

Investment Policy

May 1, 2017

Endowment Fund of the Rocky Mountain Conference of the United Church of Christ





A. Introduction

1. **Names:** This document is the “Investment Policy,” hereafter called the INVESTMENT POLICY. Companion documents are: “Gift Acceptance Policy,” and “Planned Giving and Endowment Fund Policy.” These are policies of a corporate entity and endowment fund whose name is ENDOWMENT FUND OF THE ROCKY MOUNTAIN CONFERENCE OF THE UNITED CHURCH OF CHRIST, hereafter called the FUND. This entity, which will or has applied for an IRS 501(c)(3) designation, is a non-profit affiliate of the Rocky Mountain Conference of the United Church of Christ, hereafter called the RMC.
2. **Purpose:** The Trustees of the FUND, hereafter called TRUSTEES, developed this policy to set forth these investment objectives of the FUND. It establishes guidelines and parameters for achieving those objectives. The objectives, guidelines, and parameters are not intended to be a blueprint for day-to-day investment management operations, but are designed to focus on the investment strategy for these assets, reflecting the long-term nature of the FUND and the resulting need for its protection and growth.

B. Investment Objectives

1. **Overall Investment Objective:** The primary long-term investment objective is to preserve the real (i.e. inflation adjusted) purchasing power of assets in its portfolio of investments, hereafter called the INVESTMENT PORTFOLIO. The TRUSTEES invest in a way that preserves the future purchasing power of the FUND by achieving capital appreciation and growth of income while simultaneously conforming to RMC values of Christian stewardship.

C. Standard of Care

1. When investing or administering the FUND, the TRUSTEES and any outside financial management it employs must consider the following factors, if relevant:
 - a. general economic conditions;
 - b. the possible effect of inflation or deflation;
 - c. the expected tax consequences, if any, of investment decisions or strategies;
 - d. the role that each investment or course of action plays within the overall INVESTMENT PORTFOLIO
 - e. the expected total return from income and the appreciation of investments;
 - f. other resources of the FUND;
 - g. the needs of the RMC and the particular FUND to make distributions and to preserve capital;
 - h. an asset's special relationship or special value, if any, to the charitable purposes of the RMC.
2. Decisions about an individual asset must be made not in isolation, but rather in the context of the INVESTMENT PORTFOLIO as a whole and as part of an overall investment strategy having, risk and return objectives reasonably suited to the INVESTMENT PORTFOLIO and RMC.

D. INVESTMENT PORTFOLIO Composition

1. The INVESTMENT PORTFOLIO can contain mutual funds, common investment funds, US Treasury Bonds, and the Cornerstone Fund of the UCC.



2. All assets within the INVESTMENT PORTFOLIO meet the UCF standards for Socially Responsible Investing.
3. All accounts and sub-accounts within the INVESTMENT PORTFOLIO will be invested using the same allocations.

D. Diversification

1. The INVESTMENT PORTFOLIO is diversified into at least three asset classes with at least 20% of the total INVESTMENT PORTFOLIO in each class.

E. Asset Allocation

1. The INVESTMENT PORTFOLIO to be broadly diversified in order to minimize the risk of a large loss. The following asset ranges should provide enough flexibility to meet both the long range and short-term objectives, subject to periodic review.

Domestic Equities	35%-40%
Foreign Equities	10%-30%
Fixed Income.....	20%-40%
Alternative Investments	10%-30%
Cash Equivalents.....	0%-10%
Emerging Markets	not more than 5%

2. Within the equity asset class there will be further appropriate diversification among domestic and international equities, among industries and sectors, and among market capitalization.

F. Monitoring INVESTMENT PORTFOLIO Performance

1. A composite benchmark consisting of the following market indexes weighed according to the expected target asset allocations stipulated by this INVESTMENT POLICY's investment guidelines:
 - a. Equity Policy Index:
 - i. MSCI ACWI Investable Market Index
 - b. Fixed Income Policy Index:
 - i. 85% Barclays U.S. Government/Credit Bond Index IM
 - ii. 10% S&P/LSTA Performing Loan Index
 - iii. 5% JPMorgan BGI-EM Global Diversified

Investment & External Investment Management Performance Review

1. External investment management firms are expected to be profitable and demonstrate proven earnings, a strong relative performance against style-based benchmarks, demonstrate commitment and competence at Socially Responsible Investing and provide monthly statement of assets and quarterly investment performance evaluation statements.



2. The TRUSTEES shall review INVESTMENT PORTFOLIO performance quarterly, utilizing appropriate benchmarks. Results are evaluated over a three to five year time horizon. The Fund's objective is a real return of 5%, which is a return of 5% after management net of investment management fees and adjusting for inflation.

G. Amendment of the INVESTMENT POLICY

1. This INVESTMENT POLICY has been reviewed and accepted by the TRUSTEES.
2. The TRUSTEES must approve any changes to, or deviations from, this INVESTMENT POLICY by the affirmative vote of five (5) TRUSTEES at a meeting called specifically for that purpose, and with advance notice to the Board of Directors of the RMC.

APPENDIX 1: Abbreviations in this policy

BOD - Board of Directors

BOT - Board of Trustees

FUND - The Endowment Fund of the Rocky Mountain Conference of the United Church of Christ

INVESTMENT POLICY - The investment policy of the RMC BOD

RMC - Rocky Mountain Conference

TRUSTEES - The Planned Giving and Endowment Fund Board of Trustees

UCC - United Church of Christ

UCF - United Church Foundation

