

INVESTMENT COMMITTEE

Role in Church Governance

The Investment Committee is charged with setting investment policies for the Church's endowment and restricted funds, subject to approval by the Board of Governors. It also provides oversight as outlined in the policies, including for the general endowment, twelve restricted funds, and the Better Together restricted funds. As of the end of the second quarter of 2021, \$7,446,841 was held in the endowment, an aggregate of \$5,011,429 was held in various restricted funds (ranging in size from \$17,264 to \$846,634), and \$2,125,155 was held in the Better Together capital improvement fund.

\$5,556,951

third

\$845,865

\$6,974,057

of which \$2,236,282

Activities to Date

Updated October 18, 2021

The Committee uses three investment advisors, Manning & Napier, Alesco, and Canandaigua National Bank. It receives investment reports from the advisors at each quarterly meeting and each advisor meets in person with the Committee at least twice per year. The Committee monitors advisor performance against benchmarks, and performance is near or above our benchmark targets. The portfolio continued to grow in 2021, up about \$484,000 despite withdrawals of about \$602,000 (which included payment of the \$150,000 Trustee pledge to the Better Together Campaign). Several years ago, the Committee established a Dreamscape Goal of an aggregate of \$10,000,000 for endowment and restricted funds, and that goal has been achieved 18 months before planned. Pursuant to authority provided by the Governing Board, the Committee distributes 4.5% of the 20-quarter average balance of each fund (or the rough equivalent for newer funds) for the Annual Operating Plan, capital funds and restricted fund-designated purposes. Better Together funds are distributed as needed for work approved by the Property Stewardship Committee and Governing Board.

Over the past year the Committee has been considering adding an ESG component to our Investment Policy. ESG stands for investments that are positive from an Environment, Social, or Governance perspective. This positive focus is in addition to investments in a number of areas (such as tobacco, alcohol, and defense) already prohibited by our policy. Although ESG is still an emerging field, heavily nuanced, and without broad market acceptance of standard measurements, the Committee is interested in using our investments in an ESG-positive manner to the extent prudent. In the second quarter the Committee started requesting our advisors to report on ESG status within our portfolio on a pilot basis, using one available measurement tool. The Committee will monitor progress and performance and if pleased with the way this change is working, will make it a permanent part of our Investment Policy.

Additionally the Committee has discussed ramifications of possible acceptance of gifts ~~that~~ that are restricted as to how they may be invested, but has not reached any conclusions.