CATHOLIC COMMUNITY FOUNDATION OF NORTHEAST INDIANA

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Distribution Policy

The Distribution Policy of the Catholic Community Foundation of Northeast Indiana, Inc. (the Foundation) is based upon a total return investment approach and is designed to provide a consistent stream of income and the growth of the principal. Unless otherwise provided under the terms of an applicable gift instrument, the Foundation may appropriate or accumulate so much of an endowment fund that the Foundation determines is prudent for the use, benefit, purpose, and duration of the endowment fund. Specifically, the ordinary income, capital appreciation (realized and unrealized), and principal (including historic dollar value and any principal contributions, accumulations, additions, or reinvestments) allocable to the fund, net of any applicable fees and expenses, may be committed, granted, or expended pursuant to the provisions herein.

The allowable distribution from an Endowment Fund, after allocating fees and expenses, shall be of the current year's distribution rate of 4.5% (four and one-half percent) multiplied by the average ending market value of the Endowment Fund for each of the prior twenty (20) quarters, as of the December 31 annual spendable calculation date.

The annual distribution rate and spendable calculation date shall be determined by the Board of Directors after a recommendation from the Finance Committee. The Foundation is not required to distribute the maximum amount calculated under this policy and may instead accumulate part or the entire amount for investment and use in future periods. The Foundation shall not make distributions from any fund with a total balance of less than $5,000. Unless otherwise provided in the Endowment Fund Agreement or Gift Instrument, there will not be a distribution from an Endowment Fund until the fund has been invested in the Foundation's endowment pool for at least twelve (12) consecutive months.

Endowment funds that have been in existence and funded for less than twenty quarters, using the Foundation's spendable calculation date, will use the average of the quarterly balances since inception to determine the distribution amount. The distribution amount will be the average of the quarterly balance multiplied by the distribution rate.

In preparing its recommendation for the Board, the Finance Committee shall consider the following factors when determining how much to appropriate or accumulate:

- The duration and preservation of the endowment fund
- The purposes of the Foundation and the endowment fund
- General economic conditions
- The possible effects of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The Distribution Policy Statement

The Distribution Policy was approved on March 12, 2026. The Foundation Board, in its sole discretion, may revoke, modify, or amend this distribution policy at any time.