



EPISCOPAL
CHURCH OF NH

Investment Policy Statement

Episcopal Diocese of New Hampshire
Diocesan Investment Fund

Investor Profile

Investable Assets	\$30,000,000+
Time Horizon	Long Term
Portfolio Restrictions	None
Risk Tolerance	Moderately Aggressive
Investment Objective	Growth
Tax Rate	N/A – Non Profit
Subject to AMT	N/A



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Roles & Responsibilities

Investment Committee

- The Committee shall review the total investment program. The Committee shall recommend and implement the investment policy, set the long-term neutral asset allocation, select the investment consultant and provide overall direction to the administrative staff in the execution of the investment policy. The Committee shall be responsible for selecting the custodian bank but shall give the Consultant discretion in hiring and firing investment managers subject to guidelines set by the Committee and stated within this IPS.

Investment Consultant

- The Consultant shall assist the Committee in developing and modifying policy objectives and guidelines, including the development of asset allocation strategies, recommendations on strategic benchmark and tactical asset allocation, and the appropriate mix of investment managers, styles and strategies. The Consultant shall have discretionary authority to hire and fire investment managers to implement the asset allocation. The Consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Committee.



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Roles and Responsibilities

Investment Managers

The duties and responsibilities of each of the investment managers selected by the Consultants include:

1. Managing the assets under its management in accordance with the policy guidelines and objectives expressed herein;
2. Exercising investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the manager's current investment strategy and compatible with the investment objectives;
3. Complying with all provisions pertaining to the investment manager's duties and responsibilities as a fiduciary. Fund assets should be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent professional investment manager, acting in a like capacity and familiar with such matters, would use in the investment of Fund assets;
4. Using best efforts to ensure that portfolio transactions are placed on a "best execution" basis;
5. Exercising ownership rights; where available, through proxy solicitations, doing so strictly for the economic benefit of the Fund;
6. Meeting with the Consultant upon request of the Consultant. Quarterly reports/updates should be provided as soon as possible after the end of a quarter.



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Roles and Responsibilities

Custodian Bank(s)

The custodian bank(s) will be responsible for performing the following:

1. Accept daily instructions from designated investment staff or the Consultant;
2. Immediately inform designated investment staff or the Consultant of additions or withdrawals from account;
3. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings;
4. Resolve any problems that designated investment staff may have relating to the custodial account;
5. Safekeeping of securities;
6. Collect interest and dividends;
7. Daily cash sweep of idle principal and income cash balances;
8. Process all investment manager transactions;
9. Collect proceeds from maturing securities;
10. Disburse all income or principal cash balances as directed;
11. Provide monthly statement by investment account;
12. Work with the investment consultant and the Fund accountant to ensure accuracy in reporting.



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Asset Allocation Information

The Episcopal Diocese of New Hampshire Investment Committee (Committee) created this Investment Policy Statement (IPS) on February 4th, 2020 with the input of the Consultant. The purpose of the IPS is to establish effective communication between the Consultant and the Committee with regard to the investment objectives and constraints, performance measurement standards, and reporting, monitoring, and communication guidelines. The asset allocation is designed to be specific, yet flexible, and it will be reviewed at least annually. Below are the ranges for each asset class:

Asset Allocation Range			
<u>Asset Class</u>	<u>Minimum</u>	<u>Neutral</u>	<u>Maximum</u>
Cash	0.0%	5.0%	20.0%
Global Fixed Income	10.0%	25.0%	35.0%
Global Hedged	0.0%	0.0%	5.0%
Global Equities	60.0%	70.0%	80.0%
Commodities	0.0%	0.0%	5.0%

The Asset Allocation mix shown above references the “liquid” investment portfolio; when appropriate, The Consultant may recommend and include private investment vehicles, which may be considered “illiquid” investments.



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Rebalancing Guidelines

1. The Neutral allocation is the guide for the comparative benchmark.
2. Rebalancing shall occur when the high-level asset class upper or lower tolerance is breached, subject to approval by the Committee.
3. Decisions to hold balances above or below tolerance bands shall be discussed and approved by the Committee.
4. Sub-asset class weights will be determined by the Consultant.



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Manager Selection

The account will be managed on a discretionary basis. However, new investments (into such vehicles as separately managed accounts, mutual funds, limited partnerships and structured notes) will be discussed with the Committee prior to investment. The selection of investments must be based on prudent due diligence procedures. The following elements, along with other criteria, will be considered in selecting an investment:

Manager Criteria

- Manager investment style and discipline
- Manager background and experience
- Firm risk management policies and procedures
- Past performance considered relative to the other investments having the same investment objective (consideration shall be given to both performance rankings over various time frames and consistency of performance)
- Historical volatility and implied downside risk
- How well the investment complements other assets in the portfolio
- Cost relative to perceived value
- The likelihood of future investment success relative to other opportunities



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Performance Measurement

The portfolio and specific manager performance will be reviewed against appropriate benchmarks on an on-going basis. The Consultant will meet with the Committee periodically, at least once a year, to review performance and discuss any action items. Manager performance will be evaluated against the appropriate benchmark and peer-group. The table to the right shows investment categories, benchmarks and peer-group assignments, typically used.



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Investment Category	Benchmark	Peer Group
Cash		
Global Fixed Income	BofAML Global Broad Market Index	
Traditional Fixed Income	BofAML Global Broad Market Index	
Municipal Bonds	BofAML Muni Master Index	Muni National Interm Bond
Domestic Taxable Bonds	BofAML US Broad Market Index	Intermediate-Term Bond
International Bonds	BofAML Global Broad ex-US Index	World Bond
Inflation-Protected Bonds	Barclays US TIPS Index	Inflation-Protected Bond
Non-Traditional Fixed Income	BofAML Global Broad Market Index	
High Yield/Below Invest. Grade Bonds	BofAML High Yield Master II Index	High Yield
Flexible/Global Bonds	BofAML Global Broad Market Index	Nontraditional Bond
Global Hedged	HFRX Global Hedge Index	
Absolute Return	HFR1 FOF Conservative Index	HFR1 FOF Conservative
Hedged Equity	HFR1 FOF Strategic Index	HFR1 FOF Strategic
Global Equities	MSCI ACWI Index	
US Large Caps	Russell 1000 Index	
Core	Russell 1000 Index	Large Cap Blend
Large Cap Growth	Russell 1000 Growth Index	Large Cap Growth
Large Cap Value	Russell 1000 Value Index	Large Cap Value
US SMID Caps	Russell 2500 Index	
SMID Cap Growth	Russell 2500 Growth Index	Small/Mid Cap Growth
SMID Cap Value	Russell 2500 Value Index	Small/Mid Cap Value
REITs	FTSE EPRA/NAREIT Dev Index	Global Real Estate
Developed International Equities	MSCI EAFE Index	
International Large Caps	MSCI EAFE Index	International Large Cap
International SMID Caps	MSCI EAFE Small Cap Index	International Small/Mid Cap
Emerging Markets Equities	MSCI Emerging Index	
Emerging Markets	MSCI Emerging Index	Emerging Markets
Emerging Markets Small/Mid Caps	MSCI EM Small Index	Emerging Markets
Asia ex Japan	MSCI AC Asia ex Japan Index	Pacific/Asia ex-Japan Stock
Frontier/Emerging Small Countries	MSCI Frontier Emerging Market Index	Emerging Markets
Commodities	Bloomberg Commodity Index	
Commodities	Bloomberg Commodity Index	Commodities Broad Basket
MLPs	ALPS Alerian MLP ETF Index	Energy Limited Partnership
Private Investments		
Private Equity/Venture Capital	Cambridge Private Equity Index	Cambridge Private Equity
Private Real Estate	Cambridge Real Estate Index	Cambridge Real Estate
Private Credit	BofAML High Yield Master II Index	HFRX Fixed Income-Credit

Performance Measurement – Blended Benchmark 3

The portfolio performance will be compared against the following blended benchmark allocation:

- 5% ICE BofAML US 3 Month T-Bill Index
- 25% BBG Barclay's Global Aggregate Bond Index
- 50% Russell 3000 Index
- 15% MSCI EAFE Index
- 5% FTSE Emerging Markets Index



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Investment Manager Oversight & Asset Allocation Review

The Consultant's approach to investment manager oversight and reviewing the asset allocation of your portfolio shall include the following:

Investment Manager Oversight

- The Consultant will maintain a list of approved investment managers.
- The Consultant will maintain a watch list for any approved investment manager that begins to fall below certain rankings relative to its particular universe or experiences any other change about which there could be a material concern.
- Managers whose trailing three-year returns fall below their relevant peer group median will automatically be subject to review by the Consultant.
- No new assets will be invested with a manager that is on the watch list.
- Investments can remain on the watch list for up to two quarterly data periods, at which time the Consultant will either remove the manager from the approved list altogether or, based on sufficient improvement, reinstate the manager as an approved investment without restriction. In rarer circumstances, the Consultant may allow the watch list period to extend beyond two quarterly data periods.

Asset Allocation Review

- On a periodic basis (at least annually), the Consultant will review the continued appropriateness of your strategic asset allocation.
- On a periodic basis (at least annually), Consultant will recommend rebalancing the portfolio if it shifts outside the strategic allocation parameters.



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Signature Page

This Investment Policy Statement has been reviewed and agreed to by:

Investment Committee:

x William M. Snow 2/4/2020
Date

x [Signature] 2/4/20
Date

**Investment Consultant
RINET Company, LLC:**

x Brian Perath 2/4/2020
Relationship Manager Date

