



Investment Subcommittee Minutes April 22, 2020

Present (via Zoom): Mary Lydon; Jim Reetz; Jane Stevenson; Roger Norris; Maria Bonnie; Julie Gerend ; Jack Hansen; Ralph Scorpio

1. **Introductions:** Mary asked committee members to introduce themselves. In addition to our Ministries Foundation board and staff members, special welcome and thanks were shared with new Ministries Foundation Finance Committee member Maria Bonnie; Province Investment Committee member Julie Gerend; and Jack Hansen, recently retired finance executive who was referred to us.
2. Jim Reetz walked us through the investment pages of our monthly financial reports. Jim explained the funds, target and actual allocations, and our returns.
3. Ralph screen-shared pages from the Ministries Foundation Policy Manual that outline our investment policies; Partners In Ministry Fund uses and goals; and that fund's spending policies.

He gave a little history on the spending policy (Each fiscal year the fund may disburse 5% of the balance in the fund measured using a 5-year average as of March 31). Mary raised the question of whether we should stay at 5% or lower it to 4%. It was decided that we should hold off making any policy changes until we decide to hire professional advisers or consultants. If so, it should be part of their recommendation.

4. Looking for alignment with the Province in terms of professional advisers is a good idea.
5. Jack suggested we all read ***A Primer for Investment Trustees: Understanding Investment Committee Responsibilities***, by Jeffrey V. Bailey, CFA and Thomas M. Richards, CFA; CFA Institute Research Foundation. It will provide helpful background for our work ahead. He will email it out to us.
6. Subcommittee discussed 4 possible models to follow:
 - a. Retain a consultant
 - b. Delegated OCIO (outsource) model: makes allocations; Finance Committee sets guidelines and monitors
 - c. Diversified target date fund
 - d. Hire out project work but no retainer; hire someone to do a "check-up"
7. Fees matter a lot! They're permanent and add up.

8. Should we choose from one of the four models until we reach a certain asset size? No; this is not necessarily tied to size of assets.
9. Next steps:
 - a. Read ***A Primer for Investment Trustees: Understanding Investment Committee Responsibilities.***
 - b. Read the current Ministries Foundation Investment Policy.
 - c. Suggest providers for the RFI.
 - d. Send out an RFI – short and hit the key variables to help sort out who might want to send RFP to; include 5 – 10 questions: costs? Services? Frequency of communication?
 - e. Look for alignment: know mission; business of scale; understand objectives and policies; understand culture and mission.
 - f. List existing “relationships” with brief description.
 - g. Set next meeting.