Protestant Episcopal Church in the Diocese of Chicago, held at Chicago, Illinois, on May 6, 1952, and in these By-Laws, as said Canon and these By-Laws now exist or as they may from time to time be amended.

Section 19. The Corporation, by action of the Board, may at any time terminate the operation of any Common Fund, which termination shall be affected by payment of all expenses and obligations of or appertaining to such Common Fund and distributing among the participants in such Common Fund in proportion to their respective interests therein, all assets of such Common Fund either in cash or securities as the Board may determine.

## ARTICLE XI

### INDEMNIFICATION

Section 1. Indemnification of Trustees and Officers. The Corporation shall, to the fullest extent to which it is empowered to do so by the General Not For Profit Corporation Act of the State of Illinois or any other applicable laws as may from time to time be in effect, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Trustee or officer of the Corporation, or that he or she is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding.

Section 2. Contract With the Corporation. The provisions of this Article XI shall be deemed to be a contract between the Corporation and each Trustee or officer who serves in any such capacity at any time while this Article XI is in effect, and any repeal or modification of this Article XI shall not affect any rights or obligations hereunder with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

Section 3. Indemnification of Employees and Agents. Persons who are not covered by the foregoing provisions of this Article XI and who are or were employees or agents of the Corporation, or who are or were serving at the request of the Corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Trustees; provided, however, that to the extent that such employee or agent has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding to which he or she was made a party by reason of the fact that he or she is or was an employee or agent acting in the above-described capacity, or in defense of any claim, issue or matter therein, the Corporation shall indemnify such employee or agent against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. Payment of Expenses or Indemnity. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board of Trustees in the specific case. If the Corporation has paid indemnity or has advanced expenses to a Trustee, officer, employee or agent, the Corporation shall report the indemnification or advance in writing to the members of the Corporation with or before the notice of the next annual meeting of members of the Corporation.

Section 5. Other Rights of Indemnification. The indemnification provided or permitted by this Article XI shall not be deemed exclusive of any other rights to which those indemnified may be entitled by law or otherwise and shall continue as to a person who has ceased to be a Trustee, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

## ARTICLE XII

### AMENDMENTS

These By-Laws may be amended at any annual or regular meeting of the Board, provided that written notice setting forth the proposed amendment or amendments or the substance thereof, together with the date of the meeting of the Board at which the same are to be considered, is given to each participant in each Common Fund not less than forty-five days prior to the date of such meeting.



## Exhibit G

### *Current Trustees and Officers of the Foundation*

#### Trustees

**GRAHAM W. CURCHIN:** is a Vice President within the Private Wealth & Investment Management Group of the Stifel Financial Corporation with more than 18 years of experience in the financial services industry. Graham is FINRA series 7, 63, and 65 licensed and is a member of St. Augustine's in Wilmette, IL. Term Expires February 2025.

**DAVID ARCH, Ph.D.** is Chairman of Blistex Inc., a manufacturer of healthcare products, where he also chairs the Profit-Sharing Trust and the Audit Committee. David is a trustee of the Invesco mutual funds board, where he has chaired Investment Committees in domestic equities, fixed income products and international investments. He currently serves as chair of the Compliance Committee. Positions on behalf of the Chicago Diocese include the Episcopal Charities Finance Committee and the Bishop & Trustees. David and his wife Suzanne attend Grace Church, Hinsdale. Term Expires February 2025.

**ANN LOGUE:** Ms. Logue is a lecturer in finance at the University of Illinois at Chicago and a writer specializing in business and finance. She is the author of four books on investing in Wiley's . . . For Dummies series and has written for Barron's, Entrepreneur, and Newsweek Japan, among other publications. She was an investment analyst from 1987 – 1998. Logue has an MBA from the University of Chicago and holds the Chartered Financial Analyst designation. She lives in Chicago, attending All Saints Episcopal Church. Term Expires February 2027

**GEORGE T. CULVER:** has served for eight years as Chair of the Investment Committee of St James Cathedral and as Assistant Treasurer for seven years. He has forty years' experience as a private investor and thirty-two years trading derivative securities. He received his series 3 brokers license in 1993. Mr. Culver holds a Bachelor of Arts from Yale University in Physics and Philosophy. Term Expires February 2027

**GARY WALTHER:** is a Senior Advisor at Lincoln International with an MBA from the University of Michigan, has had over 50 years of financial experience specializing in advisory services for global automotive and truck businesses. He has extensive corporate finance experience advising public and private companies and family-owned businesses on M&A, public company takeover transactions, initial public offerings, and restructurings. Prior to joining Lincoln, Gary was Managing Director at Lehman Brothers and Everen Securities, where he managed M&A advisory. He began his career with Merrill Lynch, establishing its Chicago corporate finance office. Gary is a member of Christ Church Winnetka and has served as Senior Warden and many other vestry activities. Term Expires February 2026.

**B. CRAIG ELDER:** is employed by Baird as a Sr. FI Research Analyst in the PWM Wealth Strategies Group. He has been at Baird since 2004 and has been a bond research analyst since 1994. He is a generalist with a focus on corporate debt and interest rate strategies. He is a member of the CFA Institute, CFA Society of Chicago, and the Fixed Income Analyst Society of New York. Craig holds an MBA from Christian Brothers University in Memphis and a BBA in Finance from the University of Memphis. He is a member of St. James Cathedral having served as a Warden, a member of the Finance Commission, and continues to serve as an Usher. Term Expires February 2026.

### **Officers**

The Bishop of Chicago serves as the President *ex officio*, Mr. Culver serves as Vice President, and Mr. Curchin serves as Secretary. In addition to serving as Treasurer of the Foundation, Mr. Keith W. Kampert Jr., MBA CPA Treasurer of the Diocese of Chicago.

## Exhibit H

### *Investor Representations and Warranties*

***The Common Fund (the "Common Fund") of the Diocesan Foundation is exempt from Federal income tax and from registration requirements under the Securities Act of 1933 and the Investment Company Act of 1940 pursuant to certain exemptions. In order for the Common Fund to take advantage of those exemptions, it must strictly limit the types of investors who can invest, as well as the uses to which investors may put the dividends they receive from the Common Fund and the proceeds they receive upon redemption of their interests in the Common Fund. Accordingly, the Common Fund requests investors to make the representations and warranties set forth below.***

The undersigned, by its authorized representative, hereby represents and warrants to the Common Fund of the Diocesan Foundation, in connection with each investment that the undersigned may make in the Common Fund on the date hereof or on any date hereafter, that:

- 1) the funds used to make such investment will be funds held by the undersigned as part of its endowment, or otherwise held by it for religious, charitable, or educational purposes, and no such funds will be derived from retirement plans for employees of the undersigned.
- 2) the dividends received by the undersigned from its investment in the Common Fund, as well as any proceeds received by the undersigned upon redemption of all or any part of its investment in the Common Fund, will be used exclusively for the undersigned's religious, charitable or educational purposes; and
- 3) no funds to be invested by the undersigned in the Common Fund were received from a donor who retains any interest in those funds in the form of rights to income thereon or promises of fixed, variable or other financial benefits.

The undersigned hereby represents and warrants as the foregoing this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
[print name of investor]

By: \_\_\_\_\_  
[signature of authorized representative]

Name: \_\_\_\_\_  
[print name of authorized representative]

Title: \_\_\_\_\_  
[print title of authorized representative]

## EXHIBIT I

### Financial Statements

Diocesan Foundation  
Balance Sheet  
December 31, 2023

#### Assets

Cash & Cash Equivalents	Total	
Chase	\$66,584.88	0.2%
Vanguard - Federal Money Market	<u>751,496.02</u>	<u>1.9%</u>
Total Cash & Cash Equivalents	<u>\$818,080.90</u>	<u>2.0%</u>
Vanguard - ST Investment Grade	\$4,267,251.13	10.6%
Vanguard - ST Bond Index	4,227,550.95	10.5
Vanguard - IT Treasury	1,351,822.29	3.4
Vanguard - IT Corporation Bond Index	1,389,751.48	3.5
Vanguard - ST Inf Pro Sec Index	2,093,700.64	5.2
Vanguard - Developed Markets Index	1,185,805.62	2.8
Vanguard – Small Cap Value Index	1,175,538.07	2.9
Vanguard - Total Stock Market Index	16,221,686.35	40.3
Vanguard - International Stock Market	1,966,598.84	4.9
Vanguard - Value Index	4,302,989.54	10.7
Vanguard - Wellington Fund	<u>1,230,458.48</u>	<u>3.1</u>
Total Investments	<u>\$39,413,153.39</u>	<u>98.0%</u>
Total Assets	<u>\$40,231,234.29</u>	<u>100.0%</u>

#### Liabilities

Accounts Payable	\$1,375.00	0.0%
Dividends Payable	320,712.72	0.8
Future Purchase of Units	<u>15,546.85</u>	<u>0.0</u>
Total Liabilities	<u>\$337,634.57</u>	<u>0.8%</u>

#### Net Assets

Participation Units at Cost	\$24,231,802.73	60.3%
Current Earnings	1,658,650.27	4.1
Dividends Declared	(1,274,976.39)	(3.2)
Unrealized Gain (Loss)	7,846,347.49	19.5
Realized Gain	<u>7,431,775.62</u>	<u>18.5</u>
Total Net Assets	<u>\$39,893,599.72</u>	<u>99.2%</u>

Total Liabilities & Net Assets	<u>\$40,231,234.29</u>	<u>100.0%</u>
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Diocesan Foundation  
Statement of Income and Expense  
Excluding Unrealized Gains & Losses  
For the Year Ended December 31, 2023

Revenue

Interest & Dividends

Vanguard - Federal Money Market	\$49,150.32
Vanguard - ST Investment Grade	132,140.54
Vanguard - ST Bond Index	100,545.20
Vanguard - ST Inf Pro Sec Index	58,333.48
Vanguard - IT Treasury	7,803.15
Vanguard - Developed Markets Index	38,886.15
Vanguard – Corp Bond Index	9,088.38
Vanguard - Small Cap Value Index	26,453.17
Vanguard - Stock Market Index	249,853.61
Vanguard – International Stock Index	65,931.88
Vanguard – Value Index	112,185.28
Vanguard – Wellington	<u>27,244.26</u>
Total Interest & Dividends	\$877,615.42

Realized Gains (Loss)

Developed Markets Index	(4,338.00)
Small Cap Value Index	(8,266.61)
Stock Market	989,251.18
International Stock Market	(375,804.34)
Value Index	151,812.24
Wellington	44,165.38
Total Realized Gain (Loss)	<u>\$796,819.85</u>

Total Revenue \$1,674,435.38

Expense

Accounting	\$5,500.00
Administrative Fees	4,000.00
Audit	6,275.00
Bank Fees	<u>10.00</u>
Total Expense	<u>\$15,785.00</u>

Revenue Over (Under) Expenses \$1,658,650.27

Vanguard Weighted Average Expense Ratio 8.5 bp  
Diocesan Foundation Expense Ratio 0.39 bp  
**Total Expense Ratio is less than 9.0 bp**