



*the*  
**EPISCOPAL**  
**CHURCH** *in*  
WESTERN OREGON

Adopted November 17, 2022

## **Investment Policy Statement**

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### **I. PURPOSE AND SCOPE**

This Investment Policy Statement (the “Policy”) governs the investment of assets in the following portfolios (the “Portfolios”), investment pools sponsored by The Episcopal Diocese of Oregon (the “Diocese”), as further described in Appendices A, B, and C:

- Diocesan Investment Fund (the “DIF”)
- Diocesan Socially Responsible Investment Fund (the “SRIF”)
- Diocesan Short Term Investment Fund (the “STIF”)

The Policy is set forth by the Board of Trustees as a working guideline and is designed to:

- Describe the goals and objectives of the Portfolios.
- Describe the roles and responsibilities of parties involved with the Portfolios.
- Describe the investment structure utilized by the Portfolios.
- Provide a framework for selection and ongoing monitoring of the investments utilized by the Portfolios.

### **II. SPENDING POLICY**

The Portfolios are expected to be available in perpetuity as investment vehicles for the Diocese and its stakeholders. The DIF and SRIF will be invested with a long-term perspective. The STIF will be invested with a short-term perspective (a 12-month time horizon is presumed).

Stakeholders may, from time to time, withdraw their assets according to the guidelines described in Section VII. It is important to follow coordinated policies regarding spending and investments in order to protect the principal and produce reasonable total returns to support participating entities’ operations, at least to the extent of an approved annual spending policy.

### **III. INVESTMENT OBJECTIVES**

The DIF and SRIF portfolios' primary objectives are to preserve principal while investing the assets for the highest investment rate of return consistent with acceptable levels of risk. Performance of the DIF and SRIF will be evaluated, net of all fees and expenses, using the following objectives:

Objective	Benchmark	Description
<b>Relative</b>	Blended index	A time-weighted return compared to a blended index, which will be constructed based on the target allocation of each Fund. The intent of this objective is to seek competitive investment performance versus relevant capital market measures.
<b>Absolute</b>	Consumer price index + 4.5%	A real return (net of inflation). The intent of this objective is to increase over time the principal value of assets as measured in real, inflation-adjusted terms.
<b>Comparative</b>	Peer universe median	The comparative performance objective is to achieve a total rate of return that exceeds the median return of a peer universe of similar type and size funds.

The investment strategy for the DIF and SRIF assumes a long-term time horizon and the Board of Trustees recognizes and acknowledges some risk must be assumed in order to achieve long-term investment objectives.

The STIF portfolio's primary objectives are liquidity, safety and yield. Investments in the STIF will remain available for daily liquidity and shall be invested in a manner that seeks to ensure preservation of capital in the overall portfolio. Performance of the STIF will be evaluated, net of all fees and expenses, using the following objective:

Objective	Benchmark	Description
<b>Relative</b>	91-Day T-Bills	The intent of this objective is to seek investment performance consistent with short-term cash equivalents.

#### IV. RESPONSIBILITIES

##### Board of Trustees

The Board of Trustees (the "Board") of The Episcopal Diocese of Oregon is responsible for broad fiduciary oversight of the Portfolios and has developed this Policy as its statement of intent for achieving the investment objectives. The Board's primary responsibilities include the following:

- Approve all modifications to this Policy.
- Monitor performance of investments and the professional investment fund managers and custodian utilized on an ongoing basis.
- Oversee Investment Committee actions in carrying out its responsibilities.

##### Investment Committee

The Investment Committee (the "Committee") is a standing committee and will be comprised of members as designated by the Board. The primary responsibility of the

Committee is to oversee and provide guidance for the investment of the Portfolios' assets. The Committee's responsibilities include the following:

- Recommend investment goals and objectives for approval by the Board.
- Recommend modifications to this Policy when deemed necessary, for approval by the Board.
- Determine appropriate asset allocation and investment performance expectations, making changes to Appendix A, Appendix B, and Appendix C of this Policy as necessary.
- Select professional investment managers, negotiate terms and conditions of their services, and terminate as appropriate.
- Monitor investment expenses charged to the Portfolios.
- Monitor and evaluate investment performance of each Portfolio on a quarterly and ongoing basis.
- Confirm proper custody of the Portfolios' assets.
- Report to the Board, at least annually, regarding the Portfolios' investment results, its composition and other information the Board may reasonably request.

To assist in the performance of its duties with respect to the Portfolios, the Committee may retain an investment consultant as a co-fiduciary.

### **Investment Consultant**

As appropriate, an objective, third-party investment consultant may be charged with the responsibility of advising the Committee on this Policy, asset allocation, manager structure, investment manager selection, education, performance analysis and monitoring. The investment consultant will assume the responsibilities of a co-fiduciary of the Portfolios. The investment consultant may further be charged with discretion over trade activity, managing asset allocation among investments and asset categories in the Portfolios, in accordance with this Policy, and managing cash reserves. The investment consultant will perform their duties in accordance with the guidelines outlined in their respective Service Agreement.

### **Custodian**

The custodian is responsible for the safekeeping of the Portfolios' assets. The specific duties and responsibilities of the custodian include maintaining unitized accounting for each stakeholder's interest in each Portfolio, valuing the holdings for each separate stakeholder, collecting all income and dividends owed to the Portfolios, settling all transactions (buy-sell orders) initiated by the investment managers, the Diocese and/or individual Stakeholders, providing reports that detail transactions, cash flows, securities held and their current value and change in value of each security and the overall portfolio since the previous report. The custodian will perform their duties in accordance with the guidelines outlined in their respective Service Agreement.

### **Investment Managers**

Investment managers are delegated the responsibility of investing and managing Portfolio assets. The Committee may elect to invest assets in separately managed accounts, commingled funds, partnership vehicles, mutual funds, exchange-traded funds (ETFs), or FDIC-insured bank accounts. In all cases, the investment managers of these funds will have full discretion over the portfolio management decisions in accordance with the guidelines and objectives outlined in their respective Service Agreement, Trust Agreement or Prospectus.

Investment managers will be expected to provide to the Committee and their investment consultant, on a timely basis, such data as is required for proper monitoring. Each investment manager's compliance with Policy guidelines shall be monitored periodically; however, the investment managers shall be expected to continually assess their own compliance.

Each manager is also responsible for following, to the extent applicable, the Portfolios' policies regarding socially responsible investing as described in Appendix A, Appendix B, and Appendix C, respectively, as well as the proxy voting policy as described in Section VI.

## **V. INVESTMENT GUIDELINES**

### **Asset Allocation**

The most important component of an investment strategy is the asset allocation among the various classes of investments available to the Portfolios. The Committee will be responsible for determining the target asset allocation to facilitate achievement of each Portfolio's long-term investment objectives within the established risk parameters. The current asset allocation target and rebalancing ranges for the Portfolios are set forth in the Appendix A, Appendix B, and Appendix C of this Policy, respectively.

Within each asset class, the Committee shall adopt portfolio implementation strategies and investment styles to meet the overall investment objective of each asset class.

### **Manager Selection and Monitoring**

The Board recognizes that investment results should be evaluated over a complete market cycle (generally five years) for purposes of investment option selection and monitoring. Performance guidelines are described in Appendix A, Appendix B, and Appendix C of this Policy. While performance is an important component of investment option evaluation, the Committee may also consider other criteria, including but not limited to investment philosophy, organizational structure, financial condition, assets under management, team experience and capability, volatility appropriate for the investment strategy, fees and any advice provided by an investment consultant.

The Committee will periodically review investments utilized by the Portfolios for changes to the non-performance criteria described in this section and against the performance guidelines described in Appendix A, Appendix B, and Appendix C. Although the Committee does not expect to react to short-term developments in investment

markets, the Committee may act on interim judgments if there are changes to any of the evaluated criteria that are deemed worthy of action. Notwithstanding the foregoing, the Committee reserves the right to revise or terminate investments in whole or in part, at any time, for any reason.

## **VI. PRUDENCE AND ETHICS**

### **Standards of Prudence**

All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, the Committee, and external service providers shall be the prudence standard adopted in the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”)—derived from the Revised Model Nonprofit Corporation Act (“RMNCA”) and from the prudent investor rule of the Uniform Prudent Investor Act (“UPIA”)—which states in part:

*Each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.*

This standard requires the exercise of reasonable care and is to be applied to investments not in isolation but in the context of the total portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the Portfolios.

### **Conflicts of Interest**

All fiduciaries and other service providers involved in the investment process shall refrain from activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. These parties must reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process. All service providers shall subordinate their personal investment transactions to those of the Portfolios, particularly with regard to the timing of purchases and sales.

### **Socially Responsible Investing**

Operational guidelines for social responsibility for the Portfolios are detailed in Appendix A, Appendix B, and Appendix C, respectively.

### **Proxy Voting**

For separately managed accounts, where ownership rights and privileges are retained by the Portfolios for each underlying security, proxy voting may be delegated to the investment manager. If so, the Committee will periodically review the manager’s voting record for consistency with the Proxy Voting Policy established by the Committee on Corporate Social Responsibility (the “CCSR”) and approved by the Executive Council for the Church Pension Fund (the “CPF”). The CPF retained a proxy voting firm and advisor, who assisted the CCSR in formulating a set of voting recommendations covering a broad range of proxy issues. The CPF has provided, free of charge, this proxy voting service to

the Episcopal Church and any church-related diocese, parish or institution wanting to vote its proxies in accordance with Church policies.

For commingled funds, partnership vehicles, mutual funds, and exchange-traded funds, proxy voting is exercised by the investment manager on behalf of all pooled fund investors.

## **VII. ADMINISTRATIVE GUIDELINES**

- A. All funds invested in the Portfolios are under the jurisdiction and control of the Board. The Board shall have the authority to appoint an Investment Committee to supervise those investments and further shall have the authority to engage professional managers to invest the assets of the Portfolios. Such managers shall be accountable to the Committee, which shall report regularly to the Board.
- B. Assets turned over to the Board for investment will generally be sold and the proceeds reinvested in unit shares of the Portfolios. The specific assets will thereby lose their identity as such and stakeholders will share pro-rata in the Portfolios.
- C. The value of a stakeholder's assets, when turned over to the Board for investment, shall be fixed as of the date they are put into transferable form, less any cost or expenses in connection with delivery to or disposition of the assets by the Board.
- D. A stakeholder's share shall be valued and a statement of activity shall be supplied to stakeholders monthly by the custodian. Accounting will also be provided upon a stakeholder's withdrawal from the Portfolios.
- E. The Diocese incurs certain costs in the administration of the Portfolios. The Board considers the cost of administration a function of the Diocese and as such does not charge stakeholders for that service.
- F. The investment managers charge certain fees to manage the assets of the Portfolios. The fees are assessed as a percentage of portfolio assets. The investment managers' fees are charged to stakeholders on a prorated basis. The fees are reviewed quarterly by the Committee. The current fee schedule may be obtained by any stakeholder by contacting the Finance Office of the Diocese.
- G. The Portfolios also incur certain fees charged for the services of the custodial bank, investment consultant, and auditor. All such fees are charged to stakeholders on a prorated basis. The fees are reviewed annually by the Committee. The current fee schedule may be obtained by any stakeholder by contacting the Finance Office of the Diocese.

## **VIII. RIGHT TO AMEND**

The Board reserves the right to amend this Policy at any time it deems such an amendment to be necessary or advisable.

BOARD OF TRUSTEES  
EPISCOPAL DIOCESE OF OREGON

*Adopted on November 17, 2022*

## **APPENDIX A:**

### **DIOCESAN INVESTMENT FUND (THE “DIF”)**

#### **Asset Allocation**

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<b>DIF</b>	<b>Minimum (%)</b>	<b>Target (%)</b>	<b>Maximum (%)</b>
<b>Growth Investments</b>			
U.S. Equity	33	<b>39</b>	45
Non-U.S. Equity	22	<b>26</b>	30
<b>Diversifying Investments</b>			
Real Estate	3	<b>5</b>	7
Marketable Alternatives	8	<b>10</b>	12
<b>Equity Risk Mitigation</b>			
Fixed Income	15	<b>18</b>	21
Cash Equivalents	0	<b>2</b>	5

Formal asset allocation reviews shall be conducted regularly to evaluate the continued validity of the adopted asset allocation.

#### **Rebalancing**

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The investment consultant shall review the actual allocation of the DIF on an ongoing basis and in accordance with market fluctuations. If an allocation falls outside the maximum or minimum ranges specified above, a rebalancing process would be triggered to bring the investment portfolio back with the range of targeted asset allocations and the planned distribution among investment managers.

In determining an appropriate rebalancing strategy, the investment consultant will seek to minimize the transactions costs, market impact, and opportunity costs. The investment consultant will consider multiple strategies including, but not limited to, using available cash, using the most liquid securities or asset classes, combining rebalancing with manager terminations or new manager hires, and funding regular cash needs above short-term reserves from asset classes at the upper limit of their target ranges. The investment consultant will prioritize the rebalancing strategies based on the circumstances prevailing at the time.

#### **Performance Expectations**

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Performance objectives shall be evaluated on total rate of return basis, net of fees, and shall be monitored over a sufficient time period to reflect the investment expertise of the investment managers over one full market cycle (approximated by the most recent five-year period for which data is available).



### *Actively Managed Investments*

1. Total return or risk-adjusted return (e.g. Sharpe ratio) to exceed the benchmark
2. Total return or risk-adjusted return (e.g. Sharpe ratio) to rank in the top 40<sup>th</sup> percentile in a universe of peers (if a suitable peer group is available)

### *Passively Managed (Index) Investments*

1. Total return comparable to the benchmark (with reasonable allowance for fees)
2. Minimal tracking error relative to the benchmark

## **Asset Classes and Benchmarks**

<b>Benchmark</b>		<b>Description</b>
<b>GROWTH INVESTMENTS</b>		
<b>U.S. Equity</b>	S&P 500, Russell 1000, Russell 2000, or other comparable index with appropriate capitalization and style	U.S. equity managers invest in U.S. stocks of varying characteristics, primarily across large, mid and small capitalizations and value, core and growth styles.
<b>Non-U.S. Equity</b>	MSCI ACW ex-U.S. or other comparable index with appropriate region, capitalization and style	Non-U.S. equity managers invest in non-U.S. stocks of varying characteristics, primarily across large, mid and small capitalizations, value core and growth styles and developed, emerging and frontier regions.
<b>DIVERSIFYING INVESTMENTS</b>		
<b>Real Estate</b>	S&P Global REIT, MSCI US REIT, FTSE NAREIT Developed or other comparable index	Real estate managers may invest in public real estate companies, REITs, private real estate or private real estate debt. Common property types include office buildings, retail centers, industrial parks, apartment complexes and hotels, and often include moderate amounts of leverage.
<b>Marketable Alternatives</b>	Absolute (e.g. CPI + 5%), or custom index blended to reflect manager allocation/opportunity set	Marketable alternatives strategies are intended to provide additional diversification within an investment portfolio and typically feature a low beta and/or low correlation to traditional asset classes. Marketable alternatives managers encompass a wide range of different strategy types (e.g. tactical asset allocation, diversified inflation-related) and may employ moderate amounts of leverage as well as the ability to hold short positions in securities.
<b>EQUITY RISK MITIGATION</b>		
<b>Fixed Income</b>	Bloomberg U.S. Aggregate or other comparable index with appropriate duration and style	Fixed income managers invest in a variety of sectors of the bond market, including corporate and government debt instruments, typically investment grade and within the U.S. Managers may allocate a portion of assets to “plus” sector fixed income, including high yield and non-U.S. bonds.
<b>Cash Equivalents</b>	U.S. 91-Day T-Bills or other comparable index	A money market manager typically seeks to achieve a return commensurate with the very short-term nature of the investments, with minimal risk and a high degree of security and liquidity.

## **Performance Monitoring**

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The objectives outlined above recognize that the investment horizon is long-term and that investment competence must be measured throughout a meaningful period of time. While the quantitative assessment of managerial competence will be measured over a complete market cycle (approximated by the most recent five-year period for which data is available), the Committee anticipates that its investment consultant will make interim qualitative judgments. Specific factors, which will be reported to the Committee by its investment consultant and reviewed by the Committee on an ongoing basis, include:

- Fundamental changes in investment philosophy or process
- Changes in organizational structure or financial condition (including significant changes in total assets under management)
- Changes in key personnel
- Changes in fee structure
- Any regulatory activity or litigation brought against the manager
- Significant deterioration in shorter-term performance relative to benchmark and/or peers
- Significant increase in volatility or tracking error relative to benchmark and/or peers

## **Watch List**

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If an investment manager is not meeting the long-term performance expectations outlined above, or if qualitative issues such as the factors detailed above arise, the manager will be placed on a “watch list.” After the manager has been placed on the “watch list,” the Committee and the investment consultant should interview the manager via phone conversation or in person. If the manager’s performance fails to improve relative to the standards detailed above and/or qualitative factor changes remain unresolved, the manager may be considered for termination and a replacement investment manager search will be initiated. If, after completion of the search, it remains clear that the investment manager should be replaced, the process of termination should commence.

## **Socially Responsible Investing**

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Operational guidelines for social responsibility for the DIF will be patterned on the standards set by the Executive Council of the Episcopal Church as referenced in the “Statement of Investment Policy & Objectives for The Domestic and Foreign Missionary Society.” For separately managed accounts, where ownership rights and privileges are retained by the DIF for each underlying security, the most recently adopted version of the “Companies Subject to No-buy Portfolio Restrictions” exhibit serves to document the specific restrictions. For commingled funds, partnership vehicles, mutual funds, and exchange-traded funds no specific social screening criteria is imposed. For stakeholders who desire further social screening and positive social investing elements in the investment process, a separate Socially Responsible Investment Fund (the “SRIF”) is available.

## **Right to Amend**

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The Committee reserves the right to amend this Appendix A at any time it deems such an amendment to be necessary or advisable.

INVESTMENT COMMITTEE  
EPISCOPAL DIOCESE OF OREGON

*Adopted on November 1, 2022*

## **APPENDIX B:**

### **SOCIALLY RESPONSIBLE INVESTMENT FUND (THE “SRIF”)**

#### **Socially Responsible Investing**

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##### *Background*

In November 2013, the 125<sup>th</sup> Convention of the Episcopal Diocese of Oregon approved a Resolution in Support of Socially Responsible Investment Strategies directing the Board, the Committee, its Investment Consultant, and the Diocesan Environmental Commission to conduct a study, which was completed prior to the 127<sup>th</sup> Convention.

In November 2015, the 127<sup>th</sup> Convention of the Episcopal Diocese of Oregon approved a Resolution for Creation of the Diocesan Socially Responsible Investment Fund directing the Board of Trustees and its Investment Committee and Consultant to create a new socially responsible investment program (the “SRIF”). The SRIF will seek to reflect contemporary standards of SRI as well as the Gospel Values priorities recommended via a polling process of Convention delegates. The resolution further directed the Investment Committee to exercise proper due diligence and investment manager selection processes consistent with existing procedures, and create and incorporate this Appendix to existing investment policy to further define SRI parameters, both in the manner of areas to avoid and potential positive investment choices worthy of support.

The 127<sup>th</sup> Convention of the Episcopal Diocese of Oregon approved a Resolution for Implementation of the Diocesan Socially Responsible Investment Fund, which directed the Board of Trustees, either itself or through a committee it may designate, to endorse the Episcopal Church's directive to support the United Nations' Sustainable Development Goals (“SDGs”). The resolution authorized the SRIF to invest in organizations working to achieve the SDGs, in particular providing authorization to make micro-finance investments as resources may allow.

##### *Priorities*

Based on the dot voting tally originally from the 126<sup>th</sup> Convention, and most recently reaffirmed and expanded at the 129<sup>th</sup> Convention, the top socially responsible investment (“SRI”) priorities established are:

<b>Restrictive Investing</b>	<b>Positive Investing</b>
Pollution/Toxics	Climate/Clean Technology
Human Rights	Human Rights
Executive/Exploitative Pay	Community Development
Animal Cruelty	Diversity/Equal Opportunity

The Investment Committee will seek investments that, in addition to meeting investment due diligence standards, employ socially responsible investment approaches that are

consistent with the Gospel Values broadly and that, in aggregate, emphasize the priorities denoted above. Each investment in isolation may not meet all priorities.

For asset classes where a satisfactory SRI option is not available or yet to be identified, the Committee may choose to employ the same investment strategies utilized in the DIF. Despite the lack of a particular social responsibility focus, these strategies may provide an important diversification benefit to the overall SRIF. Such non-SRI investments, particularly in the marketable alternatives space, are limited to no more than 20% of the SRIF.

It is intended that the polling process will be employed every three years, to ensure that the social responsibility focus of the SRIF continues to reflect the priorities of the Diocese of Oregon.

#### *Sustainable Development Goals*

In addition to the priorities outlined above, the Church's seeks to utilize investment strategies within the SRIF that support the United Nations' Sustainable Development Goals ("SDGs") as further detailed at <https://sustainabledevelopment.un.org/sdgs>.

To further the objectives of the SDGs, the Investment Committee may include micro-finance investments in the SRIF's asset allocation.

#### *Further Restrictions*

In addition to the priorities outlined above, additional operational guidelines for social responsibility for the SRIF will be patterned on the standards set by the Executive Council of the Episcopal Church as referenced in the "Statement of Investment Policy & Objectives for The Domestic and Foreign Missionary Society." For separately managed accounts, where ownership rights and privileges are retained by the SRIF for each underlying security, the most recently adopted version of the "Companies Subject to No-buy Portfolio Restrictions" exhibit serves to document the specific restrictions.

#### *SRI Expectations*

In addition to providing data as is required for proper investment monitoring, managers for the SRIF will be expected to provide to the Committee on an annual basis a detailed report regarding how the portfolio was managed to further the SRI priorities outlined in this policy.

## Asset Allocation

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SRIF	Minimum (%)	Target (%)	Maximum (%)
<b>Growth Investments</b>			
U.S. Equity	33	<b>39</b>	45
Non-U.S. Equity	14	<b>17</b>	22
Global Equity	0	<b>10</b>	12
<b>Diversifying Investments</b>			
Real Estate	3	<b>5</b>	7
Marketable Alternatives	3	<b>6.3</b>	9
Micro-Finance Investments	0	<b>0.7</b>	2
<b>Equity Risk Mitigation</b>			
Fixed Income	15	<b>20</b>	23
Cash Equivalents	0	<b>2</b>	5

Formal asset allocation reviews shall be conducted regularly to evaluate the continued validity of the adopted asset allocation.

## Rebalancing

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The investment consultant shall review the actual allocation of the SRIF on an ongoing basis and in accordance with market fluctuations. If an allocation falls outside the maximum or minimum ranges specified above, a rebalancing process would be triggered to bring the investment portfolio back with the range of targeted asset allocations and the planned distribution among investment managers.

In determining an appropriate rebalancing strategy, the investment consultant will seek to minimize the transactions costs, market impact, and opportunity costs. The investment consultant will consider multiple strategies including, but not limited to, using available cash, using the most liquid securities or asset classes, combining rebalancing with manager terminations or new manager hires, and funding regular cash needs above short-term reserves from asset classes at the upper limit of their target ranges. The investment consultant will prioritize the rebalancing strategies based on the circumstances prevailing at the time.

## Performance Expectations

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Performance objectives shall be evaluated on total rate of return basis, net of fees, and shall be monitored over a sufficient time period to reflect the investment expertise of the investment managers over one full market cycle (approximated by the most recent five-year period for which data is available).

### *Actively Managed Investments*

1. Total return or risk-adjusted return (e.g. Sharpe ratio) to exceed the benchmark
2. Total return or risk-adjusted return (e.g. Sharpe ratio) to rank in the top 40<sup>th</sup> percentile in a universe of peers (if a suitable peer group is available)

*Passively Managed (Index) Investments*

1. Total return comparable to the benchmark (with reasonable allowance for fees and social screening criteria)
2. Minimal tracking error relative to the benchmark

**Asset Classes and Benchmarks**

Benchmark		Description
<b>GROWTH INVESTMENTS</b>		
<b>U.S. Equity</b>	S&P 500, FTSE Social Good, Russell 3000 or other comparable index with appropriate capitalization, style, and/or SRI guidelines	U.S. equity managers invest in U.S. stocks of varying characteristics, primarily across large, mid and small capitalizations and value, core and growth styles.
<b>Non-U.S. Equity</b>	MSCI ACW ex-U.S. or other comparable index with appropriate region, capitalization and style	Non-U.S. equity managers invest in non-U.S. stocks of varying characteristics, primarily across large, mid and small capitalizations, value core and growth styles and developed, emerging and frontier regions.
<b>Global Equity</b>	MSCI ACW or other comparable index with appropriate region, capitalization and style	Global equity managers invest in both U.S. and non-U.S. stocks of varying characteristics, primarily across large, mid and small capitalizations, value core and growth styles and developed, emerging and frontier regions.
<b>DIVERSIFYING INVESTMENTS</b>		
<b>Real Estate</b>	S&P Global REIT, MSCI US REIT, FTSE NAREIT Developed or other comparable index	Real estate managers may invest in public real estate companies, REITs, private real estate or private real estate debt. Common property types include office buildings, retail centers, industrial parks, apartment complexes and hotels, and often include moderate amounts of leverage.
<b>Marketable Alternatives</b>	Absolute (e.g. CPI + 5%) or custom index blended to reflect manager allocation/opportunity set	Marketable alternatives strategies are intended to provide additional diversification within an investment portfolio and typically feature a low beta and/or low correlation to traditional asset classes. Marketable alternatives managers encompass a wide range of different strategy types (e.g. tactical asset allocation, diversified inflation-related) and may employ moderate amounts of leverage as well as the ability to hold short positions in securities.
<b>EQUITY RISK MITIGATION</b>		
<b>Fixed Income</b>	Bloomberg U.S. Aggregate or other comparable index with appropriate duration and style	Fixed income managers invest in a variety of sectors of the bond market, including corporate and government debt instruments, typically investment grade and within the U.S. Managers may allocate a portion of assets to “plus” sector fixed income, including high yield and non-U.S. bonds.
<b>Cash Equivalents</b>	U.S. 91-Day T-Bills or other comparable index	A money market manager typically seeks to achieve a return commensurate with the very short-term nature of the investments, with minimal risk and a high degree of security and liquidity.

## **Performance Monitoring**

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The objectives outlined above recognize that the investment horizon is long-term and that investment competence must be measured throughout a meaningful period of time. While the quantitative assessment of managerial competence will be measured over a complete market cycle (approximated by the most recent five-year period for which data is available), the Committee anticipates that its investment consultant will make interim qualitative judgments. Specific factors, which will be reported to the Committee by its investment consultant and reviewed by the Committee on an ongoing basis, include:

- Fundamental changes in investment philosophy or process
- Fundamental changes in the socially responsible investment philosophy or process
- Changes in organizational structure or financial condition (including significant changes in total assets under management)
- Changes in key personnel
- Changes in fee structure
- Any regulatory activity or litigation brought against the manager
- Significant deterioration in shorter-term performance relative to benchmark and/or peers
- Significant increase in volatility or tracking error relative to benchmark and/or peers

## **Watch List**

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If an investment manager is not meeting the long-term performance expectations outlined above, or if qualitative issues such as the factors detailed above arise, the manager will be placed on a “watch list.” After the manager has been placed on the “watch list,” the Committee and the investment consultant should interview the manager via phone conversation or in person. If the manager’s performance fails to improve relative to the standards detailed above and/or qualitative factor changes remain unresolved, the manager may be considered for termination and a replacement investment manager search will be initiated. If, after completion of the search, it remains clear that the investment manager should be replaced, the process of termination should commence.

## **Right to Amend**

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The Committee reserves the right to amend this Appendix B at any time it deems such an amendment to be necessary or advisable.

INVESTMENT COMMITTEE  
EPISCOPAL DIOCESE OF OREGON

*Adopted on November 1, 2022*



## **APPENDIX C:**

### **SHORT TERM INVESTMENT FUND (THE “STIF”)**

#### **Asset Allocation**

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<b>STIF</b>	<b>Minimum (%)</b>	<b>Target (%)</b>	<b>Maximum (%)</b>
Cash Equivalents	0	100	100

#### **Rebalancing**

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All STIF assets are currently invested in a government money market fund. The custodian will sweep uninvested cash into the sweep vehicle daily and facilitate cash flow needs of underlying stakeholders.

#### **Performance Expectations**

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Performance objectives shall be evaluated on total rate of return basis, net of fees, and shall be monitored over a sufficient time period to reflect the investment expertise of the investment managers over one full market cycle (approximated by the most recent five-year period for which data is available).

##### *Cash Equivalent Investments*

1. Total return comparable to the benchmark (with reasonable allowance for fees)
2. Minimal tracking error relative to the benchmark

#### **Asset Classes and Benchmarks**

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	<b>Benchmark</b>	<b>Description</b>
<b>Cash Equivalents</b>	U.S. 91-Day T-Bills or other comparable index	A money market manager typically seeks to achieve a return commensurate with the very short-term nature of the investments, with minimal risk and a high degree of security and liquidity.

#### **Right to Amend**

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The Committee reserves the right to amend this Appendix C at any time it deems such an amendment to be necessary or advisable.

INVESTMENT COMMITTEE  
EPISCOPAL DIOCESE OF OREGON

*Adopted on November 1, 2022*

### **Companies Subject to No-buy Portfolio Restrictions**

The Domestic & Foreign Missionary Society  
Episcopal Church Executive Council  
Corporate Social Responsibility Committee

**Revised February 2020**

The Corporate Social Responsibility Committee, a subcommittee of the Executive Council establishes the directives for socially responsible investments. These directives are largely guided by recommendations from the ICCR (Interfaith Center on Corporate Responsibility) with respect to shareholder activism and other socially responsible investment issues.

There are five portfolio restrictions in place based on policies adopted by the Executive Council. They are:

- **Militarism:** Shares of any company (a) among the top U.S. defense contractors, measured in dollar volume of sales and (b) any company among the top 50 defense contractors that receives more than fifty percent of its revenues from military contracts.
- **For-profit prisons:** Shares of companies that operate for-profit prisons
- **Tobacco products:** Shares of companies that manufacture and sell tobacco products
- **Fossil fuels:** Shares of companies where more than 10% of revenue is derived from fossil fuels
- **Human rights:** Shares of companies supporting or benefiting from denial of human rights consistent with policies adopted by General Convention or Executive Council.

The following is a list of companies subject to portfolio restrictions based on Episcopal Church policies.

<b>Military Contractors</b>	<b>CUSIP</b>	<b>SEDOL</b>
Lockheed Martin	539830109	2522096
Raytheon	755111507	2758051
Northrop Grumman	666807102	2648806

<b>For-profit Prisons</b>	<b>CUSIP</b>	<b>SEDOL</b>
Avalon Correctional Services Inc.	053436309	BTC34L8 US
Core Civic	21871N101	BZ8VC58 US
G4S PLC	GFS LN	B01FLG6
Geo Group	36162J106	BNLYWQ1 US

<b>US Tobacco Companies</b>	<b>CUSIP</b>	<b>SEDOL</b>
Altria Group	02209S103	2692632
Philip Morris International	718172109	B2PKRQ3
Schweitzer-Mauduit International	808541106	2782038
Vector Group	92240M108	2515803

Non-US Tobacco Companies	CUSIP	SEDOL
Al-Eqbal Investment Company PLC (Jordan)		6460385
British American Tobacco plc (UK and subsidiaries)	GB0002875804	0287580 GB
Carreras Group Ltd (Jamaica)	JMP213891048	2177827 JM
Ceylon Tobacco Ltd (Sri Lanka)	LK0042N00008	6186904 LK
Eastern Company (Egypt)	EGS37091C013	6298177 EG
Godfrey Phillips (India)	INE260B01010	BSBML96 IN
Golden Tobacco	INE973A01010	6302357 IN
Imperial Brands PLC	GB0004544929	0454492 GB
ITC Ltd (India)	INE154A01025	
Japan Tobacco (Japan)	JP3726800000	
Jerusalem Cigarette Co Ltd (Israel)	PS2003111643	
JT International Bhd (Malaysia)	MYL26150O002	
Khyber Tobacco Company (Pakistan)	PK0012401011	
Kothari Products Ltd (India)	INE823A01017	6488406 IN
KT&G Group (Korea)	48268G100	
Pakistan Tobacco Company (Pakistan)	PK0002701016	6668305 PK
Pazardzhik BT (Bulgaria)	BG11PAPABT16	7541308 BG
Philip Morris CR A.S. (Czech Republic)	CS0008418869	4874546 CZ
Pleven BT (Bulgaria)	BG11PLPLDT18	7635751 BG
PT Gudang Garam Tbk (Indonesia)	ID1000068604	5549326 DE
RTCL Limited (India)	INE754B01012	B03K6F3 IN
Societe Ivoirienne de Tabacs (Cote d'Ivoire)	CI0000000154	6817475 CI
Sofia-BT (Bulgaria)	BG11SOSOVT14	
Swedish Match AB (Sweden)	SE0000310336	
Union Tobacco & Cigarette Industries Co (Jordan)	JO4107411012	
VST Industries (India)	INE710A01016	
West Indian Tobacco Company Ltd (Trinidad & Tobago)	TTP985721039	

**More than 10% of Company Revenue is Derived from Fossil Fuels**

<b>ISSUER</b>	<b>CUSIP</b>	<b>SEDOL</b>	<b>COUNTRY</b>
Advantage Oil & Gas Ltd.	00765F101	B66PKS8	CA
Aker ASA		B02R4D9	NO
Aker Bp ASA	00973RAC7	B1L95G3	NO
ALFA, S.A.B. De C.V.	015398AC4	2043423	MX
Alta Mesa Resources, Inc.	02133L109	BG20612	US
Altagas Ltd.	021361100	B43WJC5	CA
Anadarko Petroleum Corporation	032511107	2032380	US
Antero Resources Corporation	03674X106	BFD2WR8	US
Apache Corporation	037411105	2043962	US
Arc Resources Ltd.	00208D408	B6463M8	CA
Athabasca Oil Corporation	04682R107	B8DG7Z4	CA
BASF Se	055262505	5086577	DE
Baytex Energy Corp.	07317Q105	B4VGVM3	CA
Beach Energy Limited	073333106	6088204	AU
Bharat Petroleum Corporation Limited	08861M102	6099723	IN
BHP Billiton Limited	088606108	6144690	AU
BHP Billiton Plc	05545E209	0056650	GB
Birchcliff Energy Ltd.	090697103	B0B55N1	CA
Black Hills Corporation	092113109	2101741	US
Bonanza Creek Energy, Inc.	097793400	BYXGJD8	US
Bonavista Energy Corporation	09784Y108	B67JFX9	CA
Bonterra Energy Corp.	098546104	B3K3G89	CA
Bp P.L.C.	055622104	0798059	GB
Brookfield Asset Management Inc.	112585104	2092599	CA
BW Offshore Limited		BYYNFR4	BM
Cabot Oil & Gas Corporation	127097103	2162340	US
Cairn Energy Plc	12776P200	B74CDH8	GB
California Resources Corporation	13057Q206	BZBY210	US
Callon Petroleum Company	13123X102	2186072	US
Canacol Energy Ltd.	134808203	B97DSV1	CA
Canadian Natural Resources Limited	136385101	2171573	CA
Cardinal Energy Ltd.	14150G400	BH8B735	CA
Carrizo Oil & Gas, Inc.	144577103	2092801	US
Cenovus Energy Inc.	15135U109	B57FG04	CA
Centennial Resource Development, Inc.	15136A102	BYM4Z79	US
Centrica Plc	15639K300	B033F22	GB
Chesapeake Energy Corporation	165167107	2182779	US
Chevron Corporation	166764100	2838555	US
China Gas Holdings Limited	168935104	6460794	HK
China Oil And Gas Group Limited		B0703Z8	HK
China Petroleum & Chemical Corporation	16941R108	6373728	CN
Cimarex Energy Co.	171798101	2987521	US
Citic Resources Holdings Limited	17390E101	6369233	HK
Ck Hutchison Holdings Limited	12562Y100	BW9P816	HK

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Cnooc Limited	126132109	B00G0S5	CN
CNX Resources Corporation	12653C108	BF3FTF4	US
Compagnie Petroliere Imperiale Ltee	453038408	2454241	CA
Concho Resources Inc.	20605P101	B1YWRK7	US
ConocoPhillips	20825C104	2685717	US
Continental Resources, Inc.	212015101	B1XGWS3	US
Cooper Energy Limited		6515616	AU
Cosmo Energy Holdings Company, Limited	221298102	BYSJJ43	JP
Crescent Point Energy Corp.	22576C101	B67C8W8	CA
Crew Energy Inc.	226533107	2554721	CA
Delek Group Ltd.	24664R107	6219640	IL
Denbury Resources Inc.	247916208	2418474	US
Devon Energy Corporation	25179M103	2480677	US
Diamondback Energy, Inc.	25278X109	B7Y8YR3	US
DNO ASA	23290P105	B15GGN4	NO
Dogan Sirketler Grubu Holding Anonim Sirketi	25658Y107	B03MRG7	TR
E.On Se	268780103	4942904	DE
Eclipse Resources Corporation	27890G100	BN89V84	US
Ecopetrol S.A.	279158109	B2473N4	CO
Empresas Copec S.A.		2196026	CL
Encana Corporation	292505104	2793193	CA
Energen Corporation	29265N108	2012672	US
Enerplus Corporation	292766102	B584T89	CA
Engie S.A.	29286D105	B0C2CQ3	FR
Eni S.P.A.	26874R108	7145056	IT
Enquest Plc		B635TG2	GB
EOG Resources, Inc.	26875P101	2318024	US
EQT Corporation	26884L109	2319414	US
Equinor ASA	29446M102	7133608	NO
Etablissements Maurel Et Prom S.A.	29761A105	B05DY78	FR
Extraction Oil & Gas, Inc.	30227M105	BZ0CD34	US
Exxon Mobil Corporation	30231G102	2326618	US
Faroe Petroleum Plc		3303290	GB
Formosa Petrochemical Corporation		6718716	TW
Gail (India) Limited	36268T107	6133405	IN
Galp Energia, Sgps, S.A.	364097105	B1FW751	PT
Gazprom Pao	368287207	B59L4L7	RU
Genesis Energy Limited		BL10N28	NZ
Gran Tierra Energy Inc.	38500T101	B09R9V5	CA
Grupa Lotos Spolka Akcyjna		B0B8Z41	PL
GS Holdings Corp.		B01RJV3	KR
Gulfport Energy Corporation	402635304	2398684	US
Halcon Resources Corporation	40537Q605	BYVBXW2	US
Hess Corporation	42809H107	2023748	US

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<b>ISSUER</b>	<b>CUSIP</b>	<b>SEDOL</b>	<b>COUNTRY</b>
Highpoint Resources Corporation	43114K108	BDF0CY3	US
Hindustan Petroleum Corporation Limited	433224102	6100476	IN
Hunting Plc	445828106	0447889	GB
Hurricane Energy Plc		B580MF5	GB
Husky Energy Inc.	448055103	2623836	CA
Idemitsu Kosan Co.,Ltd.	45166E104	B1FF8P7	JP
Indian Oil Corpn. Limited	454338104	6253767	IN
Inpex Corporation	45790H101	B10RB15	JP
J.O.E.L. Jerusalem Oil Exploration Ltd.		6477073	IL
Jagged Peak Energy Inc.	47009K107	BDRW1M8	US
Japan Petroleum Exploration Co., Ltd.	47110T104	6711696	JP
Jxtg Holdings, Inc.	466295102	B627LW9	JP
K&O Energy Group Inc.		BH4TD79	JP
Kelt Exploration Ltd.	488295106	B9KF5Q8	CA
Keppel Corporation Limited	492051305	B1VQ5C0	SG
Keyera Corp.	493271100	B3SGMV5	CA
Kinder Morgan, Inc.	49456B101	B3NQ4P8	US
Koc Holding Anonim Sirketi	49989A109	B03MVJ8	TR
Koreagascorporation	50066AAD5	6182076	KR
Kosmos Energy Ltd.	500688AA4	B53HHH8	BM
Kunlun Energy Company Limited	50126A101	6340078	HK
Laredo Petroleum, Inc	516806106	B7DX5X2	US
Lundin Petroleum Ab	55037R200	7187627	SE
Marathon Oil Corporation	565849106	2910970	US
Matador Resources Company	576485205	B7MSLL8	US
Meg Energy Corp.	552704108	B4XF9J1	CA
Midstates Petroleum Company, Inc.	59804T407	BDQZFN7	US
Mitsubishi Corporation	606769305	6596785	JP
Mitsui & Co., Ltd.	606827202	6597302	JP
MOL Magyar Olaj- Es Gazipari Nyilvanosan Mukodo Reszvenytarsasag	608464202	BD5ZXH8	HU
Murphy Oil Corporation	626717102	2611206	US
Naphtha Israel Petroleum Corp. Ltd.		6621966	IL
National Fuel Gas Company	636180101	2626103	US
Naturgy Energy Group S.A.	63903X103	5650422	ES
Newfield Exploration Company	651290108	2635079	US
NK Lukoil Pao	69343P105	B59SNS8	RU
NK Rosneft' Pao	67812M207	B59SS16	RU
Noble Energy, Inc.	655044105	2640761	US
Northwest Natural Gas Company	667655104	2649586	US
Northwestern Corporation	668074305	B03PGL4	US
Nostrum Oil & Gas Plc	66980J103	BGP6Q95	NL
Novatek Pao	669888109	B59HPK1	RU
Nuvista Energy Ltd.	67072Q104	2901167	CA
Oasis Petroleum Inc.	674215108	B64R5J2	US

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<b>ISSUER</b>	<b>CUSIP</b>	<b>SEDOL</b>	<b>COUNTRY</b>
Obsidian Energy Ltd.	674482104	BDHLTZ4	CA
Occidental Petroleum Corporation	674599105	2655408	US
Oil And Gas Development Co Ltd	67778Q200	6732716	PK
Oil And Natural Gas Corporation Limited	67778L102	6139362	IN
Oil Search Limited	677890303	6657604	PG
Omv Aktiengesellschaft	670875509	4651459	AT
Ophir Energy Plc	68373H108	B24CT19	GB
Origin Energy Limited	68618R200	6214861	AU
Osaka Gas Co., Ltd.	687739102	6661768	JP
Painted Pony Energy Ltd.	695779108	BF0LLW6	CA
Pakistan Oilfields Ltd		6677141	PK
Par Pacific Holdings, Inc.	69888T207	BJH08C3	US
Paramount Resources Ltd.	699320206	B073FP1	CA
Parex Resources Inc.	69946Q104	B575D14	CA
Parsley Energy, Inc.	701877102	BMMV736	US
Patterson-Uti Energy, Inc.	703481101	2672537	US
PDC Energy, Inc.	69327R101	B89M5F2	US
Pengrowth Energy Corporation	70706P104	B67M828	CA
Penn Virginia Corporation	70788V102	BZCD9S2	US
Petrochina Company Limited	71646E100	B28SLD9	CN
Petrofac Limited	716473103	B0H2K53	JE
Petroleo Brasileiro S.A. - Petrobras	71654V408	2682365	BR
Peyto Exploration & Development Corp.	717046106	B6775F5	CA
Pioneer Natural Resources Company	723787107	2690830	US
Polski Koncern Naftowy Orlen Spolka Akcyjna		5810066	PL
Polskie Gornictwo Naftowe I Gazownictwo Spolka Akcyjna	731618104	B0L9113	PL
Premier Oil Plc	740536107	B43G057	GB
PT Akr Corporindo Tbk	69369P104	6048156	ID
PT Medco Energi Internasional Tbk	58406A105	6254511	ID
PT Perusahaan Gas Negara (Persero) Tbk	69367P106	6719764	ID
PTT Exploration And Production Public Company Limited	69364V106	B1359K1	TH
PTT Public Company Limited	69367C105	BD0BDH1	TH
Qep Resources, Inc.	74733V100	B60X657	US
Qgep Participacoes Sa		B3M5360	BR
Range Resources Corporation	75281A109	2523334	US
Reliance Industries Limited	759470107	6099626	IN
Repsol S.A.	76026T205	5669354	ES
Resolute Energy Corporation	76116A306	BD047X4	US
Ring Energy Inc.	76680V108	B1TGYD6	US
Royal Dutch Shell Plc	780259206	B09CBL4	NL
Rwe Aktiengesellschaft	74975E303	4768962	DE
Samchully Co.,Ltd		6771054	KR
Sandridge Energy, Inc.	80007P869	BD1XH30	US
Santos Limited	803021807	6776703	AU

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<b>ISSUER</b>	<b>CUSIP</b>	<b>SEDOL</b>	<b>COUNTRY</b>
Sapura Energy Berhad		B7GJ601	MY
Sasol Limited	803866102	6777450	ZA
Senex Energy Ltd	81720V100	6929325	AU
Seven Generations Energy Ltd.	81783Q105	BRK0MM4	CA
SK Holdings Co., Ltd.		B39Z8L3	KR
SK Innovation Co., Ltd.		B232R05	KR
Sknetworkscompanylimited		B04PZG1	KR
Sm Energy Company	78454L100	2764188	US
Soco International Plc		B572ZV9	GB
Sound Energy Plc		B90XFF1	GB
South Jersey Industries, Inc.	838518108	2825933	US
Southwestern Energy Company	845467109	2828619	US
SRC Energy Inc.	78470V108	BD8ZX20	US
Suncor Energy Inc.	867224107	B3NB1P2	CA
Superior Energy Services, Inc.	868157108	2806109	US
Surge Energy Inc.	86880Y109	2290597	CA
Surgutneftegaz Pao	868861204	B5BHQP1	RU
Talos Energy Inc.	87484T108	BDT56V9	US
Tamarack Valley Energy Ltd.	87505Y409	B8J3TH5	CA
Tatneft' Pao	876629205	B59BXN2	RU
Tellurian Inc.	87968A104	BD3DWD3	US
The Hong Kong And China Gas Company Limited	438550303	6436557	HK
The Southern Company	842587107	2829601	US
Thoresen Thai Agencies Public Company Limited		6561750	TH
Toho Gas Co., Ltd.	88905X108	6895222	JP
Tokyo Gas Co.,Ltd.	889115101	6895448	JP
Torc Oil & Gas Ltd	890895303	BDV82P2	CA
Total Sa	89151E109	B15C557	FR
Tourmaline Oil Corp.	89156V106	B3QJ0H8	CA
Tullow Oil Plc	899415202	0150080	GB
Ultra Petroleum Corp.	903914208	BZ0VZQ8	US
Unit Corporation	909218109	2925833	US
Vedanta Limited	92242Y100	6136040	IN
Vermilion Energy Inc.	923725105	B607XS1	CA
W&T Offshore, Inc.	92922P106	B01Z7M4	US
Whitecap Resources Inc.	96467A200	B418WK4	CA
Whiting Petroleum Corporation	966387409	BYWSWR0	US
Wildhorse Resource Development Corporation	96812T102	BD09869	US
Woodside Petroleum Ltd.	980228100	6979728	AU
WPX Energy, Inc.	98212B103	B40PCD9	US



**Human Rights Investment Screen**

Any corporation supporting or benefiting from denial of human rights consistent with policy adopted by General Convention or Executive Council, particularly

Any corporation that supports or benefits from denial of human rights in or through the occupation of the West Bank, East Jerusalem or the Gaza Strip (the Occupied Palestinian Territories or OPT)

	<b>CUSIP</b>	<b>SEDOL</b>	<b>COUNTRY</b>
Caterpillar Inc.	149123101	2180201	USA
Motorola Solutions, Inc.	620076307	B5BKPQ4	USA
Israel Discount Bank Ltd.	465074201	6451271	Israel