

PARTICIPANT APPLICATION AND AGREEMENT

The undersigned participant (the “**Participant**”) submits this Participant Application and Agreement (the “**Application**”) to Catholic Fraternity Fund, LLC (“**Catholic Fraternity Fund**”) to participate in the **Income Emphasis Fund, Balanced Fund, or Equity Emphasis Fund** (the “**Funds**”) under the administration of the Catholic Community Foundation. This Application may be accepted or rejected by Catholic Fraternity Fund in its sole and absolute discretion. Upon acceptance, this Application shall constitute the agreement of Participant (the “**Agreement**”)

Participant is a tax exempt Catholic charitable organization listed in the Official Catholic Directory, 2020th Edition, Page _____. Completed applications should be mailed to: Catholic Fraternity Fund, LLC, 111 Barilla Place, San Antonio, TX 78209

PARTICIPANT INFORMATION/REPRESENTATIVES

Date of Application:

Name:

Address:

Telephone Number:

EIN:

Primary Representative:

Alternate Representative:

Email:

ESTABLISHING THE ACCOUNT

The minimum initial investment amount is \$25,000. Please make Checks Payable to “Pershing, LLC”.

Amount of Initial Investment:

To be invested as follows (check the investment you wish to select):

Income Emphasis Fund _____

Balanced Fund _____

Equity Emphasis Fund _____

AUTHORIZED SIGNATURES

Your funds are subject to investment risks, including possible loss of the principal amount invested as more fully discussed in the Disclosure Statement which is incorporated herein. Withdrawals are payable by Catholic Fraternity Fund exclusively from the net assets of your Participant account. Participant shall have no claim against or any right to payment from or any interest in any assets other than the particular assets held in the Participant's account. Participant accounts are not protected or insured by the FDIC or SIPC and are not guaranteed by the Catholic Fraternity Fund, the Catholic Community Foundation, the Catholic Church, or any other person or entity.

On behalf of Participant, I have read and agree to the attached Terms and Conditions all of which are part of this Agreement.

AUTHORIZED SIGNATURES⁽¹⁾:

Date: _____, 2021

Date: _____, 2021

Signature: _____

Signature: _____

Print Name:

Print Name:

Title:

Title:

⁽¹⁾ Officers, agents or other persons acting in a representative capacity may be required to furnish with this Agreement (i) evidence acceptable to Catholic Fraternity Fund that they have the power and authority from their organization to invest in the Funds, to authorize redemptions, and to execute the Agreement, or (ii) copies of the corporate resolution (certified by the corporation's secretary or assistant secretary), power of attorney or other document pursuant to which such person acts in a representative capacity. A Participant may also be required provide Catholic Fraternity Fund a copy of a letter by the Internal Revenue Service determining that the Participant is a charitable organization exempt from federal income taxation under Section 170(c)(2) or Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

CATHOLIC FRATERNITY FUND, LLC
Participant Application and Agreement

TERMS AND CONDITIONS TO PARTICIPATION

1. **Representations, Warranties, and Agreements.** Participant represents, warrants and agrees that:

(a) Participant authorizes and appoints Catholic Fraternity Fund and Catholic Community Foundation, as administrator of the Funds, to act as agent, nominee, custodian and/or other securities intermediary on behalf of and for the account of Participant, to purchase, sell, hold, exchange, or otherwise dispose of or invest in any and all types of debt and equity securities, mutual funds, exchange-traded funds, investment trusts and other investment companies, securities or investments. All transactions in Participant's account(s) pursuant to this authority shall be solely for the benefit and risk of Participant.

(b) Participant hereby appoints Catholic Fraternity Fund and Catholic Community Foundation, as administrator of the Funds, with full power of substitution, as Participant's true and lawful attorney, agent and proxy to vote or consent to the voting of all debt and equity securities, mutual funds, exchange-traded funds, investment trusts and other investment companies, securities, investments or financial assets held for the account of Participant, with all the powers Participant would possess if personally present or voting. This proxy is irrevocable and shall continue in full force and effect until this Agreement is terminated. Proxy solicitation materials generally will not be forwarded to Participant for response or voting.

(c) Participant's account shall be deemed at all times to hold and to be credited with a property interest in the securities and other financial assets held by Catholic Fraternity Fund or Catholic Community Foundation in its name or otherwise on behalf of or for the account of Participant. Participant shall be entitled to exercise the rights that comprise the financial assets credited to Participant's account(s). However, Participant cannot assign, encumber, or otherwise transfer its account(s) or any assets held in or credited to its account(s) without the prior written consent of Catholic Fraternity Fund. Any attempted assignment, encumbrance or other transfer shall be void.

(d) Prior to investing in any of the Funds, Participant received and has carefully reviewed a Disclosure Statement describing Catholic Fraternity Fund and the Funds, including the "Risk Factors" section of the Disclosure Statement. Participant agrees to be bound by the terms of the Disclosure Statement and the fee schedule attached to this Application and any revisions thereto following reasonable notice. Participant has relied on the information contained in the Disclosure Statement exclusively. No oral representations have been made or oral information furnished to Participant or Participant's advisor(s) in connection with the offering of the Funds which are in any way inconsistent with the Disclosure Statement.

(e) The assets invested by Participant are either (1) solely for Participant's own account and not for the account of any other person or organization (such as the general endowment fund or other funds of the Participant), or (2) are invested by Participant in its capacity as a duly authorized trustee or other fiduciary with full power and authority to invest to the Funds on behalf of a trust or pooled income fund described in one of the following: (A) assets of a pooled income fund meeting the requirements of Section 642(c)(5) of the Internal Revenue Code; (B) assets contributed to the Participant in exchange for charitable gift annuities meeting the requirements of Section 501(m)(5) of the Internal Revenue Code; (C) assets of charitable remainder annuity trusts or charitable remainder unitrusts meeting the requirements of Section 664(d) of the Internal Revenue Code; (D) assets of charitable lead trusts meeting the requirements of Section 170(f)(2)(B), 2055(e)(2)(B) or 2522(c)(2)(B) of the Internal Revenue Code; or (E) assets of any trust in which the remainder interest is irrevocably dedicated to Participant or to a charitable nonprofit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code or a charitable organization described in paragraphs (1) through (5) of Section 170(c) of the Internal Revenue Code (collectively, "**Eligible Assets**"). The invested assets are not (1) from a revocable trust unless the Participant is the settlor of that trust and funds the trust only with assets that are otherwise eligible for investment in the Funds, (2) attributable to a retirement plan providing for employee contributions or variable benefits, or (3) assets in which any individual beneficiary has any interest by way of rights to income or promises of fixed or variable interest, except as permitted by a trust or pooled income fund described above.

(f) Participant's principal business address is located in the state set forth in the mailing address above, and Participant has no present intention of moving from such address.

(g) Participant is currently, and will be for so long as it remains a participant in any Fund, a charitable organization exempt from federal income taxation under Section 170(c)(2) or Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(h) Participant has such knowledge and experience in financial and business matters that Participant is capable of evaluating the merits and risks of an investment in the Funds, and Participant is capable of making an informed decision with respect to an investment in the Funds.

(i) Participant has designated on the face of this Application one or more representatives of the Participant, who shall be authorized to perform any act or discharge any duty required or contemplated under this Agreement on behalf of the Participant. Participant may update this information by means of a written instrument delivered to the Catholic Fraternity Fund from time to time. In the absence of any designation, the sole authorized representative of the Participant shall be its President, Pastor, or Trustee(s). The Catholic Fraternity Fund shall have no duty to make any independent inquiry as to the identity, office, or authority of any individual thus designated as an authorized representative of the Participant, and the Catholic Fraternity Fund shall be entitled to rely upon any written instrument signed by an authorized representative thus designated as sufficient evidence of the facts therein contained.

(j) Participant has made an independent determination to enter into this Agreement based on the Participant's investment and program objectives, the nature and scope of the assets of the Participant to be invested pursuant to this Agreement, the length of time the Participant expects to maintain its investments under this Agreement, and other factors unique to the Participant.

2. **Acknowledgments.** Participant acknowledges awareness of and agrees to the following:

(a) The Risk Factors set forth in the Disclosure Statement.

(b) The fee schedule attached hereto.

(c) No federal or state agency has made any determination as to the merits of participating in the Funds, nor made any recommendation or endorsement of the Funds. Catholic Fraternity Fund and the Funds are not registered as investment companies under the Investment Company Act of 1940, as brokers or dealers under the Securities Exchange Act of 1934, or as investment advisers under the Investment Advisers Act of 1940. The Funds are administered pursuant to a claim of exemption from registration under the Philanthropy Protection Act of 1995 ("PPA"). The failure of Participant to comply with this Agreement could jeopardize the availability of these exemptions. Catholic Fraternity Fund will not make an independent determination, and assumes no responsibility, as to whether funds invested by Participant are Eligible Assets.

(d) The Funds are organized and operated at all times for the investment and reinvestment of the Eligible Assets described above. All assets of each Participant account are held for the exclusive benefit of the eligible participant. All financial benefits of each participant account, after payment of fees and expenses from Participant's account, will be allocated and distributed exclusively to such Participant to be used solely for its tax-exempt purposes. Withdrawals from a Fund are payable exclusively from the net assets of such Participant's account. Participant shall have no claim against or any right to payment from or any interest in any assets other than the particular securities or financial assets held in the Participant account. Net earnings of the Funds may not inure to the benefit of any private shareholder or individual.

(e) In addition to fees paid by the Participant under this Agreement, each portfolio or fund in which the assets of the Account may be invested may also pay its own separate investment advisory or investment management fees and other expenses for which the participant's account will bear a proportionate share.

(f) Catholic Community Foundation, as administrator of the Funds, shall have all powers necessary or advisable to carry out the administration, management and maintenance of the Funds and Participant's account, including but not limited to the powers to: (1) buy, hold, sell or trade in securities for its own account in its capacity as administrator of, or otherwise on behalf of or for the account of, Catholic Fraternity Fund, the Funds and Participant; (2) retain the services of investment advisors, portfolio managers, custodians, agents, banks, brokers, accountants and other service providers; and (3) hold and otherwise deal with all contributions by Participant to the Funds and with all assets in Participant's account.

(g) Catholic Fraternity Fund reserves the right at any time to terminate, suspend or change the terms of the participation accounts and to impose additional fees upon 30 days prior written notice.

(h) Catholic Fraternity Fund or Catholic Community Foundation, as administrator of the Funds, may temporarily suspend the right to withdraw funds from a participant account when: (1) an emergency exists and

Catholic Fraternity Fund or Catholic Community Foundation, as administrator of the Funds, cannot dispose of investments or fairly determine their value, or the withdrawal of funds or disposition of investments would be in violation of law, impractical or prejudicial to a Participant; or (2) the Securities and Exchange Commission or other state or federal regulatory authority or a court so orders.

(i) In lieu of a cash withdrawal or cash distribution from Participant's account, Catholic Fraternity Fund or Catholic Community Foundation, as administrator of the Funds, may at its discretion make an in-kind distribution of investment securities or other property held in Participant's account based upon a good faith determination of the fair value of such securities or property to the extent such action is considered, or determined, to be necessary or appropriate in connection with the in-kind distribution.

(j) All investments bear risks that are affected by events and circumstances beyond the control of Catholic Fraternity Fund or Catholic Community Foundation. Therefore, Catholic Fraternity Fund and Catholic Community Foundation, as administrator of the Funds, cannot assure or guarantee that an investment will result in achieving particular investment objectives or that significant losses of principal or income will not occur in Participant's account(s). Neither Catholic Community Foundation nor Catholic Fraternity Fund is responsible for market or credit risk, or for errors in the exercise of judgment made in good faith. Subject to the obligation to act in good faith, neither Catholic Community Foundation nor Catholic Fraternity Fund shall have any liability or responsibility with respect to any claims, suits, actions, proceedings, judgments, deficiencies, damages, settlements, liabilities or expenses of Participant or any other person arising out of or based upon any act or omission or any other cause in connection with the administration of the Participant's account or the performance or non-performance of any duties or services under this Agreement.

(k) Catholic Fraternity Fund is a limited liability company with a nonprofit purpose that is organized and existing under the laws of the State of Texas. Catholic Fraternity Fund is organized and operated to further the purposes of its sole member, the Catholic Community Foundation, by providing the Funds for the collective investment of eligible participants.

3. **Subsequent Investments.** The terms of this Agreement shall govern the initial investment and all subsequent investments by Participant in the Funds. All representations, warranties, agreements and acknowledgements of Participant are restated as of the date of each subsequent investment.

4. **Indemnification.** Participant agrees to indemnify and hold harmless Catholic Fraternity Fund and Catholic Community Foundation and their officers, directors, employees and representatives, from and against all damages, losses, costs and expenses (including reasonable attorneys' fees) which they may incur by reason of the failure of Participant to fulfill any of the terms or conditions of this Agreement, or by reason of any breach or threatened breach of the representations, warranties, covenants or agreements made by Participant in this Agreement.

5. **Entire Agreement; Termination; Amendment; Governing Law.** This Agreement constitutes the entire agreement between Catholic Fraternity Fund and Participant with respect to the Funds, Participant's account(s) and Catholic Community Foundation's administration of the Funds. Unless previously terminated by Catholic Fraternity Fund in writing, this Agreement shall continue in effect for as long as an account for Participant is maintained with respect to the Funds. Catholic Fraternity Fund may amend these terms and conditions by providing Participant with 30 days' prior written notice, including by amendment or supplement to the Disclosure Statement or any related fee schedule. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas, without reference to conflict of laws principles.

6. **Waiver of Jury Trial.** The parties, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right any of them may have to a trial by jury in any litigation based upon or arising out of this Agreement, the Disclosure Statement, or any of the transactions contemplated by this Agreement or the Disclosure Statement. No party will seek to consolidate, by counterclaim nor otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

ACCEPTANCE:

The above Application is accepted for _____.

Dated: _____, 2021

CATHOLIC FRATERNITY FUND, LLC

By _____
Alison Cochrane

Its: CEO & President

Archdiocese of San Antonio Participant Fee Schedule

Fees will be deducted from the Participant's account on a monthly basis based on the following annual percentages, on a tapered schedule, of the account value:

<u>Account Value</u>	<u>Annual Applicable Percentage</u>
on the first \$5,000,000	0.75%
on the next \$5,000,000	0.60%
on the balance	0.45%

The minimum annual fee charged is \$200.

The Annual Applicable Percentage and the account value shall be determined based on the average of the net fair market value of the account as of the close of business on the last day of each month.

Catholic Fraternity Fund or Catholic Community Foundation, as administrator of the Funds, shall be authorized to charge such fees to the Fund each calendar month in arrears and to debit any cash or money market account balances attributable to the Fund in payment of such fees, provided that, if the Fund does not have sufficient cash or money market balances to cover such fees, then the Foundation shall be authorized to redeem securities held in the Fund in an amount necessary to satisfy the debit balance.

Catholic Fraternity Fund reserves the right to modify such fees and billing procedures from time to time upon reasonable notice to the Donor.