



## **Presbytery of the Highlands Investment Policy**

### **Purpose**

The Presbytery of The Highlands of New Jersey has funds to be used by the Presbytery for the mission of God's work in the world. We aim to invest these funds to maximize the resources for use in our ministries at the same time we will try to carefully manage the risk to the funds.

### **Investment philosophy and objectives**

The funds of the Presbytery designated by the Finance Committee (FC) to be invested will be managed for investment purposes as a pool. Therefore, all funds effectively have the same portfolio of investments. The Financial Administrator of the Presbytery maintains separate accounts for each of the funds and separately identifies all deposits and withdrawals for each. Any new funds will be designated to each account but managed in the portfolio as the pool is managed.

The Investment Committee (IC) and Finance Committee (FC) will coordinate at least annually on the liquidity requirements anticipated for each portfolio. Based on these needs an appropriate percentage of the assets to be made available for liquidity purposes will be assigned each portfolio and invested for a maximum of 3 years in maturity; the remainder will become available for investment in a timeframe of 3 – 8 years ("Longer Term Assets"). See below.

The liquidity portion will be managed with the objective of achieving competitive returns but at a low level of risk. Investment parameters will be established by the Investment Committee with respect to maturity, credit quality and the permissible investment types, i.e. CD's, commercial paper, bank and other deposits, money market funds, etc.

With respect to the longer-term assets the strategic equity target allocation is 60% in a range of 54% - 66% with fixed income securities targeted at 40%, in a range of 36% - 44% Cash equivalents may be used at any time in order to perform as a reserve for purchases of either asset class or to be employed tactically to reduce volatility. There is no assigned target or minimum/maximum range for the cash equivalents position.

The long-term portfolio is to be invested in either, or both, passive and active investment vehicles selected by the Investment Committee. Standards of performance and quality constraints will be established by the Investment Committee. It is understood that the market value of these assets will be affected by the volatility of the markets in which they are invested.

### **Investment guidelines**

The manager/s will be selected by the IC from time to time. The committee will select managers who have proven track records and meet or out perform benchmarks indices. The fixed income portion of the funds will be invested in instruments or corporate rated single A or better.

### **Socially responsible and Fossil Fuel Free investments**

It is recognized that the Presbytery may feel so strongly about an issue it may instruct the IC to change its investments realizing that this may diminish the return. The presbytery requests that all investments be, as much as possible, fossil fuel free.

### **The Use of the Funds**

The spend rates of the funds will be established at least annually by each of the Presbytery Committees or Administrative entities that have authority from the Presbytery to use the funds. These spend rates will be reviewed regularly by the Presbytery Committees and the Investment Committee.

### **The Investment Committee**

The IC's responsibility is to invest seeking an efficient return at an acceptable level of risk. The IC will consist of persons appointed by the Finance Committee for the purpose of managing the funds. The committee may include, but is not limited to, the Chair of the Finance Committee, the Treasurer of the Presbytery, the Finance Administrator and the Presbytery Leader/Executive. The IC will report to Presbytery Council through the Finance Committee. The Chair of the IC is appointed by the Finance Committee.