St. John's Presbyterian Church
Investment Policy Statement

I. Introduction

The Session of St. John's Presbyterian Church (hereinafter referred to as "St. John's" or the "Church") has delegated the primary responsibility for managing the financial affairs of the Church to the Trustees. In an effort to assist the Trustees with this responsibility, the Trustees have created an Investment Committee (hereinafter referred to as the "Committee"), consisting of at least one (1) Trustee, who shall Chair the Committee and three (3) members of the Church who have professional investment related expertise. The Committee shall meet periodically to review the Church's financial affairs and make investment recommendations to the Trustees. If the Committee determines that certain Church funds are not required for annual operating expenses, it shall recommend that these funds be invested long-term for a potentially higher return. Upon approval from the Trustees and the Session, these long-term funds shall be designated as the St. John's Investment Portfolio (hereinafter referred to as the "Portfolio"). The purpose of this Investment Policy Statement (hereinafter referred to as the "Statement") is to establish the roles and responsibilities of the Committee with respect to their oversight of the Portfolio. The Statement also incorporates accountability standards that will be used for monitoring the progress of the investment program.

II. Role of the Investment Committee

The Committee will act in a fiduciary capacity with respect to the Portfolio, and is accountable to the Trustees and the Session for overseeing the investment of all assets in the Portfolio.

A. This Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for the Portfolio assets.

B. The investment policies for the Portfolio contained herein have been formulated consistent with St. John's anticipated financial needs and in consideration of the Church's tolerance for assuming investment and financial risk, as recommended by the Committee and approved by the Trustees and the Session.

C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of St. John's. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of St. John's.

D. The Committee will review this Statement at least once per year. Changes to this Statement can be made only by affirmation of a majority of the members of the Committee, and by written approval of the Trustees and the Session.

III. Investment objective and spending policy

A. The Portfolio will be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of St. John's.

B. For the purpose of making distributions, the Portfolio shall make use of a total return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

C. The investment objective of the Portfolio will be to limit the distribution of Portfolio assets to a level that would not erode the Portfolio's real assets over time. The Committee will seek to reduce the variability of annual Portfolio distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Portfolio's spending policy, its target asset allocation, or both.

D. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the Asset Allocation Policy at Section IV. A. herein.

IV. Portfolio investment policies

A. Asset Allocation Policy

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly-defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.

2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Portfolio, to the assumptions underlying Portfolio spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.

3. Portfolio assets will be managed as a balanced portfolio comprised of two major components: an equity portion and a fixed income portion. The expected role of Portfolio equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of 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.

4. Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Portfolio liquidity needs or to facilitate a planned program of dollar-cost averaging into investments in either or both of the equity and fixed income asset classes.

5. Outlined below are the long-term strategic asset allocation guidelines, determined by the Committee to be the most appropriate, given the Portfolio's long-term objectives and short-term constraints. Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset class	Sub-asset class	Target allocation
Equity	U.S.	60%
Fixed Income	U.S. Investment Grade	40%
Cash		0%

B. Diversification policy

1. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

a) With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.

b) With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

C. Rebalancing

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The Portfolio will be rebalanced to its target normal asset allocation under the following procedures:

1. The Committee will review incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio and recommend the use of these funds to realign the current weightings closer to the target weightings for the Portfolio.

2. The Committee will review the Portfolio semi-annually (June 30 and December 31) to determine the deviation from target weightings. During each semi-annual review, the following parameters will be applied:

a) If any asset class (equity or fixed income) within the Portfolio is +/-5 percentage points from its target weighting, the Committee will recommend that the Portfolio be rebalanced.

3. The Committee may provide a rebalancing recommendation to the Trustees at any time.

4. The Committee shall act within a reasonable period of time to evaluate deviation from these ranges.

D. Other investment policies

Unless expressly authorized by the Trustees and the Session, the Committee will not recommend any of the following:

1. Purchasing securities on margin, or executing short sales.

2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

3. Purchasing or selling derivative securities for speculation or leverage.

4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their portfolios.

5. Purchasing individual stocks and bonds.

6. Investing in hedge funds.

V. Monitoring portfolio investments and performance

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At least annually, the Committee will formally assess the Portfolio and the performance of its underlying investments as follows:

A. The Portfolio's composite investment performance (net of fees) will be judged against the following standards:

1. The Portfolio's absolute long-term real return objective.

2. Appropriate equity and fixed income benchmarks.

B. The Committee shall meet with the Trustees and the Session once per year to review the Portfolio structure, strategy, and investment performance.

VI. Conflict of interest policy

The members of the Committee (hereinafter referred to as "Members") stand in a fiduciary relationship to St. John's. As such, Members must adhere to a duty of loyalty to the Church in all matters involving the Church's business and other affairs. Members must avoid any appearance of self-interest, including personal gain, in connection with any contract or transaction to which the Church is a party.

Without limiting the scope of potential duality or conflicts of interest, Members shall be guided by the following:

A Member may not accept compensation for services, a gift or favor, or other thing of value, directly or indirectly, in relation to a matter in which the Church has an actual or potential financial or other business interest. Receipt of any such thing by a person or entity with or in whom the director has a material identity of interest shall be attributed to the Member for this purpose.

A Member must not use his or her position as a Member to influence the Church's decisions in matters in which the Member possesses a personal interest.

A Member must use his or her best judgment to determine whether the Church' s best interests are being served by a particular transaction or course of action without regard to the Member's personal interests.

The interests of any person or entity with or in whom a Member has a material identity of interest shall be attributed to the Member.

Whenever a Member believes that there is a matter which may implicate this Conflict of Interest Policy he or she must consult with the President of the Trustees and disclose the nature and extent of the potential conflict. If the interest of the Member which creates the conflict is of such a confidential nature that disclosure would be improper the Member must nevertheless advise the President that a conflict may exist in the particular matter and shall recuse him or herself in any consideration of the matter.

The President shall exercise discretion in taking action in relation to any matter involving this Conflict of Interest Policy. The President may decide to refer the matter to the Session, or to a special committee, whose decision shall be final. Information disclosed to, or otherwise coming to the attention of, the President or any such committee shall be treated in confidence and disclosed to other members of the Trustees or the Session, or others, only as necessary to serve the Church's best interests.

This Investment Policy Statement has been adopted by the Session of St. John's at its meeting held on January 12, 2009.