

Investment Policy

~ Adopted by the Elders of Grace BFC Wallingford on July 19, 2016 ~

I. Overview

The purpose of this Investment Policy Statement (“Statement”) is to establish a clear understanding between Grace Bible Fellowship Church (Grace BFC) and all investment managers(s), advisor(s) without discretion (brokers), banker(s), investment broker(s), financial planner(s), and all other financial advisor(s) involved in the direction of Grace BFC’s investment assets (hereinafter referred to as “Investment Manager(s)”).

In order to attain the desired Investment Objectives referenced in Section II, Grace BFC may choose more than one Investment Manager of varying styles and philosophies to manage Grace BFC’s assets. These Investment Manager(s) will invest the assigned assets in accordance with this Statement, objectives, and restrictions. Funds shall be invested with care, skill, prudence, and diligence. Grace BFC reserves the right to prepare separate addenda or directives specific to one Investment Manager, which would not apply to all.

These objectives and guidelines are intended to provide meaningful guidance in the management of Grace BFC’s investment assets and yet not be overly restrictive given changing economic, business, and investment market conditions.

The “Finance Committee” referred to herein is the Grace BFC Finance Committee.

II. Investment Objectives

Grace BFC seeks to manage risk, forfeiting higher yields for safety. Grace BFC’s assets are to be invested in a balanced portfolio composed of equity, fixed income, and cash equivalent securities as well as other investments as Grace BFC deems appropriate. As such, the portfolio is intended to be more aggressive than short to intermediate fixed income oriented portfolios and less aggressive than equity only oriented portfolios. Investment funds shall be so diversified as to minimize the risk of loss. Investment Managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is in accordance with this Statement and its objectives, as well as the given investment style of the Investment Manager.

III. Investment Policy

The following restrictions apply to the investment of Grace BFC’s investment assets:

1. Borrowing of funds or securities is not permitted
2. Funds may not be invested, nor obligations incurred in futures, options, swaps, forwards, Collateralized Mortgage Obligations, or any other financial derivatives.

3. Funds may be invested in non-U.S. securities as long as the company is a mid-cap or large-cap firm.
4. Gifts of tangible personal property such as jewelry, gold, and gems shall not be held as investments, but converted to acceptable forms of investments as soon as practicable.
5. Gifts of non-income producing real estate shall be evaluated by the Finance Committee and Elders as to their suitability for retention.
6. All securities shall be readily marketable, and fixed income securities shall be of investment grade (BBB or better).
7. No specific restriction is placed on portfolio turnover, though the portfolio should not be managed for short-term gains or generation of fees.
8. Securities of companies whose primary business is gambling, alcohol or tobacco should be avoided. Grace BFC does, however, recognize that mutual funds may hold positions in such companies. At the discretion of the Finance Committee Grace BFC may divest of such funds.
9. The Finance Committee may further restrict security selection based on ethical investing criteria on its own or as directed by the Elders of Grace BFC.
10. Investment expenses will be evaluated regularly by the Finance Committee; in no case will fees exceed two percent (2%) of net assets annually.
11. The Elders of Grace BFC, at their sole discretion, may direct the Treasurer to liquidate the investment accounts at any time.
12. The Treasurer will make an annual report to the Elders of Grace BFC on the status of the investment accounts.

IV. Review and Communication

The Investment Manager(s) is responsible for timely and regular reports, and shall be expected to prepare a quarterly report (on a calendar year basis) for review by the Finance Committee. The report should summarize the Funds' performance and transactions occurring during the period. It is anticipated the Investment Manager will be available to meet with the Finance Committee at least annually to review the performance of the account, unless otherwise directed. The Investment Manager is responsible for communicating to the Finance Committee all significant matters pertaining to the investment of the Church's assets. Any substantive change in investment strategy, asset mix, and other matters affecting the investments, shall be communicated to the Finance Committee in writing for approval prior to the enactment of the strategy. Any significant changes in the structure and financial condition of the Investment Management organization, including changing investment professionals within the Investment Management organization or those assigned to this account should be communicated to the Finance Committee within thirty (30) days.

V. Decision Making Authority

Buying securities or rebalancing the portfolio is the responsibility of the Finance Committee; the Treasurer may sell any security, moving those funds to cash equivalents at any time, reporting such transactions to the Finance Committee.

VI. Review of Endowment Policy

This statement of Investment Policy will be reviewed at least annually by the Finance Committee. Significant revisions will be confirmed as appropriate by the Elders.

VI. Termination

The Elders and Finance Committee reserve the right to terminate their relationship with any Investment Manager or advisor, with or without cause, upon 30 days written advice, provided, that the Investment Manager will be entitled to its earned fees as detailed in the written agreement between the parties.