



CEEP 2021

Investment Policy Statement Components

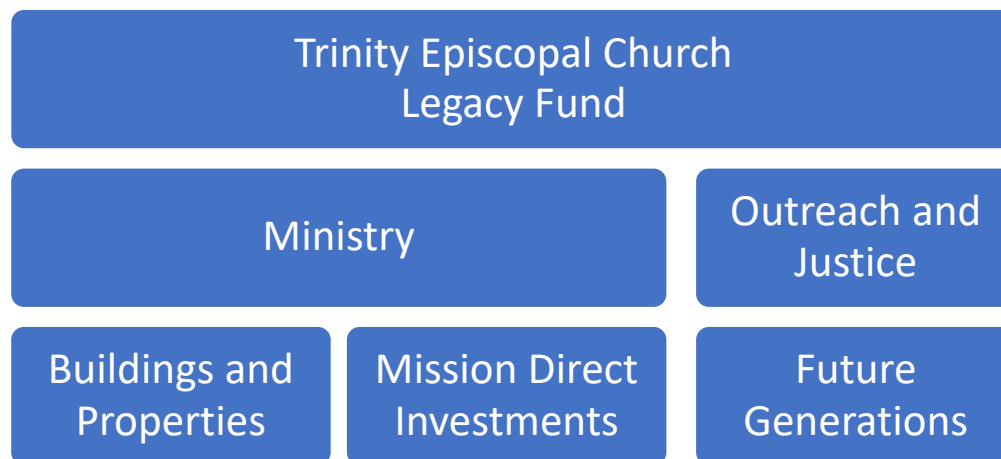
**“We can use our resources for the
realization of God’s will in the world,”
--Bishop Michael Curry**



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Case Study: Trinity Church Indianapolis - Identifying Your Investment Goals

Trinity Church identified their missions. Their Investment Policy links to achieving their goals as well as a total portfolio return objective.



Components of an Investment Policy Statement

Investment Policies Include Sections which Describe:

Purpose of Investment Policy and Values Alignment

- Purpose and Alignment
- Tax Exempt Status
- Prudent Investment Management

Governance Structures and Fiduciary Responsibilities of:

- Investment Committee Members
- Outsourced Chief Investment Officer
- Investment Advisor
- Consultant and Investment Managers
- Custodian
- Conflicts of Interest

Investment Objectives:

- Establishing Time Horizon, Expected Returns and Risk Tolerance
- Investment Objectives. Example: Attain over a rolling three-to-five-year period an average annual total return (net of fees) at least equal to the established spending rate plus inflation.
- Spending Policy: Establish a sustainable spending rate.
- Income and Liquidity Needs

Investment Guidelines:

- Asset Allocation, Target Ranges and Diversification
- Rebalancing Procedures
- Investment Managers Selection and Specific Asset Investment Guidelines
- Alternative Investment Guidelines
- Investment Liquidity Schedule and Illiquid Investment Limits
- Inclusionary and Exclusionary Environmental, Social & Governance (ESG) Guidelines
- Fees and Cost Monitoring
- Proxy Voting

Monitoring and Communication of:

- Performance
- Performance Benchmarks

Disposition of Bequests, Gift Acceptance and Accepting Donor-Restricted Funds can be a component of the Investment Policy or addressed in separate Policies.



Incorporating Faith-Based Considerations Into an Investment Policy Statement

	Faith-Based	Traditional
Purpose/ Goals	Connect Investment Policy to Missions	Establishes Investment Objectives and Guidelines
Values Alignment	Included in Investment Policy	Usually not addressed
Ethical Investment Guidelines	Proactive Inclusions for Environmental, Social and Governance (ESG) investing; Exclusions (i.e tobacco and firearms)	Are any included?
Proxy Voting	Voting proxies using Responsible Guidelines	Is the portfolio structured so that proxies can be voted?
ESG/Impact Assessment	Evaluation criteria may be included in the Investment Policy. Frequently in a separate document	Not addressed