

Tabernacle Baptist Church of Raleigh, Inc.
Investment Policy Statement
Adopted August 28, 2016

The mission of Tabernacle Baptist Church of Raleigh, Inc., (hereinafter referred to as “the Church”), under the leadership of the Holy Spirit, is to

- Proclaim the Good News
- Nurture Christian Growth
- Minister to others in Jesus’ name

The teaching of Jesus and all of the Holy Scriptures promote stewardship as fundamental to our Christian faith. Our understanding of stewardship leads us to a responsible gratitude and relationship of trust for all of God’s many blessings.

A faithful response by all parties (the donor as well as the recipient ministry) is a commitment to the responsible administration of all prospective gifts so that the gifts will promote the stated mission and policies of the Church.

It is from this foundational understanding of stewardship that the Church adopts this Investment Policy Statement.

I. Purpose of Investment Policy Statement

The Church is a not-for-profit corporation organized under the laws of the state of North Carolina. The Church encourages the solicitation and acceptance of current and deferred gifts for purposes that will help it to further and fulfill its mission. The purpose of this Investment Policy Statement (hereinafter referred to as “the IPS”) is to establish a clear understanding between the Church, the donor, and all investment managers, advisor(s) without discretion, banker(s), investment broker(s), financial planner(s), and all other financial advisor(s) who are involved in the direction of gifts (cash and non-cash) that are given to the Church separate from a member’s tithe or annual regular gifts.

II. Statement of Responsibility

It is the responsibility of the Trustees of the Church, who shall consider the recommendations of the Budget & Finance and Endowment committees and input from the Senior Pastor of the Church, to ensure adherence to the guidelines stated in this IPS (hereinafter referred to as “the responsible committees”).

III. General Investment Principles

In order to attain the desired investment objectives, the Church may choose more than one Investment Manager of varying styles and philosophies to manage the Church’s assets, whether held in an endowed fund or a non-endowed fund. Each Investment Manager will invest the assigned assets in accordance

with this IPS. The Church reserves the right to prepare separate addenda or directives specific to one Investment Manager, which would not apply to all.

This IPS is intended to provide meaningful guidance in the management of the Church's investment assets and yet not be overly restrictive given changing economic, business, and investment market conditions.

This IPS must comply with the Church's Articles of Incorporation and ByLaws.

IV. Investment Objectives

- A. Preservation of capital/principal
- B. Predictable income stream
- C. Growth of income and principal
- D. Investment of assets in institutions, companies, corporations, or funds that are investment grade and not in opposition to basic Baptist values and beliefs.

V. Investment Policy Related to Gifts Received

- A. TBC shall accept publicly traded securities as a present or legacy gift. As a general rule, all marketable securities shall be sold upon receipt. The donor should anticipate that the Church may immediately sell the securities.
- B. Closely Held Securities or non-publicly traded securities may be accepted only upon approval by the responsible committees. Those responsible shall determine that the acceptance of such securities presents no significant potential for the Church to incur liability with respect to such securities and the corporation engages in no activities which would be inconsistent with Baptist beliefs and practices.
- C. Gifts of non-income producing real estate and tangible personal property such as jewelry, gold, and gems shall not be held as investments, but converted to acceptable forms of investments as soon as practicable.

VI. Investment Policy Related to Investment Accounts and Endowment Funds held by TBC

- A. All securities shall be readily marketable, and fixed income securities shall be of investment grade.
- B. No specific restriction is placed on portfolio turnover, though the portfolio should not be managed for short-term gains or generation of fees.
- C. The responsible committees of this IPS may restrict security selection based on ethical investing criteria on its own or as directed by the Church.
- D. The Church's investment assets shall be held in custody by an institutional custodian.
- E. The Church's investment assets shall be invested at least 20% and no more than 80% in equities.

- F. The Church's investment assets shall be invested at least 20% and no more than 80% in fixed income investments.
- G. The Church's investment assets shall be invested no more than 40% in cash and cash equivalents.
- H. Borrowing on margin (i.e. borrowing against the value of securities) is not permitted.
- I. The Church's investment assets may not be invested, nor obligations incurred in futures, options, swaps, forwards, Collateralized Mortgage Obligations, or any other financial derivatives.
- J. No more than 30% of the funds may be invested in foreign securities.
- K. No more than 10% of the Church's investment assets may be concentrated in the securities of any one issuer (other than US Government and Agency Debt).

VII. Standard of Review and Evaluation

The Investment Manager(s) is responsible for timely and regular reports, and shall be expected to prepare a quarterly report (on a calendar year basis) for review by the responsible committees. The report should summarize the investment accounts/Fund's performance and transactions occurring during the period. It is anticipated the Investment Manager(s) will be available to meet with the responsible committees at least annually to review the performance of the account(s), unless otherwise directed. The Investment Manager(s) is responsible for communicating to the responsible committees all significant matters pertaining to the investment of the account's/Fund's assets. Any substantive change in investment strategy, asset mix, and other matters affecting the investments, shall be communicated to the responsible committees in writing for approval by same committees prior to the enactment of the strategy. Any significant changes in the structure and financial condition of the Investment Management organization, including changing investment professionals within the Investment Management organization or those assigned to the affected account/Fund should be communicated by the Investment Manager(s) within thirty (30) days.

VIII. Cost of Administration

Reasonable costs incurred by the Church to maintain, administer, and manage the Church's investment assets shall be paid from the income generated from those assets.

IX. Distributions of Income and/or Principal

The responsible committees may elect to limit income taken from the Church's investment assets/Funds in any specified period in order to increase the size of the assets by reinvesting a portion of such income.

There are no mandatory spending limitations or spending requirements set on the investment assets/Funds. The responsible committees will determine the amounts that may be spent based on availability of funds and maintaining the general investment strategy objectives.

In making a determination whether to distribute or accumulate funds, the responsible committees should consider the following factors: 1) the duration and preservation of the Fund, 2) the purposes of

the Church and the Fund, 3) the current general economic conditions, 4) the possible effect of inflation or deflation, 5) the expected total return from income and the appreciation of investments, and 6) the other resources of the Church.

X. Use of Income Distributed from Investment Accounts and Endowment Funds (This excludes any Endowment Funds that are already established as of the adoption of this IPS.)

Income received shall be distributed primarily in, but not limited to, one or more of the following areas:

- Missions and Evangelism
- Facilities Maintenance and Capital Improvements (to include building maintenance, building renovation, new buildings, current debt, future debt)
- Ministry (to include support of a current ministry or begin a new ministry that coincides with the mission of the church)

XI. Termination

The responsible committees reserve the right to terminate their relationship with any Investment Manager or advisor, with or without cause, upon 30 days written advice, provided, that the Investment Manager will be entitled to its earned fees as detailed in the written agreement between the parties.

XII. Amendments to the IPS

Any amendment(s) to the IPS will be drafted by the responsible committees, presented to the Church in Conference, and must receive 3/5 vote of church members in attendance at said Church Conference in support of the amended IPS.