

Non-permanent Investment Policy Statement

I. Purpose

The purpose of this Non-permanent Investment Policy Statement (NPIPS) is to establish guidelines for the investable assets (the Portfolio) of Week of Compassion (WoC) held in custody at Church Extension (CE) and Christian Church Foundation (CCF) in order to maintain and preserve its ongoing operations and financial contingencies. This document shall apply to the Executive Committee of the Week of Compassion Board of Stewards.

II. Objectives

The primary investment objective is to achieve growth and income. Cash flow is not a requirement of the portfolio. Any cash flow generated by the portfolio will be reinvested.

III. Time Horizon

The investment guidelines are based upon an investment time horizon of 10 years. Week of Compassion strategic asset allocation is also based on this long-term perspective. Short-term liquidity requirements are anticipated to be present when investing purpose-designated funds.

Week of Compassion recognizes that the possibility of capital loss does exist. When it comes to investing, time is an asset. Staying true to your investment strategy through all market conditions is critical to achieving your goals, especially during times of market volatility.

IV. Risk Tolerance

Risk tolerance describes the degree of prudent risk you are willing to assume to achieve your investment objectives. Generally, higher potential returns carry a correspondingly higher level of risk.

Week of Compassion's risk tolerance is low. They fully understand investing requires a longer-term perspective and are willing to tolerate fluctuations in market value and rates of return to achieve objectives.

V. Asset Allocation

The Executive Director of Week of Compassion and the Vice President of Finance in the Office of the General Minister and President shall monitor the allocation of assets comprising the portfolio and maintain the following structure:

- A. All designated funds shall remain in cash or demand or variable flex note investments with Church Extension. Investments held at Church Extension should not be lower than the total Designated Net Assets at the end of any fiscal quarter.
- B. Fifty percent (50%) of the Undesignated Net Assets can be invested in Christian Church Foundation after decreasing the balance by 18 months of budgeted operating expenses, including program grants less Compassion in Action program line. The applicable budget year is the current year for Q1, Q2, Q3 calculations. The Q4 calculation uses the next year budget. The transfer of cash to Christian Church Foundation investments or withdrawal of cash from Christian Church Foundation investments is done once a year based on the Q4 calculation. The four Christian Church Foundation investments that can be invested are Common Balanced, Beasley Growth, Campbell Multi-Strategy, and Bostick Select.
- C. See Section VII for how the balance of the Undesignated Net Assets (the 18 months of budgeted operating expenses including program grants less Compassion in Action program line) shall be handled.

VI. Investment Monitoring and Control Procedures

- A. Treasury Services shall provide Week of Compassion with quarterly statements. Such reports shall show values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
- B. All authorized individuals have direct access to account information and have the authorization to make deposit and withdrawal requests. Withdrawal requests must have two signatures. Reference Week of Compassion internal control documents for deposit and withdrawal procedures.
- C. Treasury Services shall prepare a quarterly performance report, which should include the Portfolio's performance, asset allocation, and compliance with all applicable guidelines defined in the NPIPS.
- D. The Portfolio shall be reviewed at least quarterly to ensure that all investments remain in compliance with all applicable guidelines defined in the NPIPS.

VII. Cash Management Guidelines

- A. Any cash held by Week of Compassion in the checking account in the Office of the General Minister and President (OGMP) is used to fulfill monthly obligations, including a buffer for unbudgeted items. The amount will be determined by the Executive Director of Week of Compassion and the VP of Finance in the OGMP.
- B. Cash above and beyond what is determined by the Executive Director of Week of Compassion and the VP of Finance to remain in OGMP's checking account will be placed in a demand or variable flex note(s) with Church Extension.

VIII. General Guidelines

- A. The Executive Committee of the Week of Compassion Board of Stewards should review investment activity on a regular basis.
- B. Investments are to be held by our ministry partners at Church Extension and Christian Church Foundation.
- C. Within guidelines, maximum interest rates shall be sought, with the maturity of the investments governed by expected cash needs.
- D. All investments are to be written in the name of Week of Compassion.

IX. NPIPS Review

- A. The NPIPS shall be reviewed at least annually, or whenever a major change is necessary. Such a review may be caused by:
 - 1. A change to Week of Compassion's Investment Objectives.
 - 2. A fundamental change in the expected net cash flow.
 - 3. Applicable changes in legislation.
 - 4. A significant shift in the financial risk tolerance.
 - 5. Shortcomings of the NPIPS that emerge in its practical application or substantive modifications recommended to management or board.

Week of Compassion	<u>Balances as of</u> <u>12/31/2023</u>	<u>Balances as of</u> <u>3/31/2024</u>
Designated Net Assets	3,609,846	3,577,923
Investments held at CE	5,725,692	5,480,133
Should always be negative	<u>(2,115,846)</u>	<u>(1,902,210)</u>
Undesignated Net Assets	4,388,766	4,740,517
2024 Operating Budget including Program grants less Compassion in Action	1,534,382	1,534,382
18 month of budgeted operating expenses	<u>2,301,573</u>	<u>2,301,573</u>
	2,087,193	2,438,944
	50%	50%
Maximum amount to invest in CCF Investments	<u>1,043,597</u>	<u>1,219,472</u>
Investments held at CCF	<u>859,121</u>	<u>908,490</u>
Amount available to transfer to CCF Investments	<u>184,476</u>	<u>310,982</u>
Current FMV of Investments held at CCF by fund:		
Common Balanced	318,533	333,868
Beasley Growth	320,144	340,489
Campbell Multi-Strategy	220,444	234,133
Bostick Select	<u>859,121</u>	<u>908,490</u>
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