



Investment Agreement-NEW Investment
Investment Fund of The Episcopal Church in the Diocese of Northern California

From: _____
(Name of constituent organization)

Check Deposit

Amount: \$ _____ Check #: _____ payable to U. S. Bank

Wire Deposit *

Do not instruct your bank to wire funds until you have received established new account number(s).

*Your Parish bank MAY charge you a \$15 plus or minus fee for making this selection to transfer funds.

US Bank information

104790895775

09100022

U.S. Bank IT&C California

Attn: Jo Ann Shaw

This deposit is an initial investment in our *(Enter your church fund)* _____

account number TBA to be invested \$ _____ in the Cash Fund,

\$ _____ in the Bond Fund, \$ _____ in the Balanced Fund, \$ _____ in the ESG (D) Fund.

This investment is made in accordance with the terms set forth below and I the undersigned acknowledge that on behalf of the above named investor I am authorized to receive and have in fact received a copy of the Disclosure Regarding Investment for the Investment Fund of the Episcopal Church in the Diocese of Northern California dated October 22, 2014.

Dated: _____ Signed: _____ Printed Name: _____

Dated: _____ Signed: _____ Printed Name: _____

Note 1: This form should be signed by Clergy person or Senior Warden and Treasurer.

Note 2: Complete this form, sign it (this form requires two signatures), and send the form to Kati Braak (kati@norcalepiscopal.org). When you receive a new account number from the diocese, use that new account number and wire instructions above to instruct your bank to wire the deposit amount.

PRINT THIS PAGE AND YOUR SIGNED RESOLUTION, AND FORWARD IT TO KATI BRAAK AT [KATI@NORCALEPISCOPAL.ORG](mailto:kati@norcalepiscopal.org) WITH YOUR DEPOSIT. RETAIN THIS WHOLE DOCUMENT FOR YOUR RECORDS.

Terms of New Investment

1. Investment. This deposit is an investment to be held, invested, and reinvested in accordance with the terms of this Agreement, in accordance with the terms of the Investment Fund Statement (IFS) received by Investor upon creation of the account to which this Investment is added and any modifications thereto notice of which The Episcopal Church in the Diocese of Northern California, a California corporation (Diocesan Corporation) has given to Investor, and in accordance with the terms of the Disclosure Regarding Investment attached hereto as **Exhibit A** (the “Disclosure”). Exhibit A is made a part of this Agreement. The Diocesan Corporation reserves the right, in its sole discretion, to move the Diocesan Investment Fund, including the Investment, to a different custodian, at any time.

2. Purpose. The Investor makes the Investment solely for the purpose of participating in a collective investment pool and the Diocesan Corporation hereby agrees that the Investment will be held and administered pursuant to the terms of the IFS.

3. Investment Impressed with Charitable Trust. The Purpose in Paragraph 2, above, constitutes a restricted purpose and the Investment is subject to a charitable trust whereby the Diocesan Corporation owns legal title to the Investment while the Investor has retained equitable ownership. This Agreement, however, does not create a separate legal entity in trust form.

4. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

5. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior negotiations, correspondence, understandings, letters of intent, and agreements between the parties regarding the subject matter hereof.

6. Amendment. This Agreement may not be amended, except in a writing signed by the parties (or their legal successors); provided, however, that the Diocesan Corporation may amend the IFS in accordance with the IFS and any such amendments shall become effective upon the Diocesan Corporation providing notice of such amendments to the Investor.

7. Severability. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

Step 1 - Send a copy of page 1 and your signed resolution to Kati Braak at kati@norcalepiscopal.org

Step 2: When the account number is established, we will inform you so that you can proceed with informing your bank.

EXHIBIT A
DISCLOSURE REGARDING INVESTMENT
IN THE
INVESTMENT FUND
OF
THE EPISCOPAL CHURCH IN THE DIOCESE OF NORTHERN CALIFORNIA
Dated October 22, 2014

1. Introduction. The funds of your investment will be invested together with other funds invested in the Investment Fund of The Episcopal Church in the Diocese of Northern California (the “Fund”). The Fund and The Episcopal Church in the Diocese of Northern California, a California corporation (the “Diocesan Corporation”) are exempt from registration under federal securities laws, pursuant to an exemption for collective investment funds maintained by charitable organizations. This statement is intended to disclose the material terms of the operation of the Fund.

2. Description of the Fund. The Fund is a charitable program of the Diocesan Corporation and is organized and operated in accordance with the Investment Fund Statement as it may be amended from time to time. The total asset value in the Fund as of September 30, 2014 is \$18,871,026.68.

3. Names and Addresses. The Fund is maintained by the Diocesan Corporation. U.S. Bank, 1 California Street, Suite 1000, San Francisco, CA 94111 currently has custody of the Fund assets. The Diocesan Corporation works with HighMark Capital Management, c/o Sean McGuinn, 350 California Street, 16th Floor, San Francisco, CA 94104, its current investment advisor(s). Under the supervision of the Board of Trustees of the Diocesan Corporation, the Investment Fund Committee directs and supervises the Fund’s investments.

4. Investment Objectives. The Fund is invested in accordance with Uniform Prudent Management of Institutional Funds Act, Section 9250 of the California Nonprofit Religious Corporation Law, and the Investment Policy of the Diocesan Corporation. The current Investment Policy is set forth in **Schedule A** attached hereto.

5. Contributions/Withdrawals. Contributions to and withdrawals from the Fund are made in accordance with the Investment Fund Statement, a copy of which was attached to your Investment Agreement.

6. Fees. Fees and expenses are allocated in accordance with the Investment Fund Statement.

7. Reports. The Investment Fund Committee, acting at the direction of the Board of Trustees of the Diocesan Corporation, will provide investment statements as provided in the Investment Fund Statement.

8. Other items. Further information on the operating and management of the Fund are set forth in the Investment Fund Statement.

9. Conclusion. Constituent Organizations are advised to review the risks and other aspects involved in participating in the Fund with an investment or other advisor.

SCHEDULE A
INVESTMENT POLICY

INVESTMENT POLICY

OF THE
Investment Fund of the of
Episcopal Church in the Diocese of Northern California

Adopted October 31, 2013 to be effective January 1, 2014. Amended August 23, 2014, effective immediately. Supersedes all previous policies.

Amended August 20, 2016, supersedes all previous Investment Policy Statements

Amended November 19, 2020, supersedes all previous Investment Policy Statements. Approved by Board of Trustees March 24, 2021

DESCRIPTION OF THE FUND

- A. The Investment Fund was established by the Bishop of the Episcopal Diocese of Northern California and the representatives of the Diocese at the Annual Convention of the Diocese on November 8, 2013. It succeeded the Episcopal Church in the Diocese of Northern California Endowment Trust.
- B. The operation of the Investment Fund is described in the Investment Fund Statement approved by the Bishop and Convention. Responsibilities are assigned to the Board of Trustees of the Diocese and to the members of the Investment Fund Committee, which hereby adopts this Investment Policy.
- C. The members of the Investment Fund Committee are appointed by the Bishop and the Board of Trustees of the Diocese. The number of members is specified in the Investment Fund Statement. Members are appointed annually with no limitations on length of service. A member may be removed by the Board of Trustees at any time.
- D. The Diocese is a 501(c) (3) organization and is subject to the rules and tax laws governing US tax-exempt foundations. The Investment Fund is therefore tax-exempt and subject to these same laws and regulations.

E. This Investment Policy will be consistent with State and Federal Laws and Regulations. The Investment Fund Committee intends to manage the Investment Fund in a manner consistent with the principles established by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). :

- The Investment Fund will be operated in accordance with its provisions and Investment Fund documents, including its bylaws.
- In 2008, the California legislature passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA), defining trustee fiduciary and investment duties. UPMIFA provides guidance on asset classification of donor-restricted funds. It also lists other governing principles reflecting accepted elements of modern portfolio theory and standards of performance; including diversification and covariance, as well as risk and return analysis.
- Fiduciaries of the Investment Fund will act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor, acting in a like capacity and familiar with such matters, would use.
- The Trustees will review this investment Policy annually to determine if modifications are necessary or desirable. If modifications are made, they will be communicated in writing on a timely basis to all fiduciaries and approved by a majority vote of current Trustees.
- All investment transactions undertaken on behalf of the Investment Fund will be made solely in the interest of the Investment Fund.
- Whenever a fiduciary believes this investment policy statement should be altered, it is the responsibility of that fiduciary to initiate written communication to the Investment Fund Chair and Executive Director.

F. The Investment Fund Committee is permitted to hold and invest funds on a short-term and long-term basis consistent with the needs of the Diocese, the Episcopal Foundation of Northern California (EFNC) and participating congregations, collectively known as Constituent Organizations. The Investment Fund Committee sets the fund investment and management guidelines, selects investment Money Managers and advisors and monitors investment results.

G. The Investment Fund Committee makes secured loans to congregations and individuals in the Diocese and sets the loan conditions and interest rates. These loans must be consistent with the policies of the Diocese. Loans secured by the real property of any parish, mission, congregation, or institution shall be approved by the Bishop and Standing Committee. Secured loans to individuals and missions shall be approved by the Bishop and the Board of Trustees.

I. STATEMENT OF PURPOSE

This document establishes the Investment Policy of the Investment Fund. Its purpose is to:

- A. Set forth the investment objectives, risk tolerance, liquidity needs, investment philosophy and approach, allocation targets, policies regarding fund flows, monitoring and rebalancing, that the Investment Fund Committee judges to be appropriate and prudent and to serve as a guide for the ongoing oversight of the investment assets.
- B. Communicate these investment objectives, policies, and performance criteria to the Board of Trustees, the Diocese, Constituent Organizations, investment advisors, fund custodians and other interested parties as appropriate
- C. Establish the criteria by which investment advisors, consultants and Money Managers are selected, measured, retained and/or terminated.
- D. Establish the criteria by which Diocesan real estate and personal loans to parishes and clergy proposed to the Board of Trustees are made.

II. DUTIES AND RESPONSIBILITIES

In addition to the policies defined herein, the Investment Fund Committee will cause the funds to be invested in accordance with this investment policy and in a manner that provides the diversification of investment vehicles and safeguards that a prudent investor would adhere to.

Those responsible for the management and administration of the Investment Fund's investments include, but are not limited to:

- A. **The members of the Investment Fund Committee** are responsible for:
 - Overseeing the management of all investments;
 - Providing for the implementation, review and modification of this Policy;
 - At no time shall an Investment Committee member direct or control any transactions of the Investment Fund portfolio as this is a direct conflict of interest.

Revised: November 2020

After entire Investment Committee approval; a delegated individual on the committee may direct the Investment Advisor or custodian to complete an agreed upon transaction.

- Communicating this Investment Policy and performance expectations to the investment advisor, to Money Managers and to investors;
 - Monitoring and evaluating performance of the investment Money Managers and Advisor;
 - Taking reasonable action to replace investment advisors, Money Managers and custodian or Trustee as necessary.
- B. **The Custodian/Trustee** is responsible for collecting, holding and safeguarding the Investment Fund's assets and providing accurate and timely reporting to the Diocesan accounting Department as well as certain administrative functions as required by the Diocese.
- C. **Investment Advisors**, are responsible for:
- a. Recommending to the IC, investments that are consistent with this Investment Policy, and the investment advisory agreement as well as monitoring the adherence of fund Money Managers to the investment parameters described in prospectuses;
 - b. Implementing security and Professional Money Manager selection and timing of purchases and sales within the guidelines set forth by the Investment Fund Committee ;
 - c. Complying with all applicable laws, rules and regulations;
 - d. Keeping the Investment Fund Committee and the custodian Trustee informed of any material change in personnel, investment strategy, and/or other pertinent information;
 - e. Providing accurate and timely reporting;
 - f. Determine the timing and degree of portfolio rebalancing; and
 - g. Be Party to selecting a trustee/custodian to account for and be custodian of Investment Fund's assets.
- D. **Investment advisors and consultants**, will advise the Investment Fund Committee about market trends, investment strategy and policy; conduct investment performance

measurement of the Funds and its investment Money Managers; and conduct other projects as mutually agreed upon with the Investment Fund Committee.

III. INVESTMENT PHILOSOPHY AND OBJECTIVES

The assets of the Investment Fund are to be invested in accordance with the objectives summarized below:

- A. Optimize return within reasonable and prudent levels of risk; The 'A' Fund's aggregate risk parameters, as measured by portfolio volatility and beta (risk related to market as a whole), should be similar to or lower than those of a passive portfolio allocated 60%, to the S&P 500 stock index and 40% to the Barclay's Aggregate bond index or some other methodology for assessing the risk inherent in the portfolio as may be determined by the Investment Fund Committee and/or Investment Advisor from time to time.
- B. The Investment Fund serves different constituencies in the Diocese that have different investment goals, risk tolerance, and cash flow needs. Some may desire long-term growth of investments with an investment horizon of 5-10 years and may tolerate an acceptable level of risk and volatility. These investors may or may not have cash flow needs. Others may have cash flow (payout) needs and desire a shorter-term horizon of five years or less with little tolerance for volatility (risk). Others may have short term spending needs and will desire full liquidity and minimal risk. The Investment Fund Committee will attempt to meet all of the needs in the Diocese through the establishment of Four separate funds each designed to meet particular goals. Investors may use a combination of these funds at their discretion to meet their individual investment goals.
- C. The Investment Fund has a unique role in setting aside a portion of the fund for the purpose of providing loans for capital acquisition or improvements by congregations in the diocese as well as loans to clergy of the Diocese as approved by the Board of Trustees and the Standing Committee. This is discussed in more detail below.
- D. Overall the Investment Fund Committee seeks long-term future growth of investments while incurring an acceptable level of risk. It is hoped that the investment income, when combined with any appreciation, will be enough to offset payouts and provide net growth to the fund. The fund will also seek an allocation strategy to protect it to the extent practical from the potentially severe adverse effects of an extended deflationary, extreme inflationary, or downturn in the equity and bond markets environment.
- E. The Investment Fund Committee believes that the investment objectives of the Investment Fund can be realized by relying on some external investment experts to manage

fund assets within the overall framework of the portfolio as prescribed by the Investment Fund Committee. Any external investment Advisors are expected to promptly advise the current members of the Investment Fund Committee of any material change in their investment philosophy, leadership, decision-making structure, or principal investment personnel.

- F. The members of the Investment Fund Committee may instruct an Investment Money Manager to invest the assets among a diversified selection of equities, equity funds including but not limited to domestic, international, and emerging markets, real estate funds, bonds, bond funds, balanced funds, money market funds, fixed income, and Diocesan real estate loans and cash. A small amount of loans to clergy of the Diocese are also permitted. See the discussion below under these specific funds.

While there cannot be complete assurance that the objectives of this Investment Policy will be realized, it is believed that the likelihood of their realization is feasible based upon this policy and historical performance of the asset classes discussed herein.

IV. ASSET ALLOCATION TARGET AND RANGES

Investment assets are invested among four funds, the (A) Fund, (B) Fund, (C) Fund and (D) Fund.

‘A’ Fund, hereafter known as the *Balanced Fund*

The primary goal of the Balanced Fund (A) is growth of principal and production of income with a moderate risk tolerance. It is expected that dividend and interest income will comprise a portion of the total return. The market value of the principal will be subject to fluctuations. The time horizon for the A Fund is 5 to 10 years. The Fixed Income portion of the A Fund portfolio includes Diocesan approved secured Real Estate loans and a very small proportion of secured personal loans to Diocesan clergy.

The A and D Funds will be invested in the following asset classes ranging between a minimum and a maximum of total Fund assets as shown below. To facilitate cash needs, small amounts may be held in cash or money market funds, typically in a range from 0% to 10% of (A) (B) or (D) Fund assets.

A more detailed asset allocation schedule is contained in Exhibit A.

Asset Class	Target	Minimum/Maximum
Equity	60%	55%-75%
Alternatives/REITS	10%	0-10%
Fixed Income	30%	20-40%
Cash	5%	0-10%

‘B’ Fund hereafter known as the *Income Fund*

The (B) Fund will be invested predominantly in bond funds and may provide higher interest rates than the (C) Fund. It is designed to produce a reasonably reliable flow of income with minimal risk of loss of capital. It will be interest rate sensitive and subject to some fluctuations. The time horizon for the B Fund is 2 to 5 years.

‘C’ Fund, hereafter known as the **Money Market Fund**

The *Money Market Fund* may be deposited in money market funds or FDIC bank cash account (s). A portion may be invested in short term bond funds with a time horizon of one to no more than 3 year duration. This fund account is designed to provide liquidity with very modest expected returns for investors who will need access to their funds within short time periods or who need a place to put funds while making decisions about investments in the other funds.

‘D Fund hereafter known as the ESG Diversified Fund

The “D” Fund will be solely devoted to ESG (Environmental, Social, and Governance) investing in a proactive way. The fund aims to be Investing in companies based on current ESG scores & ratings- provided by the United Nations Principles for Responsible Investment Policy. Priority is to generate returns while also avoiding misaligned companies and engaging companies to increase their social responsibility. The Fixed Income portion of the D Fund portfolio includes Diocesan approved secured Real Estate loans and a very small proportion of secured personal loans to Diocesan clergy.

Revised: November 2020

The Asset Allocation asset classes and ranges will be similar to the Balanced Fund A. Detailed asset allocation and indexes schedule is contained in Exhibit A.

The D fund will be available to invest into, as of 2021.

If the asset allocation of the *Balanced Fund* or the *ESG Balanced Fund* diverges from those limits depicted in Attachment A, the Investment Fund Committee members or their designee will direct the Investment Advisor to implement the rebalancing of assets across asset classes and investment management portfolios at a minimum of semi-annually.

V. MANAGER, FUND, ASSET CLASS AND INVESTMENT MONEY MANAGER RISK/RETURN OBJECTIVES

The Investment Fund Committee members will periodically review the investment Money Managers' progress in meeting their investment objectives. The investment rate of return and risk objectives for each investment Money Manager or mutual fund shall be evaluated based on the rate of return over rolling three and five-year periods as compared to appropriate benchmarks and other comparisons/Indexess as deemed valuable by the Investment Advisor.

The investment objectives and performance benchmarks for each asset class are described in Exhibit A, attached.

VI. INVESTMENT ADVISOR SELECTION PROCESS

The investment Advisor selection process will include a review of the investment objectives, review of selected Advisors that fit those criteria, selection of Advisors, and regular monitoring after Advisor selection. The following criteria, though not exhaustive, shall be used when choosing investment Advisor(s):

- a. Portfolio Management- The investment Advisor and investment firm should have sufficient experience and resources to provide confidence—the selected Advisor (s) can provide competitive risk and return in the current investment environment for a reasonable period of time going forward.
- b. Process- The investment Advisor should adhere to its stated style and investment objectives as outlined by the investment Advisor and mutual fund prospectus, if applicable.

- c. Fee- All investment Advisors and investment vehicles utilized will have expense levels that are reasonable and competitive.
- d. Other- Other available measures of Advisor performance will be utilized including comparing the investment Advisor's performance to a peer universe.
- e. It is the duty of the Professional Investment Advisor to research, implement and report these processes of Money Managers and Funds selected or terminated. The Investment Advisor shall then report these findings to the Investment Committee whenever a change in Money Manager is made in the portfolio (account).

VII. GUIDELINES FOR SECURITY HOLDINGS

The members of the Investment Fund Committee recognize that, due to the current level of assets in the funds, the funds may be invested in a pooled investment vehicle such as a mutual fund or commingled fund. In the case of pooled vehicles, the prospectus would serve as the overall guide for prohibited and permitted securities. In the event that the Fund invests in any separate managed portion of individual stocks or bonds by selection of an individual equity or bond Money Manager, as fiduciaries the following guidelines will apply:

- a. **Non-Individual Security Holdings:** In addition to direct investment in individual securities, commingled trusts, mutual funds and other pooled asset portfolios are acceptable investment vehicles.
- b. **U.S. Equity Security Holdings:** Equity holdings shall be restricted to readily marketable securities of corporations that are actively traded on major exchanges. There is no minimum market capitalization for holdings of individual issues.
- c. **Non US Equity Security Holdings:** Non-US equity holdings shall be highly liquid securities issued by corporations headquartered in countries included in the Morgan Stanley Capital International Europe Australia Far East Index and Canada (MSCI EAFE Index)
- d. **Global Fixed Income Security Holdings:** Fixed income investments shall be marketable securities that may include, but not necessarily be limited to US Treasury, Federal Agencies and US Government guaranteed obligations, and corporate issues including convertibles. Non US debt may include a small portion of Emerging Markets or Developed Countries Debt outside the US.
- e. **Diocesan Approved Real Estate and Personal Loans:** Current participants in the *Balanced Fund* have previously agreed that the Fund may hold loans to congregations in

the Diocese secured by real estate and approved by the Bishop and Standing Committee in an amount up to one third (1/3) of the total assets of the *Balanced Fund (A)* the *Income Fund (B)* and the *ESG Fund (D)* combined. The Investment Fund Committee will monitor the funding of these loans to ensure that in aggregate they fall within the 1/3 of total assets criteria at the time they are funded. Within this third, the funds may also hold a portion of the *Balanced Fund* and /or *ESG Fund* as secured personal loans to clergy of the Diocese as approved by the Bishop and the Board of Trustees and reviewed annually.

f. **Cash Holdings:** It is the policy of the Investment Fund Committee to have each investment portfolio fully invested to the maximum extent possible. It is understood that the investment Advisors at any point in time may not be fully invested. While the investment Advisor's assets may be partially invested in cash equivalents, for asset allocation purposes, these funds shall be considered invested in the asset classes of the respective Advisors. In turn, each Advisor's performance will be evaluated on the total amount of assets under its direct management.

g. **Prohibited Investments:** The Investment Fund Committee prohibits investment in the following assets or type of assets unless utilized via a publicly traded Mutual Fund:

1. futures, options or option strategies used for other than defensive and hedge strategies undertaken to preserve principal;

2. Short sales, warrants or margin transactions, or any leveraged investments

3. Commodities or commodity contracts

4. Any securities which the Investment Fund Committee specifically prohibits by written notice.

Prohibited Transactions in all cases:

5. Securities of the investment Advisor, the custodian bank, their parent or holding companies, and any related subsidiaries, with the exception of the short term investment funds of the custodian as in money market or bank savings accounts.

6. Letter stock, private placements or direct placements, and other unregistered equity securities;

h. **Diversification and Asset Allocation:** Investments shall be diversified with the intent to minimize the risk of large losses. Consequently, the combined investment portfolios will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings.

No single asset class, investment style, or strategy can consistently outperform. Therefore, assets will be diversified appropriately using Modern Portfolio Theory concepts, as required by UPMIFA.

The asset allocation decision significantly affects the long-term rate of return and volatility of the invested assets. The asset allocation of Funds A & D should reflect a proper balance of the needs for liquidity, diversification and risk aversion. The target asset mix, consistent with the achievement of the long-term objectives implies a balanced investment approach of a total 60% equities and 40% Fixed Income allocation of the entire portfolio (or 70% Equities and 30% Fixed Income depending on the needs and environment of the funds.) The asset classes and ranges are listed in Exhibit A.

I. Execution of Security Trades: The Investment Fund Committee expects the purchase and sale of securities to be made through responsible brokers in a manner designed to receive the best combination of realized prices and commission rates.

J. Environmental Social and Governance Investments: As Fiduciaries, this committee and Investment Policy Statement must make decisions in the best interest of all beneficiaries regardless of individual parish, or personal preferences or values. However, a parish MAY direct the Investment Fund Committee to invest the particular funds of that Parish to be in a diversified account which follows the UN Principles of Environmental, Social and Governance guidelines. The Parish in so doing this direction, makes the Investment Fund Committee and the Diocese of Northern California DIRECTED AGENTS; only for this investment direction. All other Fiduciary Responsibilities and requirements on the part of the Investment Committee and Diocese stand as with the Funds A, B and C.

For informational purposes only, the following definitions are what guide the investment selection rather than a list of companies that may or may not be held at any one time in history:

Environmental: How a company performs as a steward of the natural environment. Examples include a company's carbon footprint (climate change), energy sources (natural resources), and pollution standards.

Social: A company's relationship with its stakeholders, predominantly employees. Examples include working conditions, employee diversity, product safety, and data privacy/security.

Governance: The quality of a firm's governance practices from the perspective of its shareholders. Examples include executive compensation, Board structure, and accounting standards.

VIII PERFORMANCE MONITORING GUIDELINES/REVIEW FOCUS

The Investment Fund Committee will review the performance for the Funds quarterly in total and for each asset class and investment Advisor against appropriate benchmarks. It is not expected that this Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in the Investment Policy.

The ongoing monitoring of investments is the mechanism for revisiting the investment Advisor selection process. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

As Fiduciaries, the Investment Committee, will however, review this policy no less than every three years for changing needs of the Investment Fund, current law or investment opportunities or risks. There is no requirement that under this review the policy has to be changed—it does need to be documented as to date of review.

IX. FIDUCIARY LEVELS:

Fiduciary Level	Policy Portfolio Objectives Asset Allocation Spending Policy	Strategy Asset Class Strategies & Structure	Management Manager Selection and Implementation	Execution Security Selection	Control Review for Compliance vs. Objectives
Board of Directors	Decides	Informed	Informed	Informed	Informed
Investment Committee	Oversees	Oversees	Oversees	Informed	Oversees
Investment Advisor	Recommends	Decides	Decides	Oversees	Reviews Money Manager Decisions
Money Managers		Consulted		Decides	Compliance

X INVESTMENT ADVISOR TERMINATION

There are no hard and fast rules for Advisor termination; however, if an investment Advisor has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the investment portfolio Advisor, within a reasonable time, may be grounds for termination.

The Responsibility of the Investment Advisor is to review and present any recommendation to terminate an investment fund manager and will be treated on an individual basis, and should not be made solely based on quantitative data. In addition to those above, other factors may include turnover in professional staff or clients or material changes in investment processes. Considerable judgment must be exercised by the Investment Advisor in the termination decision process.

Revised: November 2020

XI. REPLACEMENT OF AN INVESTMENT ADVISOR PROCESS:

Should it be necessary to terminate the current Investment Advisor the Investment Committee shall cause a request for proposal (RFP) to be established and the Investment Committee shall then interview and decide between no less than 3 professional proposals. The policies of this Investment Statement and the guidelines of UPMIFA and Modern Portfolio Theory are to be the criteria for proposal content.

XII. SUMMARY AND SIGNATORIES

This statement is intended as a guideline rather than a rigid statement of policy from which there can be no deviation. However, it is anticipated that any significant deviations will be brought to the attention of the members of the Investment Fund Committee on a timely basis. Likewise, the members may make changes in this statement from time to time, receive approval from the Board of Trustees and will provide the investment Advisor with revisions in a timely manner.

_Sharon Morrison_____

Investment Fund Committee Chair

_March 24, 2021_____

Date

Bishop of the Episcopal Diocese of Northern California

Date

Investment Advisor

Date

Secretary, Board of Trustees

Date

EXHIBIT A

Investment Fund Committee

ASSET ALLOCATION AND INVESTMENT OBJECTIVES FOR BALANCED FUNDS A & D

For the purposes of this Policy, cash in individual Advisor portfolios is considered part of the individual Advisor's allocation.

Investment Objectives	Min	Target	Max	Benchmark
Fixed Income/Investments: Provide income through a diversified fixed income portfolio that may include inflation-protected securities, global fixed income and emerging market debt		13%	30%	Barclay's Capital Aggregate Bond Index and/OR Barclays US Aggregate Index
CASH: Cash may make up to 5% of this allocation with a range of 0-10%	0	5%	10%	iMoneyNet taxable
Investment Objectives	Min	Target	Max	Benchmark
Fixed Income/Real Estate & Personal Loans	5%	17%	33%,	NAREIT Index
Investment Objectives	Min	Target	Max	Benchmark
Alternative assets including REITs Provide long-term capital appreciation through a diversified actively managed portfolio of alternative & global Real Estate Investment Trusts	0	5%	10%	FTSE EPRA / NAREIT Global Index
Investment Objectives	Min	Target	Max	Benchmark

Revised: November 2020

US Equity (Large Cap): Provide long-term capital appreciation through a diversified, actively managed portfolio of large cap stocks or funds, which may include stocks of foreign	25%	30%	35%	S&P 500 Index, Russell 1000 Index
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Investment Objectives	Min	Target	Max	Benchmark
US Equity (Small-Mid Cap): Provide long-term capital appreciation through a diversified, actively managed portfolio of small-mid cap stocks or funds, which may include stocks of foreign companies that are traded in the U.S.	5%	10%	15%	Russell 2000 Index

Investment Objectives	Min	Target	Max	Benchmark
International Developed Markets: Provide long-term capital appreciation through a diversified, actively managed portfolio of international equities or funds from developed market countries.	10%	15%	20%	MSCI EAFE

Investment Objectives	Min	Target	Max	Benchmark
International Emerging Market: Provide long-term capital appreciation through a diversified actively managed portfolio of international equities or funds from emerging market countries.	0	5%	10%	MSCI Emerging Markets Index

EXHIBIT B

Investment Fund Committee

Fund 'D' hereafter known as the **ESG Fund**
*(Environmental, Social and
Governance)*

ASSET ALLOCATION AND INVESTMENT OBJECTIVES

For informational purposes only, the following definitions are what guide the investment selection rather than a list of companies that may or may not be held at any one time in history:

Environmental: How a company performs as a steward of the natural environment. Examples include a company's carbon footprint (climate change), energy sources (natural resources), and pollution standards.

Social: A company's relationship with its stakeholders, predominantly employees. Examples include working conditions, employee diversity, product safety, and data privacy/security.

Governance: The quality of a firm's governance practices from the perspective of its shareholders. Examples include executive compensation, Board structure, and accounting standards.

ESG Benchmarks are listed in Schedule A.