

FUND INVESTMENT APPLICATION

Office Use Only: Fund Number: _____

Name of Fund: _____

Investor: _____

(Church, Agency, or Institution Name)

(Contact name/Committee)

(Street address)

(Mailing Address, if different)

(City/Town)

(State)

(ZIP)

(Phone)

NOTE: All checks will be mailed to the main administrative office of the Investor.

Amount of Initial Deposit: \$ _____

Name of Fund: _____

Statement Frequency:

☐

Monthly

☐

Quarterly

☐

Annual

**Investment
Strategy
Allocation:**

(State amount in
percentage % of
assets to be
invested. Sum
Total must equal
100%.)

_____ % **Balanced Fund** (single, global fund option - 65% equity & 35% fixed income)

_____ % **Equity Fund** (globally-diverse) _____ % **US Equity Index Fund**

_____ % **Fixed Income Fund** _____ % **Short Term Income Fund**

(review *Fund Investment Agreement* or visit kansasmethodistfoundation.org for fund investment descriptions)

Withdrawals for all funds will be available on the request of two authorized signers. Withdrawal forms can be found at kansasmethodistfoundation.org. Withdrawals can also be distributed automatically.

Would you like to receive automatic distributions from the fund? ☐ Yes ☐ No

If taking **Automatic** distributions, then please indicate the **type** of distribution:

Automatic distributions will consist of:

(Please choose one)

☐ Annual distribution of the KMF distribution rate. (Percentage of fund value based on three-year trailing average. Contact KMF for more information.)

☐ Annual distribution of Net Income (i.e. dividends and interest minus fees for calendar year.)

☐ Fixed distribution amount will be \$ _____
☐ Monthly ☐ Quarterly ☐ Semiannual ☐ Annual

**RESTRICTIONS ON
DISBURSEMENTS**

Please indicate **ALL** applicable restrictions that apply to this fund:

☐ Principal of \$ _____
not to be invaded

☐ Only Net Income may be distributed

☐ Fund cannot go below
\$ _____

☐ **Other Notes or Restrictions Regarding Fund:**

OFFICER AUTHORIZATION SIGNATURE FORM

Office Use Only: Fund Number: _____

Name of Fund: _____

Date: _____ Investor: _____

Choose **ONE** of the following:

- ☐ The following persons are authorized for this fund only. ☐ This is an update for all our existing funds.

Please list the Trustees or Officers (Fund Advisors) authorized by the Investor to receive statements, have online access, can request withdrawals or direct changes to the fund. At **least** two persons must be listed. Include **home** address and **original** signatures (blue ink – preferred).

Your fund advisor portal can be found at <https://kmf.fcsuite.com/erp/fundmanager>. Your email address is your login.

<p>1. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>	<p>4. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>
<p>2. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>	<p>5. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>
<p>3. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>	<p>6. Signature: _____</p> <p>Print Name: _____</p> <p>Role: _____</p> <p>Address: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Email: _____</p>

Please send the completed Fund Investment Application and the Officer Authorization Signature Form to KMF:
Kansas Methodist Foundation • P.O. Box 605 • Hutchinson, KS 67504-0605 • info@kansasmethodistfoundation.org

Office Use Only: Fund Number:

Name of Fund:

The above-named Investor, by and through its undersigned representatives, submits this Fund Investment Application and Agreement for the purpose of creating an investment fund through which the Investor can participate in a mix of Investment Funds (the "Funds") managed by the Kansas Methodist Foundation, (the "Foundation"). The Investor agrees to the following terms:

1. Parties. The parties to this agreement are the Investor named above and the Kansas Methodist Foundation, Inc., EIN 48-0697195, known as the Kansas Methodist Foundation, a Kansas not-for-profit corporation, located at 100 East First Avenue, P.O. Box 605, Hutchinson, Kansas 67504-0605. The Foundation helps maintain and further the programs and ministries of churches, affiliated organizations and agencies, and congregants of The United Methodist Church and churches, affiliated organizations and agencies, and congregants of churches related to the Methodist movement located in Kansas and Nebraska.
2. Representations and Warranties. The Investor represents and warrants as follows:
 - (a) Prior to investing in the Funds, the Investor has carefully reviewed this *Agreement* describing the Foundation and the Funds. The Investor agrees to be bound by the Foundation policies and procedures described in this *Agreement*.
 - (b) The Investor has such knowledge and experience in financial and business matters that Investor is capable of evaluating the merits and risks of an investment in the Funds, and Investor is capable of making an informed decision with respect to an investment in the Funds.
 - (c) The Investor is currently, and will be for so long as it remains an investor in the Funds, a charitable nonprofit organization exempt from federal income taxation under section 501(c)(3) or other applicable sections of the Internal Revenue Code of 1986, as amended.
 - (d) The Investor owns all funds which may be deposited in fee simple, free and clear of all liens, encumbrances and other impediments to transfer.
3. Acknowledgments. The Investor acknowledges awareness of and agrees to the following:
 - (a) Neither the Foundation nor any of the Funds are registered as an investment company, an investment adviser, or a broker-dealer under either federal or state securities laws, in reliance upon exclusions or exemptions from these laws.
 - (b) The Funds are organized and operated, at all times, exclusively for investment by churches, and affiliated organizations and agencies of The United Methodist Church and churches, and affiliated organizations and agencies related to the Methodist movement located in Kansas and Nebraska. Net earnings of the Funds may not invest to the benefit of any private shareholder or individual. All financial benefits of the Funds shall be distributed exclusively to its eligible investors to be used solely for their tax-exempt purposes.
 - (c) The Foundation has made no recommendation whether the Investor should invest in the Funds.
 - (d) The Investor will retain title to all assets it invests. The Foundation will not have title to, or any ownership interest in, the assets invested by the Investor in the Funds.
 - (e) The Investor has read and understands the risks associated with investment in the Funds as described in this *Agreement*.
 - (f) The Foundation will not make an independent determination and assumes no responsibility as to whether funds received from the Investor are endowment funds of the Investor or otherwise appropriate for investment by the Investor in the Funds. The Foundation will follow the instructions provided by the Investor in this Investment Application and Agreement regarding distributions and investments. If applicable, the Investor should refer to the gift instrument (e.g., will, letter of instruction), institutional documents (e.g., bylaws, endowment program charter, *The Book of Discipline*) and to relevant Kansas Statutes for guidance regarding the Investor's duties and responsibilities regarding the investment and use of charitable endowment funds and other financial assets administered for charitable purposes.
4. Deposits. The Investor may deposit cash or other property acceptable to the Foundation in the fund at any time, in keeping with the policies stated in this *Agreement*. Deposits should be made payable to the Kansas Methodist Foundation and mailed to PO Box 605, Hutchinson, KS 67504 and include the fund name and number.
5. Rate of Return. In accepting and handling the funds covered by this *Agreement*, the Foundation is acting as custodian and agent for the Investor and does not guarantee the principal amount, the amount of return from the investment thereof, or the payment of interest or dividends on any security or other investment in which the principal sum, or its earnings, may from time to time be invested.
6. Distributions. Distributions from the fund shall be of the type and made with the frequency indicated above. **The Investor reserves all rights and responsibilities to direct the distribution of earnings and principal from the Investor's**

fund. Only by Investor's request shall all undisbursed income be credited to the fund and reinvested by the Foundation. Notice of upon requests for withdrawal of funds, other than as scheduled in the attached Fund Investment Application, shall be given to the Foundation using the Fund Withdrawal Request form and signed by two authorized officer(s) of the Investor, as specified in the Officer Authorization Signature Form.

7. Accounting. The fiscal year of all the Foundation investment funds is the calendar year. The financial statements of the Foundation are audited annually by certified public accountants. The Foundation will provide a copy of its audited financial statements to the Investor upon request.
8. Investment Funds. In 2019 the Foundation partnered with Wespeth Institutional Investments, "Wespeth", as their investment manager. Churches and Organizations may choose their desired asset allocation from five investment pools – Balanced Fund, Equity Fund, U.S. Equity Index Fund, Fixed Income Fund, and Short-Term Income Fund. Each of these diversified investment pooled funds is tailored to meet a particular investment goal, and each pool maintains a strategic allocation among a variety of asset types and markets.
- (a) **Balanced Fund:** The Balanced Fund objective is to provide a simple option for long-term, global-diversified investments. The fund seeks to maximize the long-term investment returns, including current income and capital appreciation, while reducing short-term risk by investing in a broad mix. The Fund has a pre-specified allocation of units with a target mix of 35% U.S. Equity Fund, 30% International Equity Fund, 25% Fixed Income Fund, and 10% Inflation Protection Fund.
 - (b) **Equity Fund:** The Equity Fund, made up of all equities (stocks), seeks to earn long-term capital appreciation primarily from a broadly diversified portfolio of domestic and international equities, with a target mix of 45% U.S. Equity Fund, 20% U.S. Equity Index Fund, and 35% International Equity Fund.
 - (c) **US Equity Index Fund:** The US Equity Index Fund invests in a portfolio of common stocks as represented by the Russell 3000® index, but socially screened in alignment with the values of the church.
 - (d) **Fixed Income Fund:** The objective of the Fixed Income Fund is to earn current income by investing in a broadly diversified portfolio of fixed-income instruments. The fund holds publicly traded U.S. fixed income securities, and fixed income securities denominated in currencies other than the U.S. dollar. The fund also holds privately placed loans originated by the Positive Social Purpose Lending Program.
 - (e) **Short Term Income Fund:** The Short Term Income Fund objective is to maximize current income consistent with preservation of capital. The fund is a combination of multiple investment instruments of the Foundation. In periods of stable and falling interest rates, the short-term fund should outperform funds holding investments with shorter maturities. (e.g., renovations, capital campaign pledges, etc.)

The Investor may select the desired investment portfolio by choosing an allocation percentages (%) in any combination of the pooled funds. Total allocation shall sum to 100%.

9. Fees and Expenses. All funds held by the Foundation participate in the investment expenses paid to fund managers on a pro-rata basis. In addition, each fund is charged the Foundation's administrative fee as described in this Agreement.
- (a) The Foundation is a self-supporting service agency connected to the Methodist movement and the administrative fee partially underwrites all the Foundation services (e.g., stewardship services, estate planning services, planned giving workshops/seminars, donor consultations and engagement, training and consultations, and all administrative overhead).
 - (b) The Investor agrees to pay and authorizes the Foundation to automatically withdraw fees and expenses from Investor's fund when they are due and payable. As of November 2019, the current fee structure is as follows: Balanced Fund, Equity Fund, US Equity Index Fund and Fixed Income Funds: an administrative fee of 75bps per annum of each fund's fair market value up to \$1 million; 65bps per annum on the fair market fund value above \$1 million up to \$2 million; 50bps per annum on the fair market fund value above \$2 million up to \$5 million; and negotiable on a per fund basis for fair market values above \$5 million. Short Term Income Fund: an administrative fee of 30bps per annum of each fund's fair market value.
 - (c) Effective May 2024, all administrative fees are payable monthly on the last day of each month, based on one-twelfth (1/12) of the applicable percentage fee, times the fund's average daily balance for the month.
 - (d) All investment funds incur management fees and expenses by the Foundation's investment managers and brokers, which fees and expenses are in addition to the administrative fees paid to the Foundation.
 - (e) The Foundation is authorized to automatically withdraw the investment management fees and expenses allocated to the Investors fund. The costs of any wire transfers requested by the Investor shall be charged to the Investor's fund.
 - (f) The administrative fee is subject to change. The Investor will receive written notice of any change in the administrative fee at least sixty (60) days in advance. The Investor pays no transaction fees, charges or expenses to either make deposits in, or withdraw assets from, the Funds.
10. Reporting. The Foundation will report at least annually to the Investor regarding contributions, withdrawals, market value, and appreciation on this fund. These reports or fund statements shall be delivered to the Authorized Officers by email statement or regular mail or by online access. The Authorized Officers may be changed by the Investor at any time by a written notice including an updated Officer Authorization Signature Form (available from the Foundation office).

11. Termination/Closing Fund. This agreement may be terminated at any time upon written notice on official letterhead of the church or organization signed by two authorized officers of the Investor. As soon as possible, but no later than sixty (60) days after the effective date of any such termination/closing fund, the Foundation shall pay to the Investor all sums remaining in the fund.
12. Notices. All notices from the Investor required or permitted by this agreement shall be made in writing, signed by two authorized officers, include fund name and number, and be sent by first class US Mail to the Foundation office (P.O. Box 605, Hutchinson, Kansas 67504-0605). Notices from the Foundation shall be sent to the Investor of the Primary Contact, signed by an officer of the Foundation, and sent by first class US Mail or email.
13. Confirmation of Fund. Within ten (10) days of the receipt of this signed agreement, the completed Officer Authorization Signature Form and the accompanying initial deposit, the Foundation will send to the Investor a confirmation letter with the following information: a) fund name and number; b) designated investment fund; c) frequency and type of distributions; d) name, title and address of Primary Contact authorized by Investor to receive reports and notices; e) name and title of person authorized by Investor to receive distributions and withdrawals; and f) a fully signed copy of this agreement. The information in the letter will be deemed correct if the Investor does not give written notice of corrections or changes within ten (10) days of receipt of the letter.
14. Changes to Fund. If the Investor wishes to make changes regarding the fund (e.g., investment allocation, instructions regarding frequency or type of distributions, name or address of authorized signatories), it will provide the appropriate agreement form to the Foundation with those changes indicated. If the changes are acceptable to the Foundation, they will be implemented as soon as possible, but no later than ten (10) business days after receipt of the updated agreement.
15. Merged or Consolidated. If at any time the Investor referred to as Investor herein is lawfully merged or consolidated with any other Investor, then the merged or consolidated Investor shall succeed to the rights of the Investor under this Agreement. Any successor of the Foundation., whether through consolidation, merger or otherwise, shall forthwith become the successor the Foundation under this Agreement, and shall succeed to the possession of the assets of the Foundation and all powers, rights, discretion, obligations and immunities of the Foundation hereunder, with the same effect as through such successor were named originally as the Foundation.
16. Miscellaneous. This agreement constitutes the entire agreement of the parties, and all prior agreements or understandings regarding the subject matter of this agreement, whether written or oral, are of no further force and effect. The parties agree that the Foundation is not a bank, and that no trust is created by this agreement.
17. Publication. Unless otherwise noted in this agreement, the church/organization name can be listed in the reports and publications of the Foundation.

The undersigned officers of the above-named Investor do hereby submit this Fund Investment Application and Agreement along with the initial deposit, agree to all terms expressed herein and attest that the information provided is accurate to the best of their knowledge.

Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

Acceptance: The Foundation hereby accepts and agrees to administer the funds deposited by the Investor pursuant to the terms expressed herein.

THE KANSAS METHODIST FOUNDATION

By: _____
Kansas Methodist Foundation

Date: ____ / ____ / ____

Please send the completed forms to KMF:
Kansas Methodist Foundation • P.O. Box 605 • Hutchinson, KS 67504-0605 • info@kansasmethodistfoundation.org