



# Saint Barnabas Church

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## St Barnabas Investment Policy

November 2017

### Objectives

St Barnabas is richly blessed. We give thanks for the ongoing support of our parishioners and for the pool of financial resources which has been created through generous gifts in the past, a pool which has increased through careful stewardship. These investment funds now provide a vital, ongoing source of income with which we are able to serve God and God's people through our parish ministries. We seek to continue the wise management of current finances and investments in order to continue this service over the long-term.

### St Barnabas seeks to manage our investments to:

- 1. Maintain our capital while using investment income to support parish ministries,**
- 2. Express our Christian values through ethical and responsible selection of securities,**
- 3. Display transparent and responsible stewardship, and**
- 4. Encourage ongoing gifts which will enable us to increase our capital.**

### A. Portfolio Growth and the Support of Parish Ministries

The St Barnabas investment portfolio will be managed in a careful manner to protect the equity of the parish and to recognize and safeguard the generous gifts that have made these assets possible. Investment performance will be measured against appropriate benchmarks such as the S&P TSX 60 and S&P 500.

We will balance the gradual growth of these funds with the generation of annual income from interest, dividends and capital withdrawal to support parish ministry and the maintenance of our buildings and grounds.

The asset allocation in our investment portfolio will be guided by the following criteria:

- Our investment time horizon is very long,
- Our annual income target is \$40,000 plus up to \$10,000 for building maintenance, to be reviewed every 5 years with the investment management firm to determine if this is in line with existing market conditions,<sup>1</sup>
- Our liquidity requirements are \$60,000 in order to ensure we have to the ability to meet unexpected expenses such as building maintenance.

More detailed parameters for asset allocation will be laid out in an "Investment Policy Statement" (IPS), which will be agreed to in writing with the investment firm we choose to manage our funds.<sup>2</sup>

## B. Ethical Investment and Eligible Securities

In keeping with our Christian discipleship values regarding social justice and protection of God's creation, we seek to invest our financial resources in accordance with good environmental, social and corporate governance objectives. In addition to avoiding clearly unacceptable investments (tobacco, weapons, pornography, gambling) our portfolio will be selected from a population of firms that are among the most ethically responsible in their sectors, based on a systematic screening process. No single sector will be excluded as such, although some industries present investment risks which mean that they are unlikely to be part of our portfolio.

Given the complexity of socially and environmentally responsible investing, equity selection criteria and procedures will be provided by the firm which is selected to manage St Barnabas investments. Criteria and procedures for this screening will be made available to interested parishioners.

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<sup>1</sup> Building maintenance expenses over \$10,000 would likely require a capital campaign.

<sup>2</sup> The IPS is distinct from the St Barnabas Investment Policy. The IPS will give more detailed investment parameters to the investment firm and will be approved by Parish Council.

### C. Sub-Funds

Our investment portfolio will include a small number of sub-funds designed to support specific ministries and outreach purposes. The existing “Barnabas Social Housing Fund” will be continued as a distinct sub-fund, with defined income withdrawal terms which support parish outreach gifts for social housing. The “Jerry McDonald Music Ministry Fund” will also be formally established on a similar basis to support the parish music ministry. Other sub-funds can be created as required.

### D. Investment Management and Accountability

Past investment decisions have been made by the parish Finance Committee with the advice of a professional. Portfolio components have been individually selected and fees have been paid on a “per transaction” basis. As a result, the Finance Committee has born undue responsibility and the trading of assets has been minimal.

Because effective portfolio management is a specialized and ongoing task, the day-to-day management of the St Barnabas investment portfolio will be transferred to an investment firm selected through a comparative interview process and approved at a general meeting of the congregation.

The selected investment firm will carry out the management of securities in accordance with the terms of the IPS. It will not require the approval of the Finance Committee on individual transactions but will keep the Committee regularly informed of such transactions and relevant market conditions. The Finance Committee will monitor performance by meeting at least annually with the Investment Firm to discuss the overall performance of the portfolio and consider any changes that might need to be made.

Fees will be charged on an annual basis and will be related to the size of the investment portfolio.

At least every five years a general review of investment management services will be carried out and recommendations regarding the investment management firm will be made to the parish.

Ongoing supervision of investment deposits and withdrawals is carried out by the Finance Committee, with decisions recorded in the Committee’s minutes. All deposits and withdrawals are carried out by two authorized officers of the parish (at present, the Rector’s Warden and Treasurer) based on minuted instructions from the Finance Committee.

Any significant changes in this St Barnabas Investment Policy will be approved at a general meeting of St Barnabas parishioners.