

**The Catholic Community Foundation
For
Eastern South Dakota**

STATEMENT OF INVESTMENT POLICY

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Statement of Investment Policy
for
The Catholic Community Foundation for Eastern South Dakota
Executive Summary

- The Catholic Community Foundation for Eastern South Dakota Board of Directors, ultimately, is responsible for making the decisions that affect the Foundation. The Board receives information and recommendations from the Board's Finance Committee.
- The Finance Committee is charged with recommending investment policy, and with overseeing the investment of the funds of the Foundation and the property of the Foundation in which its funds are invested.
- The Board has engaged the Diocesan Investment Committee to provide recommendations to the Finance Committee and the Board with regard to the Foundation's investment policy and with managing the implementation of the investment policy.
- The Consultant is charged with monitoring the Foundation's performance, implementing specific investment directives and recommending investment strategies to the Diocesan Investment Committee in order to obtain the Long-Term Objectives set forth in the investment policy.
- Investment Managers selected by the Diocesan Investment Committee on the advice and counsel of the Consultant are required to invest assets in accordance with the guidelines and restrictions dictated by the Statement of Investment Policy.
- The custodian is charged with providing timely detailed investment reports on a monthly basis, an annual summary report, and normal custodial functions such as security safekeeping, collection of income, etc.
- The Long-Term Objective of the Foundation is to achieve a total return equal to or in excess of each of the Foundation's financial requirements over the Time Horizon. In addition to achieving the Spending Rate, the Policy Asset Allocation is designed to cover the costs of investment management/consulting fees, custodial, administrative and related costs, impact of inflation, and any growth factor, which the Diocesan Investment Committee may, from time to time, determine appropriate.
- The Board of Directors has adopted a "total return" approach to calculating investment returns.
- The Board of Directors is willing to accept an overall level of risk commensurate with the Policy Asset Allocation.
- The Policy Asset Allocation decision is, arguably, the most important decision made by the Board of Directors with regard to the Foundation. The Board of Directors is responsible for approving the Policy Asset Allocation and the investable asset classes.
- Investment Managers selected by the Diocesan Investment Committee are required to demonstrate acceptable performance relative to a target benchmark and volatility of returns.

Guidelines are established herein regarding the use of leverage, the maximum weighting of any one company in a portfolio, and the amount of cash that may be held by a manager.

Introduction and Purpose

This Statement of Investment Policy is set forth to:

1. Define the investment policies, guidelines and objectives of the Catholic Community Foundation for Eastern South Dakota. ("Foundation") as adopted by the Foundation's Board of Directors ("Board") and its Finance Committee.
2. Create a framework from which the Finance Committee and the Diocesan Investment Committee can evaluate performance, explore new opportunities and make recommendations to enhance the Foundation.
3. Provide guidance for, expectation of and limitation on all parties bearing investment responsibilities with the Foundation.

The intent of this Statement is to design an investment environment with specific parameters that reflects the philosophy of the Foundation, thereby providing Diocesan Investment Committee and its selected Investment Managers with clearly defined policies and objectives. Although these policies and objectives are intended to govern the investment activity of the Foundation, they are designed to be sufficiently flexible in order to be practical.

Current agency accountholders will be duly notified of any amendments to the investment policies and procedures. All current and future accountholders will be informed of the Foundation's investment policy.

Delegation of Responsibilities

Relationship between Board of Directors and Investment Committee

The Board of Directors, ultimately, is responsible for making the decisions that shape the Foundation's investment policy including; Spending Rate, Policy Asset Allocation, Performance Standards, engagement of service providers, etc.. The Board has created the Finance Committee, a working committee of the Board, to monitor the implementation of these policies. The Board has also engaged the Diocesan Investment Committee to assist the Finance Committee and coordinate the activities of Investment Managers, the Consultant and Custodian, study issues pertinent to the Foundation, and make day-to-day investment decisions as appropriate.

Finance Committee

The Finance Committee is charged by the Board with the general responsibility for overseeing the implementation of the Foundation's investment policies. The Committee Members shall discharge their duties solely in the interest of the Foundation and for the exclusive purpose of meeting the financial needs of the Catholic Community Foundation for Eastern South Dakota.

In carrying out its responsibilities a quorum of the Finance Committee must be present. A quorum is at least fifty percent of the members of the Finance Committee. Each member shall be entitled to one vote and each decision of the Finance Committee shall require the ascent of a majority of those voting.

Diocesan Investment Committee

The Board has engaged the services of the Diocesan Investment Committee to assist and advise the Finance Committee in carrying out its responsibilities and manage the investment operations of the fund. In this regard, the Diocesan Investment Committee is authorized and permitted to engage the services of Consultants, Custodians, and registered Investment Managers who possess the necessary specialized research facilities and skill to meet the investment objectives and guidelines of the Foundation. Accordingly, the Diocesan Investment Committee must require the service providers to adhere to any policies adopted by the Committee.

The Diocesan Investment Committee's responsibilities include:

1. Selecting Investment Managers, Consultants, and Custodians;
2. Setting investment policy guidelines consistent with the Board's overall policy directives;
3. Developing investment objectives and performance measurement standards which are consistent with the financial needs of the Foundation;
4. Determining the asset allocation and rebalancing strategies to implement the Board's overall objectives and selecting the investment managers to meet these objectives;
5. Reviewing and evaluating investment results in the context of predetermined performance standards and implementing corrective action as needed;
6. Monitoring the spending rate policy set by the Board; and
7. Implementing and managing other criteria determined by the Board at the recommendation of its Finance Committee.

Consultant

The Diocesan Investment Committee may decide to engage an independent investment consulting firm to assist it in the attainment of the Foundation's objectives and to monitor compliance with the stated investment policies. The Consultant's responsibilities are:

1. Assisting in the development and implementation of investment policies, objectives, and guidelines;
2. Preparing asset allocation analyses as necessary and making recommendations for an asset allocation strategy with respect to the Foundation's objectives;
3. Reviewing Investment Managers - including search, recommendation and selection consistent with the objectives of the Foundation;
4. Preparing and presenting performance evaluation reports in accordance with CFA Institute promulgated standards;
5. Attending Diocesan Investment Committee meetings to present evaluation reports on a quarterly basis (attendance at other meetings is on an "as needed" basis);
6. Reviewing contracts and fees for both current and proposed Investment Managers;
7. Reviewing and developing special investment strategies that complement existing asset classes or strategies to be considered by the Diocesan Investment Committee;
8. Communicating investment policies and objectives to the managers, monitoring their adherence to such policies and reporting all violations;
9. Notifying the Diocesan Investment Committee of any changes in personnel or ownership of the consulting firm;
10. Assisting the Diocesan Investment Committee and the Board's own Finance Committee in special tasks;
11. Notifying the Diocesan Investment Committee immediately of any litigation or violation of securities regulations in which any Investment Manager is involved; and
12. Notifying the Diocesan Investment Committee of any significant changes in portfolio managers, personnel or ownership of any investment management firm.

Investment Managers

Each Investment Manager is expected to pursue their own investment strategy within the performance guidelines created for individual managers. Coordination of the guidelines for the individual managers assures the combined efforts of the managers will be consistent with the overall investment objectives of the Foundation.

The Investment Managers' responsibilities are as follows:

1. Investing assets under their management in accordance with the guidelines and restrictions formulated by the Diocesan Investment Committee;
2. Exercising discretionary authority over the assets entrusted to them, subject to these guidelines and restrictions;

3. Providing written documentation of portfolio activity, portfolio valuations, performance data, and portfolio characteristics on a quarterly basis in addition to other information as requested by the Diocesan Investment Committee and the Consultant;
4. Voting proxies vigorously in the best interests of the Foundation and consistent with the directives of the Diocesan Investment Committee;
5. Notifying the Consultant and the Diocesan Investment Committee of any significant changes in portfolio management style, personnel, or ownership of the investment manager;
6. Notifying the Consultant and the Diocesan Investment Committee of any litigation or commencement of a regulatory administrative proceeding or enforcement action in which the investment manager is involved, and
7. Annually providing a copy of the investment advisor's form ADV Part II.

Custodian

The Custodian's responsibilities are as follows:

1. Providing timely reports detailing investment holdings and account transactions monthly to the Diocesan Investment Committee and Consultant.
2. The Custodian will also provide an annual summary report to be submitted to the Diocesan Investment Committee and the Consultant within 21 days following each fiscal year end. The report will include the following:
 - a. Statement of all property on hand;
 - b. Statement of all property received representing contributions to the accounts;
 - c. Statement of all sales, redemptions, and principal payments;
 - d. Statement of all distributions from the account;
 - e. Statement of all expenses paid;
 - f. Statement of all purchases; and
 - g. Statement of all income.
3. Establishing and maintaining an account(s) for each Investment Manager of the Foundation,
4. Providing all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of cash balances, etc., and
5. Preparing additional accounting reports as requested by the Diocesan Investment Committee and its Consultant.

The Catholic Community Foundation for Eastern South Dakota

Investment Policies and Objectives

Objectives:

1. **Return:** The long-term objective of the Foundation is to provide reliable and sustainable income for the current needs of beneficiaries and to perpetuate the resources of the Foundation for future generations. Therefore, the minimum investment return from the Foundation's portfolio needs to be sufficient to offset spending and expenses. The fund has adopted a "total return" investment approach. Current income is considered a secondary consideration.
2. **Risk:** The Diocesan Investment Committee will permit the Fund to experience an overall level of risk consistent with the risk generally associated with such Committee's policy asset allocation as set forth in **Appendix B**.

Constraints:

1. **Liquidity:** Due to the long term investment horizon of the fund, liquidity is of secondary concern. The Foundation should maintain sufficient funds to provide for annual spending and expenses.
2. **Time Horizon:** The Foundation has an infinite life and should be managed with a time horizon of fifty to one-hundred years.
3. **Taxes:** The Foundation fund has a tax-exempt status. All actions of the Diocesan Investment Committee should be taken in recognition and preservation of this status.
4. **Legal and Regulatory:** Must comply with applicable laws and regulations, plus fiduciary standard of care.
5. **Unique Circumstances:** Investments shall be made not only to meet the objectives of investment and economic performance, but also to meet the objectives of social and moral responsibility and of supporting business that is in harmony with moral and social teachings of the Catholic Church.

Spending Policy

The Diocesan Investment Committee must conduct its investment allocation analysis in recognition of the Foundation's need for short-term distribution income, and long-term maintenance and growth of capital. As a result, the Diocesan Investment Committee is authorized to appropriate for expenditure in any year for the uses and purposes for which the Foundation is established so much of the net appreciation, realized and unrealized, in the fair market value of the investment portfolio over the historic dollar value of the investment portfolio as is prudent, but in all events not to exceed the amount determined under this Spending Policy.

Spending Rate - The Foundation

The Diocesan Investment Committee recognizes that authorizing a Spending Rate equal to the fund's total return each year will imperil the Foundation's long-term objective. At the same time, the Foundation is aware that the beneficiaries may require an adequate distribution amount for expenditures. Therefore, the Foundation's policy shall be that a Spending Rate not to exceed 4.0% is appropriate to meet the needs of the beneficiaries. This Spending Rate will be reviewed periodically

by the Board and its Finance Committee in light of evolving trends with respect to the economic cycle, investment outlook, investment/market returns, as well as the needs of beneficiaries. Adjustments will be made when appropriate and documented in meeting minutes.

In carrying out the Spending Policy, the Diocesan Investment Committee is specifically authorized to distribute more in an individual year than was actually earned in the year where, for instance, the most recent four quarters experienced a loss. The policy will act to maintain a more stable distribution stream, whether total return is positive or negative in given years.

Total Return Policy

The Foundation hereby adopts a “total return” approach to calculating investment returns. This total return is comprised of both traditional “income” (interest and dividends) and realized and unrealized net capital gains. When distributions are made, the Diocesan Investment Committee may withdraw them from the portfolio regardless of the portion of the total return that is from capital gains or from income.

Spending Rate Calculation

It shall be the policy of the Foundation to distribute annually, an amount equal to the product of the most recent twelve-quarter moving average of the investment portfolio’s market value, multiplied by the Spending Rate. This amount shall not exceed the product of the spending rate plus 1%, multiplied by the investment portfolio’s current market value.

Return Measurement Objectives

The investment objectives of the Foundation are based upon a long term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. While there cannot be complete assurance that the defined objectives will be realized, it is believed that the likelihood of their realization is enhanced by the diversified asset allocation of the Foundation assets.

Over time, the Foundation’s goal is to achieve the total fund return goal while maintaining acceptable risk levels. To accomplish this goal, the Foundation will diversify its assets among several asset classes. **Appendix A** provides permissible asset classes and appropriate index measures of these classes. Active managers will be expected to provide returns greater than or equal to their appropriate benchmark while utilizing acceptable risk levels.

It is the Foundation’s goal to obtain the following returns. All return objectives described are understood to be net of (after) investment expense.

1. Total Foundation (Total Fund) assets should return, over the Time Horizon, an annualized nominal rate of return greater than or equal to the spending rate plus expenses.
2. Total Foundation (Total Fund) assets should return, over rolling 3 to 5 year periods, a nominal rate of return greater than or equal to a composite index created by combining various indices (**Appendix A**) in the same proportion as the Foundation’s target allocation (described in Asset Allocation section).
3. Each active investment manager is expected to return, over rolling thirty-six month periods, a nominal rate of return greater than or equal to the appropriate market index for that investment manager (**Appendix A**), with not more than commensurate risk. By way of contrast, index, or

passive managers are expected to provide returns roughly identical to the appropriate benchmark, before reasonable fees, with no more volatility than the benchmark.

Volatility and Risk

The Foundation believes that the return objectives can be achieved while assuming acceptable risk levels commensurate with “market” volatility. “Market” volatility is defined as the trailing three year standard deviation of investment returns (based on monthly data) of the benchmark indices deemed appropriate.

The Foundation further defines risk as the probability of failing to meet the Foundation’s General Investment Objectives over the time horizon. Therefore, in order to minimize the probability of failure, thereby minimizing risk, the Diocesan Investment Committee should consider the following variables in all aspects of the decision-making process with regards to the Foundation’s investable assets:

- Probability of Missing the Return Goal over the Long-Term
- Liquidity Requirements
- Loss Containment (Maximum Allowable Decline)
- Capital Preservation
- Asset/Style Allocation

Asset Allocation

The single most important decision made by the Foundation is the Policy Asset Allocation decision. The Foundation believes that a significant portion of a fund’s investment behavior can be attributed to (1) the asset classes/styles which are employed by the fund, and (2) the weighting of each asset class/style. It is the responsibility of the Diocesan Investment Committee to identify and implement a Policy Asset Allocation that offers the highest probability of achieving the Foundation’s investment objectives with the lowest level of commensurate risk. The Diocesan Investment Committee, with guidance and recommendations from their Consultant, shall review the asset mix on an ongoing basis and recommend revisions to the Finance Committee and the Board as necessary.

The Policy Asset Allocation has been adopted by the Board on recommendation from the Diocesan Investment Committee based on a comprehensive asset allocation study completed by the Consultant. The Policy Asset Allocation of the Foundation, as presented in **Appendix B**, is designed to give balance to the overall structure of the Foundation’s investment program over the Time Horizon. However, some factors may impact the Policy Asset Allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors include:

1. The Diocesan Investment Committee’s assessment of the intermediate or long term outlook for different types of asset classes and styles;
2. The Consultant’s assessment of the intermediate or long term outlook for different types of asset classes and styles;
3. Divergence in the performance of the different asset classes and styles from the Policy Asset Allocation; and

4. In responding to the changing outlook for the asset classes, the Diocesan Investment Committee may from time to time recommend to the Board revisions to the Policy Asset Allocation set out in **Appendix B**.

Moral and Social Guidelines

Principle of the Guidelines

The investment objectives for the Foundation are to be pursued with first consideration given to the moral and social implications an investment in any particular company portends. Investing funds entrusted to the Foundation in this manner shall be a good faith effort to reflect who we are as part of the Roman Catholic Church and to respect the formed consciences of those whose sacrificial gifts have been entrusted to the Foundation.

Desired Outcomes for the Guidelines

The Foundation shall avoid investing in companies whose activities conflict with the teachings of the Roman Catholic Church. As a result of excluding investment in firms that directly carry out immoral activities, the Foundation explicitly intends to encourage those corporations that seek to protect the sanctity of human life and promote the common good.

Due Consideration for the Innate Difficulty with Assessing Company Activity

The following moral and social guidelines will be followed to the best of the Diocesan Investment Committee's ability. In making this assertion, the Diocesan Investment Committee, the Catholic Community Foundation for Eastern South Dakota Board of Directors, and the Bishop of Sioux Falls acknowledge that there may be instances where such information may not be available for certain asset classes. In these cases, the Diocesan Investment Committee will determine if investment in the asset class(es) is advisable in the context of the spirit of this policy. For the purposes of this policy, "primarily" shall be defined as those companies which derive more than 25% or more of their gross revenues from the listed activities.

Absolute Exclusions

Notwithstanding the foregoing, the Foundation's policy is the absolute exclusion of investment in any companies whose business activities:

1. Involve direct participation in abortion or the production of medical equipment/devices and/or medicinal therapies that are used primarily in abortion;
2. Involve research and testing which uses fetal tissue procured through abortion;
3. Involve the manufacture and/or marketing of contraceptives; or
4. Involve the use of embryonic stem cell research.

Intentional Avoidance

The Foundation's policy will also be to avoid investment in any companies whose business activities primarily involve:

1. The production of military weapons;

2. The production or development of weapons which are inconsistent with the Catholic teachings on just war (e.g., nuclear, biological and/or chemical weapons intended to inflict indiscriminate, mass destruction); or
3. Involve the production, sale, marketing and/or distribution of pornographic materials.

Accountability

The Diocesan Investment Committee shall observe these guidelines and, employing the best mechanisms by which a company's business activities can be reasonably assessed, apply them to the best of its ability. The Committee shall therefore ensure that all potential Investment Managers are knowledgeable of, sensitive to, and capable of implementing the moral and social investment guidelines contained in these policies before investing on the Foundation's behalf.

To assist the Committee, the Consultant shall annually perform a comprehensive evaluation of the portfolio to ensure conformity to these guidelines, making adjustments when necessary and as company activities evolve.

Contributions

From time to time, the Foundation may receive requests for gifts with holding or sale restrictions and/or conditions attached thereto. The policy of the Foundation is to not accept gifts with investment restrictions unless specifically approved by the executive committee or the Foundation Board. If gifts with restrictions are approved, the Foundation will comply with the restrictions. However, gifts received will be subject to the investment, moral and social guidelines included in this policy. All cash donations to the Foundation shall immediately be invested according to the asset allocation policy.

Portfolio Rebalancing

Since Policy Asset Allocation is the most critical component of the Foundation's return, it is desirable to rebalance the Foundation's portfolio periodically to minimize deviations from the Policy Asset Allocation mix. Policy Asset Allocation rebalancing refers to rebalancing the individual asset class allocations to the stated policy allocation by measuring the total of the Foundation's assets based on their respective asset classes.

The Diocesan Investment Committee is authorized to monitor and direct the automatic rebalancing of the fund at the end of each month in the event any asset class allocation differs from policy by more than 20% of the target weight, but with a 2% minimum requirement. For example, if the Policy Asset Allocation for an asset class is 3% of the total portfolio, then the portfolio's actual allocation must be either below 1% or above 5% of the total portfolio before rebalancing is required. An actual allocation of 1.5% would have a deviation of 50% from the target weight but not meet the 2% minimum deviation threshold.

The Diocesan Investment Committee shall ensure that the Consultant informs the Administration at the close of any month in which rebalancing in the portfolio is necessary. The Administration will be responsible for approving and implementing any recommendations made by the Consultant to reallocate the assets in the portfolio. The Consultant will assist the Administration as needed in the process of implementing any portfolio rebalancing.

Permissible Investments

The target asset allocation of the Endowment Fund is expected to include a wide range of asset classes. These asset classes and their relative comparative indices are displayed in **Appendix A**. The asset classes include but are not limited to:

- Domestic Large-Capitalization Equity
- Domestic Small-Capitalization Equity
- International Large-Capitalization Equity
- International Small-Capitalization Equity
- International Emerging Markets Equity
- Domestic and International Fixed Income
- Cash Equivalents
- Natural Resource Equities
- Liquid Commodity Strategies
- Real Estate
- Liquid Infrastructure Strategies
- Liquid Absolute Return Strategies
- Hedge Funds of Funds

Investment Policies and Performance Goals for Investment Managers

The following Investment Manager performance goals and constraint guidelines are to be placed by the Diocesan Investment Committee directly or through its Consultant on individual managers within specific asset classes:

1. Active managers may be terminated at the discretion of the Diocesan Investment Committee due to philosophical changes, turnover of or malfeasance by key investment staff or management, long-term underperformance from that of the associated benchmark, or other material events.
2. Index (passive) managers may be terminated at the discretion of the Diocesan Investment Committee if performance or volatility significantly deviates from that of the associated benchmark.
3. No manager shall be permitted to use margin or to otherwise leverage the portfolio, without the prior consent of the Board or its Executive committee.

Equity

1. The maximum weighting (market basis) in any one company for active managers shall be 10% of the manager's portfolio.
2. Trading and Execution: Managers should execute trades on a competitive basis, considering both commission and market impact, as compared to relative size funds.

Fixed Income

1. All fixed income securities should be of investment grade at the time of purchase (Moody's rating of Baa or higher, S&P rating of BBB or higher), unless a specific strategy utilizing below investment grade securities is approved by the Diocesan Investment Committee.
2. The maximum weighting (market basis) in any one security for active managers shall be 10% of the manager's portfolio. Debt obligations issued by or guaranteed by the U.S. Treasury, its agencies, or its Government Sponsored Enterprises (including, but not limited to Fannie Mae, Freddie Mac, and the Federal Home Loan Bank) are not subject to this limitation.

International Equity and Fixed Income

The use of currency futures to enhance performance and/or hedge currency exposure by international and/or global managers shall be allowed at the discretion of the manager, provided the hedging in any one currency will never exceed the market value of the assets in the currency. A detailed description of a manager's currency strategy must be submitted to the Diocesan Investment Committee which may, at its discretion, change managers.

Other

- **Securities Lending:** Investment Managers may not engage in securities lending to broker dealers as a means of enhancing income.
- **Active vs. Passive Management Decision:** The Diocesan Investment Committee shall continue to review the relative advantages of passive versus active management in the context of reduced management expenses, stable performance and constant, complete exposure to the particular asset class with regard to the excess return provided by the individual manager, and may make changes to managers based on these factors.
- **Related Party Transaction:** The Foundation will not loan funds to related parties defined as an officer, board member, employee, or donor either current or prospective.

Procedure for Revising Guidelines

All investment policies and performance goals will be reviewed annually or when deemed necessary by the Diocesan Investment Committee, which may make recommendations for changes to the Board and the Finance Committee. In order to facilitate timely adjustments and rebalancing to the Foundation's Policy Asset Allocation without undue delays, the Policy Asset Allocation may be revised with a majority vote of the Board's Executive Committee.

Reporting Requirement

The Consultant will be responsible for the preparation of monthly performance evaluation reports which shall comply with standards developed by the CFA Institute. The format of the Foundation's performance evaluation reports shall be developed with input from the Diocesan Investment Committee.

Conflicts of Interest

All persons responsible for investment decisions or who are involved in the management of the Foundation or who are consulting to, or providing any advice whatsoever to, the Finance Committee or Diocesan Investment Committee shall disclose in writing at the beginning of any discussion or

consideration by such groups any relationships, material beneficial ownership, or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Diocesan Investment Committee may require such persons to remove themselves from the decision-making process.

Any members of the Diocesan Investment Committee responsible for investment decisions or who are involved in the management of the Foundation shall refuse any remuneration, commission, gift, favor, service or benefit that might reasonably tend to influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by such committee. The intent of this provision is to eliminate conflicts of interest between the committee membership and the Foundation. Failure to disclose any material benefit shall be grounds for immediate removal from the Diocesan Investment Committee. This provision shall not preclude the payment of ordinary fees and expenses to the Foundation's custodian(s), Investment Managers or Consultant in the course of their services.

APPENDIX A:
COMPARATIVE INDICES
FOR TRADITIONAL INVESTMENT MANAGERS

Asset Class	Comparative Index
Equity	
Domestic Equity	
U.S. All Cap Stocks	Dow Jones US Total Stock Market
U.S. Large Stocks	S&P 500 / Russell 1000
U.S. Large Value Stocks	Russell 1000 Value
U.S. Large Growth Stocks	Russell 1000 Growth
U.S. Large Quality Stocks	NASDAQ US Dividend Achievers Select
U.S. Mid Stocks	Russell 2500
U.S. Small Stocks	Russell 2000 / S&P 600 Spliced Index
U.S. Small Value Stocks	Russell 2000 Value
U.S. Small Growth Stocks	Russell 2000 Growth
International Equity	
Int'l Large / Mid Stocks	MSCI EAFE
Int'l Small Stocks	MSCI World ex US Small Cap
Emerging Market Stocks	MSCI Emerging Markets
Global Equity	MSCI World
Fixed Income	
U.S. Fixed Income	Bloomberg Barclays U.S. Aggregate
U.S. Inflation Protected	Bloomberg Barclays U.S. TIPS
High Yield Fixed Income	Bloomberg Barclays High Yield
Global Fixed Income	FTSE World Government Bond
Emerging Market Bonds	JPM Emerging Markets Bond
Cash Equivalents	U.S. Treasury Bills
Bond Account	50% Bloomberg Barclays U.S. Aggregate/ 50% Merrill Lynch 1-5 year Gov't / Credit
Real Assets	
Natural Resources (Public)	S&P North American Natural Resources
Real Estate (REITs)	Dow Jones Global Select Real Estate
Commodities	Down Jones AIG Commodity Index
Infrastructure	Custom Infrastructure Index (USD Hedge)
Private Equity	Burgiss Global Private Equity Index
Hedge Funds of Funds	HFRI Equity Hedge
Absolute Return	Wilshire Liquid Alternatives Index

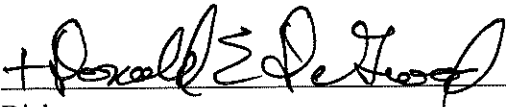
**APPENDIX B:
ASSET ALLOCATION TARGETS**

Asset Class	Policy (%)	Range
Growth Assets	70	40-75
Domestic Equities	43	10-50
International Equities	27	10-50
Risk Reduction Assets	22	15-45
Fixed Income	19	5-40
Hedge Funds	3	0-15
Inflation Protected Assets	8	0-30
US Inflation Protected Fixed	3	0-20
Real Assets	5	0-20

*The investment policy stated above was in effect at the time the IPS was approved. The Investment Committee may amend the target within the associated ranges without Board approval.

Signatures:


Board Chairman


Bishop

This Investment Policy Statement must be reviewed by the Investment Committee at least once a year and confirmed as appropriate or amended as necessary at that time.

Approved at a meeting of the Board of Directors on this 29th day of April, 2021.