

**ENDOWMENT PROGRAM
OF
ST. MATTHEW'S UNITED METHODIST CHURCH
ANNANDALE, VIRGINIA**

INVESTMENT POLICY GUIDELINE

I. PURPOSE:

This Investment Policy Guideline (IPG) generally describes the investment philosophy and investment management procedures to be utilized for gifts to the *Endowment Program of St. Matthew's United Methodist Church* (the "Endowment Program"). This IPG is authorized by and is an adjunct to the Endowment Program Charter. This IPG shall be administered by the Permanent Endowment and Planned Giving Committee (hereinafter referenced as "Committee")

II. INVESTMENT OBJECTIVES:

Donations to the Endowment Program are intended to provide a permanent endowment of financial support to strengthen, expand, and preserve the ministry of the Church and establish a permanent and living memorial to the donor and/or their designee. These objectives will be supported by withdrawals from the Investment Account(s) consistent with an "annual withdrawal rate" approved by the Church Council or established by conditions of a named fund and that will consist of both income (interest or dividends) and principal sufficient to support the Endowment Program while maintaining principal over time. This will require:

- Investments in both equities and fixed income, and
- An annual withdrawal rate not to exceed 4%, and
- Adjustments to the withdrawal rate to reflect changes in the rate of inflation and performance of investments within the Endowment Program that preserve its goals and fiscal integrity.

Therefore, objectives include both growth of principal and income, with a conservative orientation to reduce potential for long term loss of principal. The Endowment Committee will select an asset allocation using the guideline below that best meets this objective.

III. INVESTMENT CRITERIA:

Broad diversification among different asset types will be the basis for investment selection and management. This includes investments in equities and fixed income, and sub-classes within these. Equity investments may include, but not necessarily limited to, both domestic and international stocks, large, mid and small capitalization stocks, and both growth and value

