

EXECUTIVE COUNCIL INVESTMENT COMMITTEE

Membership

Mr. T. Dennis Sullivan, *Chair*, 2015
Mr. Michael Kerr, *Vice Chair*, 2015
Mr. David Lorenzo Álvarez-Roldan, 2015
Mr. N. Kurt Barnes
Ms. Tess Judge, 2015
The Rt. Rev. Rodney Michel, 2015
Ms. Lilian Shackelford Murray, 2015
Ms. Maibeth Porter, 2015
Mr. Ronald Radcliff, 2015
Mr. Benjamin Waring Partridge, 2015
The Most Rev. Katharine Jefferts Schori, *Ex Officio*
The Rev. Gay Clark Jennings, *Ex Officio*
The Rt. Rev. Stacy Sauls, *Staff*
Ms. Margareth Crosnier de Bellaistre, *Staff*

Summary of Work

Mandate: In accordance with Executive Council bylaws, the Investment Committee has all the authority of the Council and Board of Directors of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church (DFMS, or the Society) under the law to act on the investment and reinvestment of institutional funds or assets of The Episcopal Church, the General Convention, the Council, and the Society; as well as any on other funds or assets held by the foregoing for investment.

The Investment Committee recommends investment objectives designed to provide a sustainable and increasing level of income to support the ministries of The Episcopal Church in accordance with the wishes of the donors or owners of those funds, while preserving the real (inflation-adjusted) purchasing power of the funds. It also develops and regularly updates Investment Policies that assist the Committee in effectively supervising, monitoring, and evaluating the investment of the Endowment's assets.

The Committee establishes strategies and policies for the management of the investment portfolio, which includes the trust funds of the official corporation — the Domestic and Foreign Missionary Society — and other Episcopal entities that wish to co-invest with the DFMS.

The portfolio is diversified and continues to be focused on equities, with approximately 65 percent invested in equities; 15 percent invested in fixed income; and 20 percent in convertibles, hedge fund of funds, and real estate. The Committee continues to evaluate portfolio return, while maximizing risk protection by reducing U.S. equity allocation and increasing non-US equity and alternative investments.

Long-term performance of the trusts has been exceptional, with annual returns, after all fees and expenses, of 7.7 percent for the 10 years ending June 30, 2014, which ranks in the top 20 percent of all foundations with assets over \$50 million, as tracked by the InvestorForce Performance Reporting Network (subsidiary of MSCI Inc.).

The DFMS endowment portfolio consists of the following three types of funds:

- endowment funds held and managed by DFMS and benefiting DFMS;
- funds owned by and benefiting other Episcopal and Anglican entities in the United States and abroad, for which DFMS is the trustee;

- custodial funds held and managed by DFMS, but owned by and benefiting other Episcopal and Anglican entities in the United States and abroad.

There are almost 1,100 trust funds maintained in a common portfolio, managed by 18 investment managers and participating on a pro-rata basis in all returns of that portfolio. The Society is also trustee for 19 charitable trusts, which are separately invested and managed, but are not commingled with any other fund, as required by law. The Treasurer's Office publishes an annual trust fund book, and the Investment Committee reports regularly to the Executive Council.

Meetings: The Committee meets four times each year, generally in person, to review performance and discuss current investment issues. The Committee's expenses are charged to the income of the endowment.