



The Better Place MINISTRIES

Endowment Investment Policy

Overview

The Board of Directors of The Better Place, Inc. has established the following investment policies and procedures to clearly articulate the proper parameters under which the Board itself, The Better Place, Inc. (TBP) staff and financial advisors operate. These Policies not only establish objectives, goals guidelines and responsibilities, but also establish monitoring and evaluation procedures to ensure that all funds are managed in accordance with these policies and the goals and objectives are being met. They are subject to change or revision as determined necessary by the Board.

The Endowment has been established as required by the Bylaws of TBP, ARTICLE VII, Section 1, to maintain the purchasing power of financial gifts to the ministry and also to provide growth of capital and income in order to meet specified expenses. This statement will establish a target asset allocation and benchmarks that will be used to monitor performance.

Policy

TBP maintains these assets for the purpose of fulfilling its threefold mission, “to equip the Church to be a House of Prayer, to provide Sabbatical experiences for pastors and to network the Church for transformational revival in keeping with 2 Chronicles 7:14”

I. **Investment Philosophy**

TBP believes that long-term investment performance in terms of both risk and return is primarily dependent on asset allocation among appropriate classes of securities (i.e. stocks and bonds) and diversification among individual securities. Consequently, these Policies are designed to:

- A. Broadly diversify the individual securities within the Endowment.
- B. Diversify the asset allocation so as to maximize the return potential within specific risk limitations.

II. **TBP Board of Directors**

- A. The Board of Directors of TBP is responsible for the development and periodic revision of a sound and consistent Investment Policy Statement. – TBP staff may serve as agents of the Board in fulfillment of these duties (see Bylaws ARTICLE VII, Section 2) – Specifically, the Board is responsible for:

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1. Establishing reasonable and appropriate investment objectives and goals
 2. Expressing risk tolerance levels through identification of asset mix guidelines
 3. Developing investment guidelines for each asset class
 4. Establishing a performance measurement and review process that will assure that policy guidelines are being adhered to and objectives and goals are being met
 5. Periodically reviewing and, if necessary, revising these Policies
 6. Selecting and, if necessary, replacing specific investment managers
 7. Selection and, if necessary, replacing specific outside custodians to oversee all security transactions, hold all assets in safekeeping and provide quarterly statements to TBP Business Manager
 8. Reviewing the quarterly investment and asset class performance reports
 9. Monitoring the overall performance of the manager(s)
- B. Investment Management – The Board recognizes that their role with regard to the selection of specific investments and securities is supervisory not advisory. That is to say, any investment manager who manages assets for TBP will do so on a discretionary basis within the general guidelines and policies established by these policies.

III. The Better Place Staff

TBP Business Manager in concert with TBP Director (see Bylaws ARTICLE V, Section 5, c and Section 1, b) is responsible for the following administrative duties:

- A. Determining the cash flow needs and communication such to the appropriate outside custodian(s) and investment manager(s)
- B. All TBP communication with outside custodian(s) and investment manager(s)
- C. Communication to the Board

IV. Investment Manager

Competent, professional investment managers will be employed to manage the Endowment. The term “Investment manager” may mean either a registered investment advisor as defined by the Investment Advisors Act of 1940 or an open-end mutual fund. To be considered for appointment, an investment management firm or mutual fund must have a competitive record of performance

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covering at least five years, relevant experience and expertise and low turnover of personnel. Each investment manager employed will be subject to the following:

- A. Subject always to these Policies, the investment manager will be responsible for making all investment decisions on a discretionary basis. Such discretion shall include full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups including cash and equivalents and timing of transactions.
- B. If the investment manager believes it is appropriate to deviate from the investment policies due to special circumstances, the manager must seek written permission prior to implementation from TBP Business Manager. Likewise, if the investment manager believes changes in these policies are warranted, the manager is responsible for initiating discussion with TBP Board as soon as possible.
- C. The investment manager is responsible for providing quarterly investment reviews to TBP Business Manager within forty-five (45) days of the end of the quarter that include but are not limited to the following:
 - 1. Performance report and risk levels
 - 2. Listing of assets
 - 3. Listing of transactions
 - 4. The manager's views on important developments within the economy and securities markets, and their potential effect on the investment strategy, asset allocation, and portfolio performance.

V. Investment Guidelines

All investment securities purchased must have a readily ascertainable market value, and must be readily marketable. Each investment manager will be employed to manage a particular class of assets or combination thereof. TBP Board will define all asset classes.

VI. Performance Measurement

Rate of return measurements will be calculated quarterly for the Endowment as a whole, each separate asset class thereof, each investment manager and each separate asset class thereof. All performance calculations should comply with the Performance Presentation Standards as established by the Association for Investment Management and Research (AIMR). In reviewing performance, results will be compared against specific return objectives, benchmark indices and peer groups. It is recognized that managers are subject to market forces that historically have created market cycles lasting from three to five years.

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VII. Investment Strategy

The assets of the Funds will be invested according to the reported liquidity needs.

VIII. Investment Objectives

- A. Minimum total investment return of the rate of inflation as measured by the Consumer Price Index plus 5% annually (Objective Index).
- B. A total return exceeding that produced by an unmanaged market index consisting of the benchmark index assigned to each asset class and weighted to match the target asset allocation of the Endowment (Policy Index).
- C. A total return in excess of the return produced by a peer index consisting of the Peer indices assigned to each asset class and weighted to match the target asset allocation of the Endowment (Peer Index).

TBP, Endowment Investment Policy – adopted 20 November 2010