

DISTRIBUTION POLICY

The Greater Cedar Rapids Community Foundation's investment strategy is driven by the goals of preserving capital and honoring future generations. The Community Foundation's objective is to achieve a total return that exceeds the sum of: 1) the annual distribution rate, 2) rate of inflation and 3) the cost of portfolio management.

The current distribution rate for endowed funds at the Greater Cedar Rapids Community Foundation is 4.5%. This rate was established based on careful consideration of three key factors: 1) market forecasts, 2) understanding that a distribution rate of 5.0% would not enable the funds to realize the Community Foundation's investment objectives and 3) a desire to align the Community Foundation's distribution rate with those of the majority of community foundations nationally.

It is the policy of the Foundation to distribute from its funds an amount equal to the product of the investment portfolio's average market value for the trailing 12 quarters ending December 31st multiplied by the Distribution Rate.

For funds in their first year of existence, the distributable amount is equal to the product of the average market value for the trailing quarters ending December 31st since the fund was in existence multiplied by the Distribution Rate, prorated for the number of quarters the fund was in existence.

For funds in their second and third years of existence, the distributable amount is equal to the product of the average market value for the trailing quarters ending December 31st since the fund was in existence multiplied by the Distribution Rate.

The minimum amount of any single distribution from the Fund will be \$250.

The Greater Cedar Rapids Community Foundation is committed to providing responsible stewardship of the funds that you have entrusted to us. To that end, the Board of Directors will continue to actively review the Community Foundation's distribution policy to ensure that it meets to foundation's objectives of preserving capital to ensure a better quality of life for future generations.

***Please Note: The Community Foundation nonprofit partners are not required to take an annual distribution from Agency Funds.**