

to incite sexual excitement.

Reducing Arms Productions and the Production and Sale of Weapons – The Diocese will avoid investment in firms primarily engaged in military weapons production or the development of weapons inconsistent with Catholic teaching on war (e.g., biological and chemical weapons, arms designed or regarded as first-strike nuclear weapons, indiscriminate weapons of mass destruction, anti-personnel landmines, etc.)

Pursuing Economic Justice

Labor Standards/Sweatshops – The Diocese will actively promote and support shareholder resolutions directed toward avoiding the use of sweatshops in the manufacture of goods.

Affordable Housing / Banking – The Diocese will not deposit funds in a financial institution that receives less than a satisfactory rating from federal regulatory agencies under the Community Reinvestment Act.

Protecting the Environment – The Diocese investment policy will actively promote and support shareholder resolutions which encourage corporations to act “to preserve the planet’s ecological heritage, addressing the rampant poverty in the poorest nations, redirecting development in terms of quality rather than quantity in the industrial world, [and] creating environmentally sensitive technologies.” (*Renewing the Earth*, 1991). The Diocese will encourage investment in companies whose policies and business are consistent with the Church’s teaching on global climate change, for example, companies that undertake reasonable and effective initiatives for energy conservation, the development of alternate renewable and clean energy resources; and those that seek to reduce greenhouse gas emissions.

Encouraging Corporate Responsibility – The Diocese will encourage companies to report on social, environmental, as well as financial performance.

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X. Approval

Deviations from the investment policies and constraints outlined in this IPS and Addendum may be authorized in writing by the CFO, in consultation with the Investment Committee, when they determine that the aggregate deviation does not constitute a material departure from the spirit of this investment policy.

Investment Policy Statement - Signatures

Chair – Diocesan Finance Council
Print Name: Joe Fernandes

Date

Chair – Investment Committee of the
Diocesan Finance Council
Print Name: Bill Berry

Date

Chief Financial Officer
Catholic Diocese of Richmond
Print Name: Michael J. McGee

Date

President – Catholic Community Foundation
Print Name: Susan Hickey

Date

Approved:

Most Rev. Barry C. Knestout
Bishop of Richmond

Date

Asset Allocation of Investment Assets

ASSET CLASS	TARGET	RANGE	BENCHMARK (INDEX)	PEER UNIVERSE
EQUITIES	70.0%	62.0% - 82.5%		
Domestic Large Core	37.5%	25% - 50%	S & P 500 (S&P Cath. Values)	Morningstar Large Cap
Domestic Small/Mid Cap	15.0%	0% - 30%	S & P 1000	Morningstar Small/Mid Cap
International Equity	17.5%	0% - 32%	MSCI ACWI ex USA	Morningstar Foreign
ALTERNATIVES	10.0%	0% - 15%		
Hedged Fund of Funds	5.0%	0% - 10%	HFRI Equity Hedge (Peer Universe)	HFRI
Illiquid Investments/ Private Capital	5.0%	0% - 10%	Private Equity Index	N/A
FIXED INCOME	19.0%	17.5% - 38.0%		
Core Fixed	19.0%	5% - 38.5%	Barclays US Aggregate Bond	Morningstar Intermediate Term Bond
High Yield	0.0%	0% - 10%	B of A Hi-Yield Master	Morningstar High Yield Bond
Non-US Debt	0.0%	0% - 10%	JPM GBI EM Global TR	Morningstar Foreign Bond
CASH	1.0%	0% - 5%		
Cash Equivalents	1.0%	0% - 5%	B of A 91 Days T-Bills	N/A

Index Composition

POLICY INDEX	
ASSET CLASS	PERCENT
S & P 500	37.5%
S & P 1000	15.0%
MSCI ACWI ex US	17.5%
Barclays US Aggregate Bond	19.0%
HFRI Equity Hedge	5.0%
Private Equity Index	5.0%
B of A 91 Day T-Bills	1.0%



CATHOLIC DIOCESE OF RICHMOND
POLICY BENCHMARK ADDENDUM

August 2021

ADDENDUM

This Investment Policy Statement Addendum (Addendum) is authorized in consultation with the Catholic Diocese of Richmond's Diocesan Finance Council Investment Committee for the purpose of adjusting the Policy Benchmark Index over a period of time as Private Capital is gradually added to the portfolio on a phased-in basis.

This Addendum will be reviewed on an annual basis and may be updated as deemed appropriate.

POLICY INDEX – JULY 1, 2021 TO JUNE 30, 2022	
ASSET CLASS	PERCENT
S & P 500	39.5%
S & P 1000	16.0%
MSCI ACWI ex US	18.5%
Barclays US Aggregate Bond	19.0%
HFRI Equity Hedge	5.0%
Private Equity Index	1.0%
B of A 91 Day T-Bills	1.0%

POLICY INDEX – JULY 1, 2022 TO JUNE 30, 2023	
ASSET CLASS	PERCENT
S & P 500	38.5%
S & P 1000	16.0%
MSCI ACWI ex US	18.5%
Barclays US Aggregate Bond	19.0%
HFRI Equity Hedge	5.0%
Private Equity Index	2.0%
B of A 91 Day T-Bills	1.0%

POLICY INDEX – JULY 1, 2023 TO JUNE 30, 2024	
ASSET CLASS	PERCENT
S & P 500	38.5%
S & P 1000	15.5%
MSCI ACWI ex US	18.0%
Barclays US Aggregate Bond	19.0%
HFRI Equity Hedge	5.0%
Private Equity Index	3.0%
B of A 91 Day T-Bills	1.0%

INVESTMENT POLICY STATEMENT
Policy Benchmark Addendum Approval

Signatures

Chair – Diocesan Finance Council
Print Name: Joe Fernandes

Date

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