

Investment Policy

Purpose:

This Investment Policy Statement (IPS) establishes guidelines for the management and oversight of the endowment funds of the Jamestown Presbyterian Church Foundation, Inc. (Foundation). The policy ensures that investments are managed in alignment with the Foundation's mission, provide financial sustainability, and comply with fiduciary responsibilities.

1. Scope

This policy applies to all endowment funds under the management of the Foundation, including permanently restricted, temporarily restricted, and Board of Directors designated funds.

2. Investment Objectives

The primary objectives for the endowment funds are:

Preservation of Capital: Protect the principal of the endowment to maintain its ability to support the Foundation's mission in perpetuity.

Growth of Assets: Achieve a long-term rate of return that exceeds inflation and supports annual distributions.

Income Generation: Provide a predictable and sustainable income stream for the Foundation's programs and operations.

3. Roles and Responsibilities

Board of Directors:

Has ultimate fiduciary responsibility for the endowment and approves this Investment Policy.

Reviews performance and compliance with the policy on a quarterly basis.

Investment Committee:

Oversees the implementation of the Investment Policy.

Recommends investment managers, monitors performance, and ensures adherence to the policy.

Reports to the Board of Directors at least quarterly investment performance.

Investment Managers:

Are selected based on expertise, performance history, and alignment with the Foundation’s ethical guidelines.

The selection process will comply with the Purchasing Policy.

Are responsible for day-to-day management of investments in accordance with this policy.

4. Investment Philosophy

The Foundation’s investments shall balance risk and return by adhering to the following principles:

Diversification: Investments must be diversified across asset classes, sectors, and geographic regions to reduce risk.

Long-Term Focus: Decisions should reflect a time horizon of at least 5 years to meet the perpetual nature of the endowment.

Ethical Alignment: Investments must align with the Foundation’s Christian values and exclude companies or industries involved in activities contrary to its mission (e.g., gambling, tobacco, or weapons).

5. Asset Allocation

The target asset allocation aims to balance growth and stability:

Asset Class	Target Allocation (%)	Range (%)
Equities	60%	50%-70%
Fixed Income	30%	20%-40%
Alternatives*	5%	0%-10%
Cash and Equivalents	5%	0%-10%

*Alternatives may include real estate, private equity, or other investments as approved by the Investment Committee.

6. Performance Benchmarks

Equities: Compare performance to relevant market indices, such as the S&P 500 or MSCI World Index.



Fixed Income: Compare to benchmarks like the Bloomberg U.S. Aggregate Bond Index.

Overall Portfolio: Target an annualized return of 7% over a rolling 10-year period, net of fees.

7. Risk Management

The portfolio must avoid excessive risk by adhering to the asset allocation ranges.

No single investment shall exceed [e.g., 5%] of the total portfolio value, except for mutual funds or ETFs.

Leverage, derivatives, and speculative investments are prohibited.

8. Rebalancing Policy

The portfolio will be reviewed quarterly to ensure alignment with target asset allocation.

Rebalancing will occur when an asset class deviates by more than 10% from its target allocation.

Rebalancing decisions will be made by the Investment Committee or delegated to the investment manager as specified in their agreement.

9. Administration Expense

To cover the administrative expenses of the Foundation, the Board can authorize up to a 1% fee on all endowments annually. This fee will be calculated at the same time as the Spending Rate.

10. Reporting and Review

The Investment Committee will provide quarterly reports to the Board of Directors, including performance summaries, allocation breakdowns, and compliance with this policy.

The Investment Policy will be reviewed annually and updated as necessary to reflect changing economic conditions, organizational priorities, or legal requirements.

11. Amendments

Changes to this policy require approval by the Board of Directors upon recommendation from the Investment Committee.

Approved by: _____

[President, The Jamestown Presbyterian Church Foundation, Inc.]

Date: _____

[Approval Date]

