INVESTMENT POLICY STATEMENT

TEMPLATE FOR USE BY CONGREGATIONS INVESTING THROUGH

The Episcopal Diocese of Western New York
Diocesan Investment Trust

MARCH, 2012

RK DIOCESAN INVESTMENT TRUST - overview

Sponsor & Fiduciary: The Investment Trust is not an endowment, although endowment funds may be invested through it. The Trustees have adopted Investment Policies applicable to the Investment Trust and these policies should be reviewed prior to investment. The Trustees have delegated certain Investment Trust oversight functions to their Investment Committee.

Investment Manager: HSBC Bank has been selected by the Trustees to be the Investment Fund manager of the Investment Trust. Refer to the Investment Policy for the criteria of selection and scope of responsibility of the Investment Manager.

This Template is to be used by Congregations to assist them with supplementing the Investment Policy Statement of the Diocese. A copy of this statement is available to all investee congregations and should be approved by the vestry or Bishop's Council or Board of Directors of each institution prior to investment.

INVESTMENT CONSULTANT

An investing institution may (but need not) engage a Consultant (the "Consultant") in the management of its investment program. As an expert in managing investment accounts, the Consultant may assist the institution with the following responsibilities it has with regard to its investment:

1. Investment Policy Analysis
2. Asset Allocation Modeling
3. Goals and Objectives Suitability Analysis
4. Performance Monitoring

The Consultant should report periodically on the institution's investment program and be available at all times to the governing board of the institution. The Consultant should report periodically directly to the governing board of the institution and should be limited to have authority to act only on the direction of the governing board.

ASSET ALLOCATION POLICY

The investment program of the Investment Trust is to provide alternative investment funds and then permit each investing institution to determine the asset allocation suitable to its purposes and suitable to the particular fund or funds invested. Each investing institution is he allocation of its investments among the alternative

The Investment funds currently available, and the potential return and principal volatility of each fund are described in the diocesan Investment Policy for the Investment Trust.

ASSET ALLOCATION TARGETS

Each institution should designate which funds alternatives will be used with respect to each separate fund or each pool of funds, and provide for a ñtarget allocationò which is appropriate for the needs of the institution and consistent with the purpose of each fund or fund pool. The following chart is a format which may be used for that purpose:

Fund Name	***% of Fund***
Fund A: Growth & Income	
Fund B: Intermediate Bond Income Fund	
Fund C: Money Market Savings Fund	
Fund D: Growth Index Fund	

The following descriptions are intended to provide helpful information about asset allocation:

Fund A - Growth & Income Fund is designed to be utilized as a complete asset allocation choice for long-term investments and is the investment option which is considered a ñcore holdingò for most endowment or long-term investment funds.

Fund D - Growth Index Fund may be selected for a portion of a portfolio if a more aggressive investment strategy (emphasizing growth) is desired for a particular fund based on the role which the fund plays with respect to its ministry or ministries, the expected returns, and the spending needs of the fund.

Fund B is designed to be utilized as the most aggressive investment option choice within the WNYDIT for income oriented accounts. It should be considered as an investment option for funds where the investment objective is to attain a high current rate of income and where it is acceptable to expose the fund to some risk of principal loss. Investments in Fund B may experience loss if interest rate levels rise and loss in purchasing power inflation occurs.

Fund C is designed for funds to receive interest without significant risk to principal. Essentially, these funds are being saved rather than being invested. It may be the fund to use if it is expected money will be withdrawn and expended within a 12-month period.

At least annually or more often, the investing institution should review the investment performance of the invested fund or funds with particular emphasis on its continued ability to meet the target rate of return. Analysis may indicate that asset allocation strategy adjustments are required to maintain probability at reasonably high levels. Additionally, the institution may rebalance portfolios because allocations increase or decrease in value beyond the targets.

The institution may also specify that rebalancing should occur only when allocations fall a specified amount (for example five percent or more) beyond the targets but reserve the right to make adjustments more or less frequently if market conditions or fund objectives are not being met.