

**St. Andrew's United Church Williamstown
Investment Policy Statement**

Guidelines and Objectives

This Investment Policy shall establish guidelines and objectives for the following funds:

- General Fund,
- Building Fund,
- Choir Fund,
- Memorial Fund,
- Endowment Fund,
- Cemetery Fund,

and any other Fund(s) that may be established from time to time by the Church.

In managing the above funds the various Treasurers and the Investment Committee shall attempt to be consistent with stated United Church of Canada policies in regard to corporate social responsibility and other applicable guidelines.

Investments made under this policy must be those adopted by a prudent investor and must consider the following:

- general economic conditions
- the possible effect of inflation or deflation
- the expected tax consequences of investment decisions or strategies
- the role each investment or course of action plays within the overall trust portfolio
- the expected total return from income and the appreciation of capital
- needs for liquidity, regularity of income, and preservation or appreciation of capital
- an asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries

In conjunction with this Policy the Trustees shall:

- establish and where necessary amend the Policy
- review the Policy annually including an assessment of investment return expectations, the tolerance for risk and time horizons
- select and approve the investment counselors
- review at least annually the performance of the Funds
- maintain the overall responsibility for the Policy and its implementation.
- Provide for a biannual review of the objectives of the funds with congregational input at the Annual General Meeting of the Congregation.

General Fund – administered by the Stewards

The General Fund is the recipient of all Regular and Open offerings and other sundry receipts. It also receives Investment Income from the Endowment Fund on Committed Investments. The Fund shall pay most of the Church's expenses including monthly payments to the Pastoral Charge for the Minister etc.

The General Fund may maintain a reasonable balance to enable it to cover all expenses as required throughout the year as receipts are sparse during the summer months.

Interest earned by the General Fund on its funds is to be added to the fund. Investments to be made from the float should be those adopted by a prudent investor keeping in mind the short-term nature of the funds and the high degree of liquidity that is required.

The Fund Treasurer or designate shall determine the amount and nature of any investment per attached "Statement of Investment Policy for St. Andrew's United Church".

Building Fund – administered by the Stewards

The Building Fund is the recipient of offerings / donations / gifts from people not actively involved in the church. The funds can be used for any purpose.

Interest earned by the Building Fund on its surplus funds is to be added to the fund. Fund investments should be those adopted by a prudent investor keeping in mind the short-term nature of the funds and the high degree of liquidity that is required.

The Fund Treasurer or designate shall determine the amount and nature of any investment per attached "Statement of Investment Policy for St. Andrew's United Church".

Choir Fund – administered by the Choir Fund Treasurer

The Choir Fund is the recipient of donations from people wishing to enhance the music of the church. The fund is to be used for that purpose.

Interest earned by the Choir Fund on its surplus funds is to be added to the fund. Fund investments should be those adopted by a prudent investor keeping in mind the short-term nature of the funds and the high degree of liquidity that is required.

The Fund Treasurer or designate shall determine the amount and nature of any investment per attached "Statement of Investment Policy for St. Andrew's United Church".

Memorial Funds – administered by the Stewards

The Memorial Fund is the recipient of donations from people in memory of those who have passed on. The funds may only be used in the sanctuary of the Church.

Interest earned by the Memorial Fund on its surplus funds is to be added to the fund. Fund investments should be those adopted by a prudent investor keeping in mind the short-term nature of the funds and the high degree of liquidity that is required.

The Fund Treasurer or designate shall determine the amount and nature of any investment per attached “Statement of Investment Policy for St. Andrew’s United Church”.

Endowment Fund – administered by the Trustees

There are currently three separate sets of investments accounted for in the Endowment Fund.

Committed Investments

The source of these investments is bequests from estates where the donor’s Last Will & Testament states that the money is to be invested and that the investment income earned thereon is to be disbursed to the General Fund annually for general purposes.

McGregor Investments

The source of these investments is a bequest from Donald McGregor; the money is to be invested by the Trustees and the investment income earned thereon is to be disbursed to the Stewards for general purposes.

The principle of the McGregor Investments may not be used to fund any projects without the approval of the Congregation at a duly convened Congregational Meeting.

Notwithstanding the above two paragraphs, the Stewards may from time to time, as necessity arises, borrow funds from the McGregor Investments to complete a special project, providing a repayment plan is approved by the Trustees.

Freehold Investments

The source of these investments is bequests and other donations where the estate or donor does not stipulate how the money is to be used. Investment income on this money is to be added to the investment. The funds may be disbursed for any work to be done to the Church, Hall or Manse.

Cemetery Fund – administered by the Cemetery Committee

Although the Cemetery has its own constitution, by-laws and administrators, it is considered to be part of the Church for investment purposes.

The Cemetery Fund receives money from the sale of plots, niches, plot maintenance and vault rentals. It can also receive donations and bequests. It annually receives a return on money invested with the Public Trustee of Ontario.

The Fund is responsible for the upkeep of the Cemetery grounds, tombstones, fence and vault.

Interest earned on surplus monies goes back into the account.

Investment Policy – for the Endowment & Cemetery Funds

As approved by the Trustees on September 6, 2005 – replaces prior policy

Return Objectives:

It is the objective to earn a return that would allow the Church to meet its Disbursement Policy for the various investments in the two funds, but in any event to equal or exceed the benchmark for the Fund which is set as a blend of 20% S & P TSX Index, 10% MSCI, (90%)70% Scotia Capital Universe Bond Index.

Asset Allocation:

Liquidity: All of the assets of the Funds should be liquid. Investments in real estate, private venture capital and physical commodities are not appropriate.

Investments made from the Funds shall be those adopted by a prudent investor keeping in mind the purpose of the Funds. When measured at the end of each semi-annual period, the market value of the individual asset classes shall be within the following minimum and maximum aggregate limits:

	Minimum	Maximum
Cash or cash equivalents	0%	20%
Equities	20%	30%
Fixed income	70%	80%

The types of investment made within each asset class shall be those considered standard by a prudent investor.

The funds may invest in:

1. any equity listed on a North American stock exchange provided that:
 - no one Equity Investment will exceed 10% of the Fund
 - non Canadian listed equities will not exceed 15% of the Fund
2. any bond issued by any corporation, sovereign or governmental jurisdiction rated Triple A- or better by at least one of the three recognized rating agencies.
3. any Mortgage-Backed Security guaranteed by any Government-sponsored Agency in Canada or the United States.
4. any mutual fund available for sale in the Province of Ontario to a maximum of 10% of the total portfolio value.

The Trustees / Cemetery Committee is responsible for security selection and asset management. However, they may choose to delegate the responsibility of security selection and asset management to any one of its members, the Treasurer, or any third party.

The Trustees / Cemetery Committee is delegated the responsibility of exercising all voting rights acquired through any of the investments that are made. Such rights shall be exercised to fulfill any objectives set by Council.

The Trustees and the Cemetery Committee have hired BMO Nesbitt Burns to manage their investments.

Legal, Tax & Regulatory Issues

Income earned by the Church is tax-free.

Under Income Tax Legislation the Church is subject to a Disbursement quota.

Receipts for donations and bequests to all funds including the Cemetery Fund are issued under Canada Revenue Agency Registration Number 11929 8701 RR0001 and all funds including the Cemetery Fund are consolidated for tax reporting purposes.

Investment Policy Statement approved by the Trustees 2006-02-05 as amended at the AGM of the Congregation 2010-02-08.
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