

# Episcopal Diocese of Central Pennsylvania

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## Finance Committee

### Investment Sub Committee

#### Statement of Purpose:

The investment committee is established as a subcommittee of the Diocesan Finance Committee to focus attention of certain members of the finance committee on the oversight of investment processes and methodologies used in the investment of the endowment capital of the Diocese. The primary goal of the committee is to monitor maintenance and enhancement of the real purchasing power of the invested assets over time while producing adequate income to assist in meeting current budget needs.

Specific tasks of the investment committee will include:

1. Periodic meetings for oversight of investment professionals hired to manage Diocesan Funds and review of reports rendered including performance measurement. The committee will review investment service rendered and make recommendations to the finance committee regarding hiring and retention of managers, changes in allocation and or diversification.
2. Active determination and monitoring of appropriate allocation of invested funds in appropriate asset classes with due regard to achievement of fund goals balanced by assessment of investment risk.
3. Creation and communication of current asset allocation policy including a risk assessment and statement of probability of meeting budget needs.
4. Rebalancing of asset allocations within approved ranges giving instructions to managers for rebalancing.
5. Determination of source of funds for required distributions in excess of normal cash flow usage.
6. Enunciation and review annually of a written investment policy for approval of the investment committee.
  - a. Included in the policy but not limited to:
    - i. Definition of asset allocation objectives showing acceptable ranges
    - ii. Definition of the expected time in the investment cycle review. (i.e. 3-5 years)
    - iii. Statement of the total return goal for achievement over the investment cycle expressed in average annual return.
    - iv. Statements of asset allocation considerations (if any) not usually considered in the investment process. This may include donor designated, community based or morally constrained investments but may also include program based investments of funds designated for specific purpose or achievement.
7. In addition to Diocesan portfolio management outlined above the investment committee will be a resource to individual parishes in the diocese to help with parish portfolio management in understanding the investment process, defining the objectives for invested funds and selecting appropriate methods for portfolio investment.