

EXECUTIVE COUNCIL INVESTMENT COMMITTEE

Members

The Rev. Andrew Walter, Chair	Washington, III	2024
Mr. Dale Akinla	New York, II	2024
Mr. N. Kurt Barnes	New York, II	2024
Ms. Janet Brown	California, VIII	2024
Mr. Gordon Fowler	Pennsylvania, III	2024
Mr. Charles Garland	New York, II	2024
Mr. Timothy Gee	El Camino Real, VIII	2024
Ms. Kirsten McElroy	Long Island, II	2024
Mr. James Simon	Ohio, V	2024
Ms. Julia Ayala Harris, Ex Officio	Oklahoma, VII	
The Most Rev. Michael Curry, Ex Officio	North Carolina, IV	

Mandate

Executive Council By-Laws Article VIII Sec. 4

Joint Committees Created by the Executive Council

(a) Duties

- i. There shall be a Joint Investment Committee whose charter shall be adopted by the Council.
- ii. The Joint Investment Committee’s charter shall be reviewed annually by the Joint Investment Committee and the Council and renewed annually by the Council.

(b) Membership and Term

- i. The Investment Committee shall consist of the Treasurer of the Council, along with at least six, but no more than nine additional members. At least one of the additional members shall be a member of Executive Council’s Joint Standing Committee on Finances for Mission.
- ii. Members of the Investment Committee shall be nominated jointly by the Chair and Vice Chair of the Council and elected by the Council.
- iii. Members shall serve for a term of three years or until a successor has been elected. Members may serve two consecutive terms, after which three years must elapse before the member may be reelected.

Summary of Work

In accordance with Executive Council By-Laws, the Investment Committee has all the authority of the Council and Board of Directors of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church (DFMS, or the Society) under the law to act on the investment and reinvestment of institutional funds or assets of The Episcopal Church, the General Convention, the Council, and the Society, as well as any other funds or assets held by the foregoing for investment.

The Investment Committee recommends investment objectives designed to provide a sustainable and increasing level of income to support the ministries of The Episcopal Church in accordance with the wishes of the donors or owners of those funds, while preserving the real (inflation-adjusted) purchasing power of the funds. It also develops and regularly updates Investment Policies that assist the Committee in effectively supervising, monitoring and evaluating the investment of the Endowment's assets.

The Committee establishes strategies and policies for the management of the investment portfolio, which includes the trust funds of the official corporation, the Domestic and Foreign Missionary Society of the Protestant Episcopal Church, and other Episcopal entities who wish to co-invest with the DFMS.

The portfolio is diversified and continues to be focused on equities, with approximately 63% invested in equities, 18% invested in fixed income, and 19% in hedge fund-of-funds and real estate. The Committee continues to evaluate the portfolio return while maximizing risk protection by reducing US equity allocation and increasing non-US equity and alternative investments.

Long-term performance of the trusts was negatively impacted by a 19.0% decline in 2022, thus leaving annual returns, after all fees and expenses, of 6.0% for the 10 years ending September 30, 2023. The current one (1) year net return ending September 30, 2023 reflects a 14.8% gain. The portfolio, which is actively managed, has generally outperformed similar portfolios invested in passive investments. Since inception of the portfolio in February of 1993, the annualized net performance has been 7.5%. Since September 30, 2015, the market value of the portfolio has grown from \$346 million to \$536 million, as of September 30, 2023.

The DFMS endowment portfolio consists of the following three types of funds:

- Endowment funds, held and managed by DFMS and benefiting DFMS
- Funds owned and benefiting other Episcopal and Anglican entities in the United States and abroad, for which DFMS is the trustee
- Custodial funds held and managed by DFMS, but owned by and benefiting other Episcopal and Anglican entities in the United States and abroad

There are nearly 1,350 trust funds maintained in a common portfolio, managed by 16 investment managers and participating on a pro-rata basis in all returns of that portfolio. The Society is also trustee for 19 charitable trusts, which are separately invested and managed, but are not commingled with any other fund, as required by law. The Treasurer's Office publishes an annual trust fund book, and the Committee reports regularly to the Executive Council.

The Investment Committee continues to work closely with the Committee for Corporate Social Responsibility and the Economic Justice Loan Committee, with liaisons to each of those committees. The Investment Committee continues to be well-served by Mr. Kurt Barnes and a very dedicated staff from the Episcopal Church Center, as well as by our investment consultants.

The Investment Committee meets four times each year to review performance and discuss current investment issues. The expenses of the Committee are covered by the budget for committees of Executive Council.