



BOARD RESOLUTION INVESTMENT POLICY

At the Thursday, April 23, 2020, meeting of Board of Directors of the Society of St. Vincent De Paul Archdiocesan Council of St. Louis the following recommendation was proposed and approved.

WHEREAS the investment policy dated and approved by the Board of Directors on July 25, 2019 does not provide for an investment strategy for Board Designated Funds, and

WHEREAS the investment policy dated April 23, 2020 creates a separate investment fund for management of the Board Designated Funds, and

WHEREAS, the recommendation changes were reviewed and recommended by the Finance Committee on April 21, 2020,

THEREFORE, BE IT RESOLVED that the Board of Directors of the Society of St. Vincent de Paul approve the Investment Policy dated April 23, 2020.

John J. Luth
Board Secretary

4/23/2020
Date

Approved by Board:

Society of St Vincent de Paul

Statement of Investment Policy

Objectives & Guidelines

4/17/2020

GENERAL INFORMATION

Society of St Vincent de Paul of St Louis

Society's mission:

Inspired by Gospel values, the Society of St Vincent de Paul Archdiocesan Council of St. Louis ("the Society"), a Catholic lay organization, leads women and men to join to grow spiritually by offering person-to-person service to those who are needy and suffering in the tradition of its founder, Blessed Frederic Ozanam, and patron, St Vincent de Paul.

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the Society.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by the Finance Committee of the Society to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Society assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of Society assets.
4. Establish a basis for evaluating investment results.
5. Manage Society assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the Society assets will be managed.

AUTHORITY ENDURED TO THE FINANCE COMMITTEE

The Finance Committee of the Society is entrusted with the duty to represent the interests of the Board on a continuous basis, and to act prudently when the entire board is unavailable to take official action.

As such, the Board shall delegate certain authorities to the Finance Committee of the Society in facilitation of fulfilling its responsibilities. These powers include:

1. Contract with qualified third parties to administer the operation of Society Assets, in accordance with the provisions specified in DELEGATION OF AUTHORITY.

2. Advise the Board on recommended investment policy changes.
3. Acting prudently, make short term investment policy changes between Board meetings, in response to immediate market stressors or macroeconomic events that may cause the active investment policy to render substandard performance.
4. Present performance of the investment funds to the Board on a basis as deemed appropriate by the Board.

Allocate fund balances to an investment policy that aligns the time horizon of the various investment assets to the expected cash flow needs as specified by the Board.

DELEGATION OF AUTHORITY

The Finance Committee of the Society is a fiduciary and is responsible for directing and monitoring the investment management of Society assets. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Manager: The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Society's investment objectives.
2. Custodian: The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Society, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Society accounts.
3. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Finance Committee to assist in meeting its responsibilities and obligations to administer Society assets prudently.

The Finance Committee will not reserve any control over investment decisions, except for specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, will be borne by the Society as deemed appropriate and necessary.

DEFINITIONS

1. "Society" shall mean the Society of St Vincent de Paul.

2. "Finance Committee" shall refer to the governing board established to administer the Society as specified by applicable ordinance.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the Society assets.
4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Society assets.
5. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.
6. "Investment Horizon" shall be the time over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Society is 7-10 years.
7. "Assets" shall refer to the Investment Portfolio of the Society.
8. "Portfolio" shall be defined as the Society's investment cash accounts and currently held unrestricted securities. It shall not include endowment or conference accounts.

ASSIGNMENT OF RESPONSIBILITY

The Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. The Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Society's investment management.
4. Informing the Finance Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

5. Voting proxies, if requested by the Finance Committee, on behalf of the Society, and communicating such voting records to the Finance Committee on a timely basis.

GENERAL INVESTMENT PRINCIPLES

As the steward of assets entrusted to it, the Society recognizes its ethical, moral and fiduciary responsibilities for those resources in ways consistent with the Gospel of Jesus Christ, the social teachings of the universal Catholic Church, and the stewardship expectations of the donors. Earnings and capital growth realized from the investments are a source of income needed to fund service programs and administrative expenses.

Responsible Investing

The Society shall adhere to the principles outlined in the report, Socially Responsible Investment Guidelines, by the National Conference of Catholic Bishops/U.S. Catholic Conference. The Society will not directly invest in the securities of companies:

- Engaged in activities causing social injury to consumers, employees and others when, for example, these activities violate domestic or international laws protecting health, safety or human rights, or when injuries result from discrimination, exploitation or the abuse of people, their environment and natural resources;
- Providing products, services or facilitating the delivery of products or services that are contrary to the teachings of the Church such as, but not limited to, abortifacients, contraceptives, pornographic material, etc.;
- Engaged significantly in the manufacture of materials or weapons of indiscriminate mass destruction.

At the sole discretion of the Society, investment managers may be directed to sell securities of companies that violate these guidelines.

Other Principles

1. Investments shall be made solely in the interest of the beneficiaries of the Society.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. Cash is to be employed productively always, by investment in short term cash equivalents to provide safety, liquidity, and return; unless such risk-free liquid investments with a positive return after fees are otherwise unobtainable in the marketplace.

INVESTMENT MANAGEMENT & RISK

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.
3. The Finance Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Society's assets understands how it defines risk so that the assets are managed in a manner consistent with the Society's objectives and investment strategy as designed in this statement. The Society defines Risk as the uncertainty that an investment will earn its expected rate of return.

The Finance Committee defines risk as: The probability of not maintaining purchasing power over the Society's investment time horizon of one month for the Operational Account, one year for the Board Designated Funds account, and 7-10 years for Endowment Funds account.

CASH TRANSFER AUTHORIZATION

Funds can be transferred into and from the Society's Operational Account and the Society's Operating Bank Account to allow for cash flow timing. However, only the approved budgeted amount per fiscal year can be permanently transferred out for spending purposes, unless otherwise approved by the Finance Committee. Spending shall remain consistent with the guidelines outlined in Section 8 of the Reserve Fund Policy.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Finance Committee will periodically provide investment counsel with an estimate of expected net cash flow. The Finance Committee will notify the investment manager in a timely manner, to allow enough time to build up necessary liquid reserves.

MARKETABILITY OF ASSETS

The Finance Committee requires that all of Society assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently into cash for the Society, with minimal impact on market price.

INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds
 - STIF Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations
 - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
 - Emerging Markets Equities
4. Mutual Funds/ETF
 - Mutual Funds and Exchange Traded Funds (ETF) which invest in securities as allowed in this statement.
5. Other Assets
 - GIC's
 - Hedge Funds
 - REITS
 - Managed Futures
 - Managed Commodities
 - Long Options
 - Covered Calls
 - Net Long Spreads
 - Venture Capital Investments, limited to 10% of fund assets

Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through any US exchange registered with the SEC. Such transactions shall be executed at the National Best Offer (NBO) available if removing liquidity; or by any transaction that adds liquidity at a prudently and

competitively marketed price as determined by the manager's interpretation of the risks associated with holding or not holding the security in question, the liquidity demands of the fund, and available pricing in the market. An Investment Manager may, from time to time, execute an order off the exchange at competitive prices, if the manager deems the transaction too large to maintain an orderly market were it to be executed on exchange. If an Investment Manager determines that there is a benefit or a need to execute transactions in exchanges other than authorized by the SEC, written approval is required from the Finance Committee.

Prohibited Assets

Prohibited investments include, but are not limited to the following:

1. Private Placements
2. Options, excepting covered calls, long options, or net long spreads
3. Limited Partnerships
4. Venture-Capital Investments more than 10% of fund assets

Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

1. Short Selling, excepting covered calls, and option legs that are part of a Net Long Option Spread
2. Margin Transaction

Asset Allocation Guidelines

Investment management of the assets of the Society of St Vincent de Paul shall be in accordance with the following guidelines:

1. The Investment Portfolio will consist of two separate accounts:

Board Designated Funds - The annual budgeted amount of BDF spending will be invested in a short-term money market fund. The balance in BDF Funds which are not planned to be spent in the current year, shall be invested as follows:

- Up to 20% of the BDF funds can be invested in an 60% equity and 40% fixed income portfolio.
- 80% invested in U.S. Treasury Bills, U.S. Treasury Notes, short-term bond funds with a maximum maturity of two years and Investment Grade Corporate bonds with a maximum maturity of 5 years.

A. Endowment Funds - Unrestricted, Permanently Restricted and Temporarily Restricted Assets

will be managed as a balanced portfolio composed of two major components; an equity component and a fixed income component. The expected role of the equity investments will be to maximize the long term real growth of Portfolio assets and while the role of the fixed income investments will be to generate current income, provide for more stable periodic returns and provide some protection against a prolonged decline in the market value of Portfolio equity investments.

The asset allocation of the Endowment Funds are as follows:

Asset Class	Target Allocation	Minimum	Maximum
Equities	60%	50%	70%
Fixed Income	40%	50%	30%

2. The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate plan, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Finance Committee regarding specific objectives and guidelines.
3. If the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Finance Committee will instruct the Investment Manager(s) to bring the portfolio(s) into compliance with these guidelines once per quarter. If any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Finance Committee expects that the Investment Manager will bring the portfolio into compliance with these guidelines once per quarter without instruction from the Finance Committee.

Diversification for Investment Managers

To achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total fund, and no more than 20% of the total fund should be invested in any one industry. Individual treasury securities may represent 20% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Society's aggregate bond position.

Guidelines for Fixed Income Investments and Cash Equivalents

1. Fixed income securities portfolio will have a weighted average maturity of 10 years or less and the maximum maturity will not exceed 30 years.
2. Corporate debt issues will be rated investment grade (AAA-BBB). Issues rated BBB shall not exceed 25% of total fixed income investments.

3. Commercial paper will be rated as A-1 or A-2 by Standard & Poor's, P-1 or P-2 by Moody's or comparable rating by other rating agencies.
4. Money Market Funds selected will invest at least 99.5% of its assets in cash, U.S. Treasury securities and other government securities guaranteed or issued by an agency or instrumentality of the U.S. Government, and repurchase agreements that are fully collateralized by cash or government securities.

SELECTION OF INVESTMENT MANAGERS

The Finance Committee's selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Finance Committee requires that each investment manager provide, in writing, acknowledgment of their fiduciary responsibility under the Department of Labor rules to the Society of St Vincent de Paul.

PERFORMANCE BENCHMARKS

The Investment Policy Benchmark for the Endowment Fund's assets shall be an amount equal to the total return for the equity allocation of the assets equivalent to the Standard & Poor's Composite Index plus the total return for the fixed income allocation of the assets equivalent to the Barclays Capital Aggregate Bond index computed as follows:

$$(\text{S\&P Index Return} \times 60\%) + (\text{Bloomberg Barclays Capital Aggregate Bond Index Return} \times 40\%)$$

INVESTMENT MANAGER PERFORMANCE REVIEW

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Finance Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against benchmarks stated above. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Finance Committee intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may

Investment Policy Statement

impact their ability to achieve the desired investment results.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Finance Committee plans to review investment policy at least annually.

This statement of investment policy is adopted on _____, 20____ by the Finance Committee of Society of St. Vincent de Paul whose signatures appear below.