

Summary Term Sheet The Common Trust Fund of the Episcopal Diocese of North Carolina

The Common Trust Fund (“CTF”) of the Episcopal Diocese of North Carolina (“EDNC”) was established in order to maximize the return on its assets in a fiscally prudent manner. Episcopal churches and institutions are invited to invest in the CTF in order to access a superior level of investment counsel and advice, to take advantage of certain economies of scale, and to capitalize on investment opportunities that would otherwise not be available to them. The CTF is currently managed by Sterling Capital Management, an investment firm specializing in endowment management for eleemosynary organizations (www.sterlingcapitalfunds.com).

Investment objective: Its Investment Policy Statement provides that the CTF will be invested with the objective of achieving consistent asset and income growth over a long-term investment horizon (10 years+). Its investment philosophy emphasizes both the preservation of capital and the assumption and management of limited investment risk to achieve a total real return (on average and net of all fees) of at least 5.0% per year over rolling 10-year periods.

Summary Terms

- Participants – Episcopal churches and institutions
- Management Fee – no fees other than those of the investment advisor and the underlying managers which are all are passed through to participants on a pro rata basis
- Minimum investment – \$5,000
- Cash contributions are invested on the first business day of each calendar quarter; cash contributions must be received 5 business days prior to quarter end; cash contributions received at other times during the quarter will be invested in a money market fund and then invested in the CTF at the immediate next quarter first business day
- Optional quarterly cash distributions – up to 1% quarterly (4% annually) of participant’s rolling 3-year average value; subject to change by the Investment Committee
- Liquidity – The CTF is managed for long term investment and is usually fully invested. Accordingly, withdrawals are permitted on the final business day of each calendar quarter with at least 60 days’ notice; however, withdrawals may be requested on the final business day of each month in the case of an emergency
- Participants requesting full redemption will receive 100% of their redemption proceeds immediately following quarter end upon completion of the final quarter end valuation; this procedure ensures fair treatment of, and accurate accounting for, all Participants.
- Participants will be invested in the CTF on a pro rata basis; please know that each participant will remain responsible for compliance with any structural requirements of their contributed capital
- Ownership – participants will be allocated “ownership units” of the CTF based on the value of their initial cash contribution relative to the overall value of the CTF
- Reporting – The CTF will provide participants with a quarterly valuation report

Administrative Items

- Contacts: Maria Gillespie, CPA the Diocesan’s Chief Financial Officer, at (919) 600-5311.
- Investment must accompany a completed Subscription Form which can be obtained from the contacts listed above