

BURNT STORE PRESBYTERIAN CHURCH ENDOWMENT INVESTMENT POLICY STATEMENT

Investment Policy: The assets of the Endowment shall be invested in a manner with the goal to achieve a long-term annual return that outpaces the Spending Formula set forth in the Endowment Policy Statement over time and that targets growing the corpus of the Endowment in order to keep up with inflation. The Endowment shall be managed by the Endowment Committee, operating under supervision of Session. To assist it in managing the Endowment, the Endowment Committee shall select an outside manager or firm to be responsible for asset selections subject to guidance from the Endowment Committee and report the name of such manager or firm to Session. To avoid a conflict of interest, the selected manager shall not be a member of the church or a relative of a member of the church. The Endowment Committee shall review the overall performance of the outside manager or firm every three years to include negotiation of fees.

The monies from each of the designated Funds of the Endowment may be commingled for investment purposes, but shall be accounted for separately for distribution of income purposes.

The following restrictions shall apply to the investment management of the Endowment:

1. The asset allocation strategy shall be as follows:

<u>Class</u>	<u>Target</u>	<u>Range %</u>
Equity	60%	55-70%
Fixed Income	40%	30-45%
Cash	0%	0-10%

2. All securities shall be readily marketable and fixed income securities shall be of investment grade.
3. Direct investment in real estate, commodities, futures, options, swaps, forwards, collateralized mortgage obligations or other financial derivatives is not permitted.
4. No specific restriction is placed on portfolio turnover, although the portfolio should not be managed for short term gains or generation of fees.
5. Borrowing of funds or securities is not permitted.
6. Security selections shall be based on ethical investment criteria as directed by the Endowment Committee.
7. The assets of the Endowment shall be held by an institutional custodian.

The Endowment Committee may add to or delete from the above restrictions with the approval of Session.

Amendments: This Policy Statement may be amended, repealed or replaced by a simple majority of Session.

Approved by Session on 10th day of November, 2015.

Amended and approved by Session on the 10th day of January, 2017.