



**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

Participant Guide

May 30, 2023

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Please contact Barbara Schroeder, Canon for Administration and Finance,
of the Diocese of Atlanta, at bschroeder@episcopalatlanta.org
with questions or for more information.

The Episcopal Diocese of Atlanta Diocesan Investment Fund

Description

Purpose

The Diocesan Investment Fund is a collective investment program for the long-term endowment and investment assets of the Episcopal Diocese of Atlanta and its related ministries as well as any of its parishes that choose to invest alongside the Diocese. The purpose of the Diocesan Investment Fund is to provide participating organizations with professional investment management at reduced fees made possible by investing together. Other features include comprehensive oversight of the Diocesan Investment Fund's investment strategy and investment manager, detailed reporting to each participating organization, and support for endowment creation and growth.

Oversight

The Episcopal Diocese of Atlanta, through its by-laws, created a Long-Term Investment Committee which is charged with the responsibility of overseeing and monitoring the investment of all assets under its stewardship. The Long-Term Investment Committee follows an approved Investment Policy Statement. To review the Investment Policy Statement, please contact Mike Nadal, Chair of the Long-Term Investment Committee, at mnadal75@gmail.com or <https://episcopalatlanta.org/admin-finance/>.

Investment Management

At the recommendation of the Long-Term Investment Committee, and with the approval of the Finance Committee of the Episcopal Diocese of Atlanta (the Diocese), the Diocesan Investment Fund was invested with the Episcopal Church Foundation (ECF) and its investment manager, State Street Global Advisors (SSGA), on April 3, 2023. The Long-Term Investment Committee will monitor the Diocesan Investment Fund and its investment performance on at least a quarterly basis.

After extensive review, including comparisons with other investment managers, the Long-Term Investment Committee decided unanimously to recommend the Episcopal Church Foundation (ECF) and its investment manager, State Street Global Advisors (SSGA). This recommendation was approved by the Diocesan Finance Committee in its January 2023 meeting and received support from the Executive Board of the Diocese.

ECF is an independent nonprofit organization founded in 1949 by then-Presiding Bishop Henry Knox Sherrill to support Episcopal organizations around the country. Today, its mission is to strengthen the financial and leadership capabilities of Episcopal churches, dioceses, schools and related organizations. It brings a deep understanding of the Episcopal Church as well as significant support for endowment creation and growth. SSGA is one of the world's largest asset managers and brings extensive experience managing the endowment and investment funds of charitable organizations.

ECF's Endowment Management program serves 330 clients with over \$500 million in assets under management at the date of selection. SSGA has been its investment manager for 25 years. Together, they offer a clear advantage in addressing the Long-Term Investment Committee's concerns.

Investment Objective

The investment objective of the Diocesan Investment Fund is to provide long-term growth in the value of the Diocesan Investment Fund without undue exposure to risk so that the Diocesan Investment Fund provides a total return over time that allows for prudent spending while accounting for inflation and fees. The Diocesan Investment Fund is appropriate for long-term endowment and investment funds. The assets of the Diocesan Investment Fund are to be invested with the same care, skill, and diligence that a prudent investor would exercise in investing institutional endowment funds.

Investment Portfolio

The Diocesan Investment Fund is invested in a broadly diversified portfolio invested across all major asset classes with a target asset allocation of 65% equities and 35% fixed income. The investment manager tactically positions the portfolio within a range of +/- 5% in response to economic conditions. For information about specific investments, please contact Mike Nadal, Chair of the Long-Term Investment Committee, at mnadal75@gmail.com.

Operation

Each parish of the Diocese that chooses to participate in the Diocesan Investment Fund is required to adopt a resolution authorizing its participation and must enter into an agreement with the Diocese. A *Sample Participant Resolution* and a *Sample Participant Agreement* are provided. The participant must also complete a *New Account Form* designating the recipients of statements and reports. Participants may open one or more accounts of any size but are reminded that the Diocesan Investment Fund follows an investment strategy intended for long-term endowment and investment funds.

Fees

The Diocese does not charge a fee to participants in the Diocesan Investment Fund. The Diocese pays fees to ECF and SSGA for investment management services for the Diocesan Investment Fund. Participants share pro rata in these fees based on the size of their account. A significant portion of the Diocesan Investment Fund is invested in institutional funds with very low fund management fees. General fee information is included in this Participant Guide. Specific fee information will be included in a quarterly summary of the Diocesan Investment Fund.

Reports

Each participant will receive quarterly statements for the participant's own account. These statements show beginning and ending values as well as additions, withdrawals, income, appreciation/depreciation, and fees. Each participant will also receive a quarterly summary of the

Diocesan Investment Fund with up-to-date information about current investments, performance, market conditions and fees.

Additions

Participants may add to their account at any time by sending funds directly to the Diocese by check, ACH, or wire transfer using the instructions on the *Addition to Account Form*. Please send the completed form by email along with a fully executed resolution of the Vestry or meeting minutes of the governing body to the Diocese using the instructions on the form. If using a check, please send the check and the form to the Diocese at the address on the form. If using ACH or wire transfer, please include with the ACH or wire the information on the form.

Withdrawals

Spending policy. The Long-Term Investment Committee follows a total return spending policy. Each year, after receiving the second quarter portfolio performance report, the Long-Term Investment Committee will recommend a prudent spending rate for Diocesan funds for the following fiscal year. Typically, this will be between 3% and 5% of the value of a fund averaged over twelve quarters unless a greater amount is permitted by law and Diocesan policy. The spending rate **is** intended to preserve the purchasing power of Diocesan funds over time while accounting for inflation and fees.

Each participant in the Diocesan Investment Fund may determine its own spending policy. Each participant is encouraged to withdraw no more than a prudent amount unless it has determined that a greater amount is permitted by law or any the policies of the participant. For informational purposes only, the current spending rate of the Diocese will be included in the quarterly performance summary for participants. For further information about spending, please contact Mike Nadal, Chair of the Long-Term Investment Committee at mnadal75@gmail.com.

Please note that donor-restricted funds, or “true” endowments, are subject to the Georgia Uniform Prudent Management of Institutional Funds Act, which allows an organization to withdraw a prudent amount of total return rather than actual income but may limit or prohibit withdrawals that exceed a prudent amount to ensure that the purchasing power of the fund is preserved over time.

Funds set aside by a vestry or governing board as “quasi” endowments may be withdrawn at the discretion of the participant in accordance with participant’s policies. Funds may also be restricted as to purpose or use. Please contact Barbara Schroeder, Canon for Administration and Finance of the Diocese of Atlanta, at bschroeder@episcopalatlanta.org with any questions about restricted funds.

It is the responsibility of the participant to understand and comply with any restrictions on its funds.

Withdrawal process. Participants may withdraw funds from their account by completing the *Withdrawal from Account Form*. Withdrawals may be made at any time and in any amount in accordance with applicable law and the participant’s own policies. Most participants will elect to make withdrawals on a quarterly basis based on the spending rate of the Diocese. Funds not distributed remain fully invested in the Diocesan Investment Fund. Please send the completed

form by email along with a fully executed resolution of the Vestry or meeting minutes of the governing body to the Diocese using the instructions on the form. All withdrawals will be made by check payable to the participant and sent directly from SSGA to the participant's mailing address on record. Typically checks are mailed within several days of receiving the request.

It is the responsibility of the participant to ensure that withdrawals are made in accordance with its policies and by authorized signatories.

Spending Rate Changes. Participants wishing to modify the spending rate will need to email the Diocese at FinanceAdmin@episcopalatlanta.org with the request. Changes to the spending rate will result in a new calculated distribution amount that will need to be reflected on the *Withdrawal from Account Form*.

Change of Information

Please email the Diocese at FinanceAdmin@episcopalatlanta.org with any change in information including changes to the distribution list provided on the *New Account Form*.

Questions

Please contact Barbara Schroeder, Canon for Administration and Finance of the Diocese of Atlanta, at bschroeder@episcopalatlanta.org with questions.

The Episcopal Diocese of Atlanta Diocesan Investment Fund

Fees

The Diocese does not charge a fee to participants in the Diocesan Investment Fund. The Diocese pays fees to ECF and SSGA for investment management services for the Diocesan Investment Fund. The ECF fee is based on the total value of the Diocesan Investment Fund. The SSGA fee is a flat fee for all investors in ECF's endowment management program. Participants share pro rata in these fees based on the size of their account. The ECF fee is calculated monthly and charged annually in February for the prior year. The SSGA fee is calculated monthly and charged quarterly for the prior quarter. ***As of April 1, 2023, the combined ECF and SSGA fee for the Diocese and its Diocesan Investment Fund participants is 0.37%.*** The total fee for all investments included in the portfolio, including the embedded fees, is approximately 0.11%, for an "all-in" fee of approximately 0.48%. Investment fee amounts may change slightly over time.

Information about current fees will be included in each quarterly performance summary distributed to participants.

**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

Sample Participant Resolution

(To be approved by the vestry)

WHEREAS, _____ desires to
(name of parish)

gain the benefits of investing its long-term endowment or investment funds in the Diocesan Investment Fund of the Episcopal Diocese of Atlanta, and

WHEREAS, _____ agrees to the
(name of parish)

investment policies and procedures of the Diocesan Investment Fund as set out in the Investment Policy Statement and Participant Guide, as amended from time to time.

BE IT RESOLVED, that the long-term endowment or investment funds of

_____ shall be invested in the
(name of parish)

Diocesan Investment Fund of the Episcopal Diocese of Atlanta.

AND BE IT FURTHER RESOLVED that _____
(name of parish)

will provide the Diocese of Atlanta a fully executed resolution of the Vestry to arrange contributions to and/or request withdrawals from the Diocesan Investment Fund.

Approved this ____ day of _____, 20____

By _____

(Vestry)

(Secretary)

**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

Participation Agreement

Please return this completed agreement to the Diocese at FinanceAdmin@episcopalatlanta.org

(name of parish)

(mailing address)

This Agreement is made and entered into this ____ day of _____, 20__ between the above-named parish of the Diocese (“Participant”) and the Episcopal Diocese of Atlanta (“Diocese”).

WHEREAS, the Diocese has established an investment fund (the “Diocesan Investment Fund”) for the long-term endowment and investment funds of the Diocese and its ministries as well as participating parishes and has delegated responsibility for the investment and oversight of the Diocesan Investment Fund to the Diocese’s Long-Term Investment Committee (“Committee”);

WHEREAS, the Participant desires to invest its long-term endowment or investment funds in the Diocesan Investment Fund in accordance with the policies and procedures of the Diocesan Investment Fund;

WHEREAS, the Diocese is willing to hold and administer funds transferred by the Participant to the Diocesan Investment Fund;

NOW, THEREFORE, the parties to the Agreement agree to the following:

The Participant agrees to:

1. To the extent it chooses, it shall transfer long-term endowment or investment funds to the Diocesan Investment Fund, and delegate investment authority for those funds to the Committee, in accordance with the policies and procedures set out in the Diocesan Investment Fund’s Participant Guide and Investment Policy Statement as available from the Diocese and as may be amended from time to time.
2. Take responsibility for understanding and complying with any restrictions on funds invested in the Diocesan Investment Fund including restrictions as to spending and use.
3. Share pro rata in the income and appreciation/depreciation of the Diocesan Investment Fund.
4. Share pro rata in the fees charged by the Episcopal Church Foundation and its investment manager, State Street Global Advisors.
5. Understand that assets transferred to the Diocesan Investment Fund by the Participant shall be a component part of the Diocesan Investment Fund.

The Diocese agrees to:

1. Receive funds from the Participant and invest and oversee those funds according to the Investment Policy Statement for the Diocesan Investment Fund as available from the Diocese and as may be amended from time to time, the Participant Guide for the Diocesan Investment Fund, and any approved forms submitted by the Participant.
2. Maintain the Participant’s funds invested in the Diocesan Investment Fund as a separate account(s) for accounting purposes.

3. Provide for quarterly statements for each of the Participant's account(s) in the Diocesan Investment Fund to be provided to the Participant by email along with a quarterly summary of the Diocesan Investment Fund including performance information.
4. Share for informational purposes only the current spending rate of the Diocese. ***It is the responsibility of the Participant to understand and comply with any restrictions on its funds.***
5. Allow additions and withdrawals from the Participant's account(s) according to the Participant Guide for the Diocesan Investment Fund as provided and as may be amended from time to time. ***It is the responsibility of the Participant to ensure that withdrawals are made in accordance with its policies and by authorized signatories.***

Standard of Care

1. The Diocese agrees to perform all obligations under this Agreement in good faith exercising the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.
2. The Diocese and its officials and employees shall only be liable for losses to the Participant that directly result from the failure of the Diocese to exercise such care and which constitute gross negligence by the Diocese in the discharge of duties owed by it to Participant, if any. The Committee and its members shall only be liable for losses to the Participant that directly result from failure of the Committee to exercise such care and which constitute gross negligence by the Committee and its members.
3. In connection with the Diocese's delegation of the investment management function of the DIF, as described in the Participant Guide, the Diocese is not liable to the Participant for any decisions or actions or inactions of the Episcopal Church Foundation and its investment manager, State Street Global Advisors, in connection with their respective duties as set out in the Investment Management Services Agreement between the Episcopal Church Foundation and the Diocese.

Nature of the Relationship

1. Participant understands that (a) it is receiving a benefit as a result of the Diocese agreeing to allow Participant to participate in Diocesan Investment Fund; that (b) neither the Diocese nor the Committee derive tangible benefits from Participant's participation; that (c) the Diocese is a religious organization and not a financial institution or advisor; and that (d) the Diocese and the Committee are not fiduciaries for or advisors of Participant.
2. Participant agrees and acknowledges that it may, with proper notice, withdraw from the Diocesan Investment Fund if it becomes dissatisfied with it or for any other reason. It is the responsibility of Participant to determine its investment needs and to determine how best to allocate Participant's resources, subject to applicable canons and rules.

Termination of Agreement

This Agreement may be terminated by either party for any reason. If a Participant decides to terminate this Agreement, it must inform the Diocese in writing at least two weeks prior to the end of any quarter. The balance of the Participant's account will be distributed as directed by the Participant within 30 days following the end of the quarter in which the notice was received. The Committee may terminate this agreement by informing the Participant in writing at least six months in advance of the termination.

If the Participant has an immediate need for funds it may receive up to 75% of the balance in its account(s) as of the prior quarter-end following. The remaining balance will be distributed within 30 days following the end of the quarter in which the request is received.

Applicable Law

In all instances, this agreement will be applied and interpreted in accordance with the laws of the State of Georgia.

Episcopal Diocese of Atlanta

Participant

By: _____
(signature)

By: _____
(signature)

Barbara Villaescusa Schroeder
(name)

(name – please print)

Canon for Administration and Finance
(title)

(title – please print)

**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

New Account Form

To open a new account for your parish or ministry in accordance with the Participation Agreement, please complete the following form and return it to the Diocese of Atlanta at *FinanceAdmin@episcopalatlanta.org* along with a fully executed resolution of the Vestry or meeting minutes of the governing body. Please call Barbara Schroeder, Canon for Administration and Finance of the Diocese of Atlanta, at 404-601-5350 with any questions. ECF will send you your new account number. When you are ready to transfer funds into the new account, please use the *Addition to Account Form* and include the new account number on that form.

Participant Information

Name _____

Title _____

Phone _____ Email _____

Name of New Account

Person Completing Form

Name _____

Title _____

Phone _____ Email _____

Additional Information

___ New participant, execute and send to the Diocese:

- ___ Participant Agreement
- ___ Participant Resolution
- ___ Addition to Account Form
- ___ Withdrawal from Account Form

___ New account for existing participant, execute and send to the Diocese:

- ___ Addition to Account Form
- ___ Withdrawal from Account Form

Distribution List (for statements and reports)

Name _____ Email _____

Name _____ Email _____

Name _____ Email _____

Name _____ Email _____

**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

Addition to Account Form

To add funds to your account, please complete the following form and return it to the Diocese of Atlanta at *FinanceAdmin@episcopalatlanta.org* along with a fully executed resolution of the Vestry or meeting minutes of the governing body. Please call Barbara Schroeder, Canon for Administration and Finance of the Diocese of Atlanta, at 404-601-5350 with any questions.

If using a check, please send the check and this form following the instructions below. If using ACH or wire transfer, please include with the ACH or wire information on this form following the instructions below.

Participant: _____

Person Completing Form: _____

Address: _____

Phone _____ Email: _____

Account Name _____

Account Number _____

Amount to be Deposited \$ _____ Today's Date: _____

BY CHECK: Make checks payable to Episcopal Diocese of Atlanta and include the Investment Account Number in memo line. Send check together with a completed Addition to Account Form and use delivery service with tracking capacity.

Mail to:
Episcopal Diocese of Atlanta
Attention: Finance Office
2744 Peachtree Rd NW
Atlanta, GA 30305

BY ACH: Include information on this form with the ACH.

Send ACH to:
Episcopal Diocese of Atlanta
Routing: 061000104
Account: 8800202130

Include in the notes section:
For credit to account: #299689

Send an email along with a completed Addition to Account Form to Jackie Martinez (*jmartinez@episcopalatlanta.org*) notifying of the incoming ACH.

BY WIRE: Include information on this form with the wire.

Send wire to:
Episcopal Diocese of Atlanta
Bank Name: Truist
ABA: 053101121
Account: 8800202130

Include in the notes section:
For credit to account: #299689
For credit to account name: South State Bank

Send an email along with a completed Addition to Account Form to Jackie Martinez (*jmartinez@episcopalatlanta.org*) notifying of the incoming wire.
(Please note, you may incur a wire transfer fee.)

**The Episcopal Diocese of Atlanta
Diocesan Investment Fund**

Withdrawal from Account Form

To withdraw funds from your account, please complete the following form and return it to the Diocese of Atlanta at *FinanceAdmin@episcopalatlanta.org* along with a fully executed resolution of the Vestry or meeting minutes of the governing body. Please call Barbara Schroeder, Canon for Administration and Finance of the Diocese of Atlanta, at 404-601-5350 with any questions.

Participant: _____

Account Name _____

Account Number _____

WITHDRAWAL AMOUNT

____ One-Time: Amount Requested \$ _____

OR

____ Equal Periodic Distribution based on Diocesan Spending Rate*: Quarterly Amount \$ _____
(* Please note that quarterly scheduled withdrawals will continue until notified to change or terminate)

OR

____ Equal Periodic Distribution based on Participant's Spending Rate of ____*: Quarterly Amount \$ _____
(* Please note that quarterly scheduled withdrawals will continue until notified to change or terminate)

OR

____ No Distributions (retain fully invested in the Diocesan Investment Fund)

Person Completing Form: _____

Address: _____

Phone _____ Email: _____

Today's Date: _____