

**Saint John the Baptist Orthodox Church  
Rochester NY  
Investment Policy Statement**

**BACKGROUND AND PURPOSE**

The purpose of this Investment Policy Statement (“IPS”) is to assist the St. John the Baptist Orthodox Church (“Church”) Parish Council (“Council”) in effectively supervising, monitoring and evaluating the investment of its Church’s Monetary Assets (“Assets”). The Asset’s investment program is defined in the various sections of this IPS by:

1. Stating in a written document the Council’s objectives and guidelines in the investment of all Assets;
2. Encouraging effective communications between the Council and service vendors by stating the responsibilities of the Council, investment manager, broker, or direct mutual fund company;
3. Establishing the criteria for the Council’s selection of Asset investment options and investment manager, broker, or mutual fund company;
4. Establishing procedures for selecting, monitoring, and, if appropriate, replacing investment options or investment managers.

**STATEMENT OF INVESTMENT OBJECTIVES**

This IPS is intended to assist the Council in making investment-related decisions in a prudent manner. It outlines the underlying philosophy and process for the selection, monitoring and evaluation of the investment options and investment managers utilized. The investment objectives are:

1. To comply with any and all applicable laws, rules and regulations from various state, local and federal entities that may impact Assets;
2. To provide investment options which have materially different risk and return characteristics, and which in the aggregate enable the Council to choose among them to achieve a portfolio with risk and return characteristics appropriate for the Assets and to minimize overall risk;
3. To control and account for all costs of administering and overseeing the Assets.

**DUTIES AND RESPONSIBILITIES**

• **Parish Council**

The primary responsibilities of the Council, who are fiduciaries to the Assets, are to:

1. Prepare and maintain the Investment Policy Statement (IPS);
2. Provide sufficient asset classes with different and distinct risk/return profiles to properly diversify the Assets;
3. Prudently select Asset investment options;

4. Control and account for all investment, recordkeeping and administrative expenses associated with the Assets;
  5. Monitor and supervise the Assets; and
  6. Avoid prohibited transactions and conflicts of interest relating to the Asset investments.
- **Asset Class Guidelines**

The Council believes that long-term investment performance, in large part, is primarily a function of the asset class blend. The Council has reviewed the long-term performance characteristics of various asset classes and investment styles, focusing on balancing risks and rewards of market behavior. The following asset classes were selected, ranked in ascending order of long-term risk, from least to most:

    - Stable Value (including money market funds)
    - Short Term Bond
    - Intermediate Bond
    - Blended Bond
    - Balanced Fund
    - Large Cap Blend
    - Mid Cap Blend
    - Small Cap Blend
    - International Equity

## **INVESTMENT SELECTION AND MONITORING**

The Council will apply the following due diligence criteria in selecting and monitoring each individual investment option:

1. Correlation to style or peer group
2. Performance relative to a peer group
3. Performance relative to assumed risk
4. Holdings consistent with style
5. Investment manager experience
6. Expense ratios/fees

## **CONTROL PROCEDURES**

- **Performance Objectives**

The Council will review the IPS at least annually. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

The Council acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Council intends to evaluate investment performance from a long-term perspective.

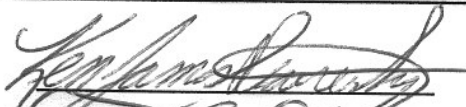

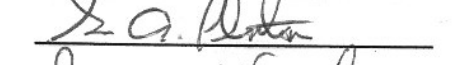
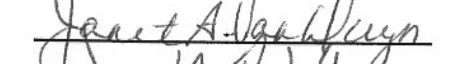

The Council shall consider whether to delete or replace an investment option if:

1. It consistently under-performs its benchmark and/or peer group;

2. It changes or deviates from its stated investment objective or strategy;
  3. It is no longer administratively practical and cost effective;
  4. It is no longer considered a prudent investment; or
  5. It is otherwise inconsistent with the objectives described in the IPS.
- **Investment Option Measurement and Evaluation**  
The Council will review the following no less frequently than annually:
    1. Each investment option will be reviewed against the "Investment Selection and Monitoring" criteria outlined above;
    2. Any material changes in the investment manager(s) or management team or material changes in the ownership structure, philosophy or personnel of the investment management firm;
    3. Important developments in the economy and securities markets; and
    4. Investment education activities of the prior year and proposed investment education activities for the coming year; and
    5. Legislative or regulatory enactments affecting investments.

The St. John the Baptist Orthodox Church Parish Council hereby adopts this Investment Policy Statement for the Monetary Assets as of this 8 day of June 2009.

**St. John the Baptist Orthodox Church Parish Council**

By: 	Date: <u>8 JUNE 2009</u>
By: 	Date: <u>6/8/09</u>
By: 	Date: <u>6/8/2009</u>
By: 	Date: <u>8 June 2009</u>
By: 	Date: <u>8 June 09</u>

<p><b>V. Rev. Ken James Stavrevsky, Rector</b>  <b>Thomas Gervais, Warden</b>  <b>Gus Platas, Assistant Warden</b>  <b>Janet VanDuyn, Treasurer</b>  <b>Daniel Chadwick, Secretary</b></p>
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