

Board of Trustees
Investment Policy Statement
The 22nd day of July, 1999

WHEREAS, among its responsibilities the Board of Trustees of Redstone Presbytery is tasked with the duty of overseeing the investments owned from time to time by the Presbytery of Redstone; and

WHEREAS, while the day-to-day oversight and administration of such investments is a function of the Treasurer of the Presbytery of Redstone, in the opinion of the Board of Trustees it is appropriate to establish a written Investment Policy Statement for the Board of Trustees and the Treasurer as a guide to the overall policy and investment objectives for the investments of the Presbytery of Redstone; and

WHEREAS, it is appropriate to establish an Investment Policy Committee of the Board of Trustees to oversee from time to time the general operation and implementation of this Investment Policy Statement.

NOW THEREFORE this Investment Policy Statement is adopted by the Board of Trustees of Redstone Presbytery as of the day and date first set forth above.

Investment Committee

An Investment Committee is established to supervise and administer the Investment Policy Statement of the Presbytery of Redstone in coordination and cooperation with the Treasurer of the Presbytery of Redstone. The Investment Committee shall consist of (1) The President of the Board of Trustees, (2) a second member of the Board of Trustees annually appointed by the full Board, (3) the Treasurer of the Presbytery of Redstone, and (4) [ex-officio and non voting] the Executive Presbyter of the Presbytery of Redstone [or, at the Executive Presbyter's specific direction the Stated Clerk of the Presbytery of Redstone].

Investment Objectives

The primary investment objectives for the investments of the Presbytery of Redstone subject to this policy, are, in order,

- (1) To provide for moderate long-term growth of investments, consistent with (a) the protection of investment principal and (b) prudent management for investing assets for a non-profit, religious organization, and secondarily
- (2) To provide reasonable income.

The investments of Redstone Presbytery subject to this policy are not assets that are to be needed by the Presbytery to fund its day-to-day operations.

Nature of Investments

Subject to this Investment Policy Statement, investments may consist of (a) common and preferred stock; (b) federal government, federal agency, and municipal and corporate bonds and notes; (c) cash/cash equivalent investments; and (4) shares of investment companies [mutual funds] containing the foregoing. With the advanced approval of the full Board of Trustees, a portion of the invested funds of the Presbytery, not to exceed ten percent (10%) of the invested

funds, may also consist of investment in community projects that are representative of the Presbytery's witness to social justice in the world.

Prohibited Investments

Unless with advanced approval of the full Board of Trustees, investments shall not include investments in real estate or interests therein, private placements, options, short sales, margin transactions, warrants, futures, commodities, derivatives, animals or collectibles. Investments are prohibited if the investments would subject the Presbytery of Redstone to receiving unrelated business income.

Fixed Income Securities

Fixed income securities may include (1) obligations of the United States government and its fully-guaranteed agencies, (2) investment grade municipal securities, and (3) investment grade corporate debt and preferred stock.

Investment Company (Mutual fund) Investments

Investment companies (mutual funds) whose shares are purchased must have been in operation for at least five (5) years and have a Morningstar (or equivalent) rating service rating of three stars or higher for its current and past five year ratings.

Purchases of investment company shares may be of shares the purchase or redemption of which carry a fee (load shares), or of shares that carry no such fee (no-load shares). Factors such as, but not limited to, historic fund performance, comparative range of sales and annual service fees, available classes of mutual fund shares, and local availability of sales, service and support personnel can be taken into consideration in deciding upon the purchase of load or no-load funds.

Equity Investments

Investments in common and preferred securities [and shares of investment companies that invest in same] principally will be of United States-based, large capitalization, investment grade corporate issuers.

Cash/Cash Equivalent Investments

Cash and cash equivalent investments (e.g., certificates of deposit) shall be maintained/invested in federally-insured financial institutions such that the maximum in any one institution stays within the limits for federal insurance (being \$100,000 per institution as of the date of this initial Investment Policy Statement).

Issuer Diversification

In the selection of investments, attention is to be paid to avoid concentration in a single issuer, business sector and geographic area.

Social Investment Policy

In the selection of investments, consideration may be given, but shall not be required to be given, to the *Investment Policy Guidelines for the Presbyterian Church (USA)*, which guidelines provide a statement of the Church's social responsibility for the use of its investments.

However, to the extent feasible, consideration of such moral, social, theological and environmental philosophies and activities of the issuers shall be taken into consideration in the voting of proxies on the investments held.

Asset Allocation

The general parameters (as a percentage of market value from time to time) for the allocation of investment assets among investment categories are as follows:

<u><i>Investment Category</i></u>	<u><i>Allocation</i></u>	<u><i>Range of Deviation</i></u>
<i>Cash/Cash Equivalents</i>	10%	-
<i>Equities (Including shares of Equity-investing investment Companies)</i>	60%	50%-70%
<i>Fixed Income (Including shares of Fixed income-investing investment Companies)</i>	30%	20%-40%

Asset Allocation guidelines do not require that assets in excess of the allocation range be sold and proceeds redistributed. However, allocations that remain outside of the guidelines for a period longer than one calendar quarter specifically must be brought to the attention of the Investment Committee for review and decision.

Assets in Kind...Bequeathed or Donated Assets

Unless with the advanced approval of the full Board of Trustees, assets that are bequeathed or donated to the Presbytery of Redstone which do not fall within the investment parameters of this Investment Policy Statement, or which provide for restrictions or encumbrances, generally will be sold unless otherwise prohibited by the estate/donor; restricted/encumbered assets may be refused, or special arrangements may be made to provide for same.

Unrestricted assets bequeathed or donated in kind which do fall within the investment parameters of this Investment Policy Statement, may be retained in kind, or sold, as the then current allocation and diversification requirements may suggest.

Custodian, Depository and Investment Agent(s)

Invested assets will be held in the custody of a bank, savings and loan or similar financial institution, a registered stockbrokerage firm, an investment company custodian, or equivalent safekeeping location.

Assets shall be held in custodian/depository locations that are insured against loss, theft, defalcation and the like. Assets shall not be kept in any one location in amounts in excess of applicable FDIC, FSLIC, SIPC or Custodian/Depository additional private insurance limits.

The selection of the Custodian of and investment agent for the assets subject to this Investment Policy Statement is subject to the prior approval of the Investment Committee.

Registered investment advisors may be, but need not be, retained to invest a portion or all of the investment assets, but any such retention is subject to the prior review and approval of the Investment Committee.

Periodic Statements and Reports

No less frequently than calendar quarterly the Treasurer will prepare and provide to the Investment Committee for review and discussion a report of the assets subject to this Investment Policy Statement.

No less frequently than once each calendar year the Investment Committee will have prepared and provide to the full Board of Trustees for review and discussion a report of the assets subject to this Investment Policy Statement.

Adoption/Amendment

This Investment Policy Statement was adopted by the unanimous vote of those present at a duly called meeting of the Board of Trustees on the day and date first set forth above, and this Investment Policy Statement can from time to time be amended at a duly called meeting by a majority vote of those present at such meeting.