

Eden United Church of Christ Reserve Funds Portfolio

STATEMENT OF INVESTMENT POLICY

OBJECTIVES & GUIDELINES

Adopted July 9, 2017

Statement of Investment Policy, Objectives, and Guidelines Reserve Funds Portfolio – Eden United Church of Christ

GENERAL INFORMATION

Background Information

The Eden United Church of Christ Reserve Funds Portfolio was created to make the most of investable financial assets to support its holistic strategic plan. Congregational membership growth and proceeds from planned gifts are expected to generate additional revenue over time, justifying additional expenses, and creating the need for a pool of reserve funds from which to draw as the Church grows.

Scope of This Investment Policy

This statement of investment policy reflects the investment policy, objectives, and constraints of the Eden United Church of Christ Reserve Funds Portfolio.

INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that some risk is necessary to produce long-term investment results that are sufficient to meet the Reserve Funds Portfolio's objectives, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the Reserve Funds Portfolio is to emphasize both capital preservation and total return.

Spending Policy

The Reserve Funds Portfolio will serve to cover an annually designated portion of the standard, budgeted expenses of Eden United Church of Christ.

Specific Investment Goals

It is the goal of the Reserve Funds Portfolio assets to generate a rate of return that minimizes the difference between Eden United Church of Christ's income and budgeted expenses while maintaining an allocation within the guidelines in this statement.

INVESTMENT GUIDELINES

Liquidity

To maintain the ability to deal with unplanned cash requirements that might arise, a minimum of \$150,000 of Reserve Funds Portfolio assets shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

Allowable Assets

The following list is intended to give guidelines for portfolio management.

1. Cash Equivalents
 - Treasury Bills
 - Money Market Fund
 - STIF Fund
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations
 - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
4. Mutual Funds and Exchange Trade Funds (ETF)
 - Mutual Funds and ETF's which invest in securities as allowed in this statement.

5. Alternative Investments

- Limited based on liquidity, investment vehicle must have daily liquidity and full transparency.

6. Other Assets

- Guaranteed Investment Certificates (GIC's).

Prohibited Assets

1. Private Placements
2. Venture-Capital Investments

Asset Allocation Guidelines

Investment management of the assets of the Reserve Portfolio shall be in accordance with the following asset allocation guidelines:

Aggregate Reserve Portfolio Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equities	20%	50%
International Equities	10%	40%
Fixed Income	30%	60%
Alternatives	0%	20%
Cash and Equivalents	5%	10%

IMPLIMENTATION AND MONITORING OF THIS INVESTMENT POLICY

The Church Council, or a designated committee thereof, shall be responsible for the implementation and monitoring of this investment policy including asset allocation decisions, investment decisions, annual spending allocations, and the retention and monitoring of an investment consultant.

REVIEW AND AMMENDMENT OF THIS INVESTMENT POLICY

The Church Council, or a designated committee thereof, shall periodically review the effectiveness of this investment policy. The Church Council shall be authorized to amend this investment policy based on the findings and recommendations of periodic services.