

Archdiocese of Baltimore



INVESTMENT & ENDOWMENT POLICIES

FOR PARISHES & SCHOOLS

May 2000

(Revision #5 -July 2013)

**ARCHDIOCESE OF BALTIMORE
BOARD OF FINANCIAL ADMINISTRATION
INVESTMENT POLICIES**

Introduction

The purpose of this policy summary is to provide updated information to parishes and schools about the Endowment and Investment Policies of the Archdiocese. These Policies have been reviewed and are supported by the Board of Financial Administration based on recommendations and guidelines from the Investment Committee and the work of an Investment sub-committee. They have been accepted and approved by the Archbishop.

These policies replace the “Parish/School Investment Policies” and the “Policy for Parish/School Endowment Trusts.”

Board of Financial Administration - Investment Committee

The Investment Committee of the Archdiocesan Board of Financial Administration is responsible for the oversight of the management and performance of all Archdiocesan fund managers and investments. This includes, but is not restricted to, such portfolios as the Consolidated Fund, the Parish and School Endowment Funds, Testimonial Trusts, the Lay Employees’ Retirement Fund, the Priests’ Retirement Fund, and the Catholic Community Foundation (CCF).

Accordingly, the Investment Committee has a fiduciary responsibility for the oversight of the Archdiocesan investments and for the responsible management of the Endowment Trusts. The Committee is charged with providing assurance that all Investment accounts and Trusts are invested and managed according to the strategies and policies chosen by the donors, fiduciaries, and/or participants. The Investment Committee is responsible to oversee and ascertain that the investments are properly managed and the financial performance is competitive.

Background

The Department of Management Services works closely with parishes and schools in their financial matters. These include the routine review of annual reports and capital projects. The Department also responds to inquiries concerning investing funds from endowments, capital funds, and bequests.

From interactions in the planning and execution of capital projects we know of the fund raising activities (mostly related to the Heritage of Hope and several Combined Campaigns). These campaign funds could be invested locally by the parishes in accounts other than the Interparish Loan Fund. While most of the campaign funds are earmarked for specific projects, some may be available for endowment; or, simply because of the availability of the campaign funds, other funds may be available for endowment.

A parish or school may have existing local investment accounts or receive new bequests or large donations (often a portfolio of marketable securities) and should contact the Executive Director of Management Services/CFO to apprise the Archdiocese of such monies.

As a result of greater interaction with pastors and an improved communication with Central Services (partly as a result of the Heritage of Hope campaign), we are aware of the need for investment advice and a greater flexibility that support pastors and finance committees.

Key Issues

1. Not all pastors, principals, and finance committees are knowledgeable about the Archdiocesan investment and endowment policies.
2. Even though the Endowment policy has always stated, "All parishes doing so are required to participate in the Archdiocesan Centralized Endowment Trust," this doesn't always occur.
3. There have been instances when the Archdiocesan Investment Committee has had little or no oversight of local investment accounts. Obviously, investment funds and decisions at the local parish level generally have remained outside the purview of the Investment Committee.
4. The variety and combinations of experience, quality of advice, and intentions of the local finance committee may not be the best available and is definitely not consistent across the Archdiocese.
5. Local investments don't always meet the recommended investment criteria for safety and quality of the investments.
6. Local investment accounts are not always "titled" properly in the name of the Archbishop of Baltimore. This can be a significant problem as pastors or committee members change.
7. The Archdiocesan parish/school endowment and capital investment options are limited, both in number of institutions and in types of investment.
8. There are three existing PNC-managed parish and school endowment funds which have very similar investment objectives.

Objectives of Policy

- Provide parishes and schools with multiple **investment options**.
- Provide investment funds that will be part of the **fiduciary oversight** function of the Archdiocesan Investment Committee.
- Offer **diversification** of the investment pool, both in the number and types of institutions, and investment strategies.
- Recommend options that are **cost-effective** and provide **good reporting** to parishes/schools and the Investment Committee.

- Encourage parishes and schools to develop **endowments**.
- **Educate** pastors and parish/school committees about the Archdiocesan Investment Policies and Options.
- Develop policies and resources that are **sensitive to the local parish** “politics,” particularly those with existing endowments.

Policy Guidelines

The basic concepts in the development of the investment policies are:

1. There will be several investment options, preferably known mutual funds.
2. Parishes and schools may invest in more than one fund.
3. An actively managed balanced fund, similar to the existing PNC-managed parish and school endowment, will be offered.
4. In addition to endowments, accounts can include certain capital or long-term funds.
5. Except for CCF funds, PNC will act as custodian for the overall pool of funds and provide monthly activity reports to parishes and schools.
6. The Archdiocesan Interparish Loan Fund is always available for investment.

The pool offers sixteen (16) investment funds. Based on annual reviews of funds’ performances and fees, these (or similar funds) will be offered for investments and endowments.

Specific Funds Available for Investments

The following is a list of funds available for all types of investments. However, for most endowments, parishes/schools are to use CCF (see CCF Section).

MONEY MARKET FUND

Blackrock Liquidity Treasury Trust Fund

BOND FUNDS

PNC Limited Maturity Bond Fund

PNC Total Return Advantage Bond Fund

T. Rowe Price High Yield Bond Fund

Vanguard Total Bond Market ETF

Hybrid Bond – T. Rowe Price Spectrum Income Fund

STOCK FUNDS – Large Capitalization

Blackrock Equity Dividend

T. Rowe Price Blue Chip Growth Fund

Vanguard Total Stock Market Index ETF

STOCK FUNDS – Other Strategies

Harbor International Fund
Dodge & Cox International Stock
iShares Russell 2000 Index (Small Cap)
T. Rowe Price Real Estate (REIT's)
Aston/Fairpointe Mid Cap 1 Fund

BALANCED FUNDS

Christian Brothers Balanced Fund (Socially Responsible)
PNC Parish & School Balanced Fund
T. Rowe Price Balanced Fund
Vanguard Balanced Index Fund

Asset Allocation Parameters:

There are three categories to select from: Balanced, Money Market, and Fixed Income/Bonds. Investment selections are made within the following parameters:

- All or none of the funds within a category can be used.
- Equity (Stock) Funds: Invest a maximum of 70% of investment dollars.
- Balanced Funds: Whether one or all are selected, the only other option is the Money Market Fund.
- Number of funds: Maximum of six in any one account.
- Options can be changed twice a year (April and October).
- The investing entity can have multiple accounts as needed to meet the purposes and/or sources of the monies invested.

Prospectuses for each fund, information related to risks and strategies of the various categories, and consultation by Fiscal Services to parishes and schools are available.

PARISH/SCHOOL INVESTMENT POLICIES

1. Parishes and schools can chose from the array of investment options approved by the Investment Committee of the Archdiocese of Baltimore. The Committee will review the investment alternatives at least annually. Parish and school finance or investment committees (under the direction of the Pastor, or the School Board if not affiliated with a parish) may select from the several investment options which have varying investment objectives.
2. There are options available for both Endowment Trusts and for the investment of Capital Funds on a long or short-term basis. The investment of Capital Funds expected to be needed for current projects or expected to be used within a 2-3-year period should be placed in the Money Market option, or in other approved investment accounts at PNC.

3. A parish investment or finance committee may propose other investment vehicles and/or managers for approval by the Investment Committee (per the procedures described below) if it has funds in excess of \$2,000,000. If approved, quarterly reports must be provided to the Investment Committee. Local conflicts of interest or appearance of conflict must be avoided.
4. Parishes and schools should not be invested in individual stocks and bonds. If securities are received from a parishioner/donor, stock transfer procedures on the Archdiocesan website should be followed.
5. All parish and school accounts must be recorded either individually or collectively in the name of the Archbishop of Baltimore, a Corporation Sole.

Trustees:

Archbishop
Vicar for Vicariate
Parish Pastor
Parish Lay Corporators (2)

Trustees (if school not affiliated with a parish):

Archbishop
Vicar for Vicariate
3 other individuals elected annually by the Board

A parish or school must have an IPLF deposit of at least 4 months of operating income (exclusive of capital campaign funds) before funds can be transferred to an endowment (except for specific restricted bequests or donations).

PARISH/SCHOOL ENDOWMENT TRUST POLICIES

Parishes and schools should seriously consider setting up the suggested endowment funds in the Catholic Community Foundation. This Foundation has been established to provide one Archdiocesan-wide entity to “house” endowments, bequests, and other long-term funds for future needs of parishes, schools, and other purposes. The Archbishop, the Board of Financial Administration, and the Priest Consultors have endorsed this concept and the Foundation.

In addition to the direct benefits of using CCF for the endowment, it would be visible to the entire Archdiocese and demonstrate the leadership of the parish or school in planning for the long term.

Policies for Parishes & Schools

1. Parishes and schools are encouraged to establish an Endowment Trust. All endowments are required to be invested in options offered by CCF or in accounts in the Archdiocesan-sponsored Investment Pool for Parishes and Schools. Generally, a separate Endowment Trust Fund is set up for money given for specific purposes.

2. There are several investment fund options from which to choose but all investing is processed by a single fund custodian, PNC, who also does the account reporting. The purpose of this centralized process is to provide quality and competitive investment management and ease of investing as economically as possible.
3. The Investment Committee of the Archdiocesan Board of Financial Administration is responsible for overseeing the management and performance of all Archdiocesan investments. This includes, but is not restricted to, such portfolios as the Consolidated Fund, Parish Endowment Funds, the School Endowment Fund, and both the Lay Employee and Priest Retirement Funds. Accordingly, the Investment Committee will supervise the investment, investment options, and management of Endowment Trusts. It will assure that the participants invest the Trust according to the strategies chosen and that the performance is competitive.
4. Ordinarily, the principal amount placed in an endowment cannot be withdrawn. Only the income generated from the fund can be used for the designated purpose (e.g., operating or capital purposes). In any one fiscal year, up to 10% of the principal may be withdrawn for trust purposes. If this is to be used to fund Parish or School operating expenses, the withdrawal will be approved only if operating income is insufficient to sustain the life of the parish/school and any deficits are expected to continue for the immediate future. The Archbishop must approve any withdrawal of principal from an Endowment Trust.
5. Parishes or schools wishing to establish an endowment fund must execute a trust document with the Archdiocesan legal firm of Gallagher, Evelius and Jones. This document is to follow one of the legal models developed: (1) parish endowments; (2) parish-based school endowments; or (3) school-based school endowments.
6. Other than complying with the requirements of specific donations or bequests, parishes and schools may initiate an endowment account or place additional funds in an endowment trust only when they have and are retaining at least 4 months of gross operating income in the Interparish Loan Fund.
7. Any promotion or solicitation on behalf of the endowment must state clearly the purpose of the solicitation. Donations to the endowment must be clearly designated to that purpose.
8. The initial amount needed to enter the Archdiocesan Investment Pool for Parishes and Schools is a minimum of \$10,000. Additional deposits in the fund must be increments of at least \$1,000.

Policies for Parish Endowment Trusts

1. Contributions to a trust specified for an endowment purpose by individual donors will not be subject to the Cathedraticum tax. Parishes wishing to conduct a capital campaign in whole or part for the endowment trust will, however, need prior written approval from the Archbishop. The proceeds from approved campaigns will be exempt from the Cathedraticum tax.
2. Income generated from the trust, and either re-invested into the principal of a parish's endowment or utilized by the parish for capital purposes, will not be subject to the Cathedraticum tax. Income generated from the trust and used by the parish for operating purposes will be subject to the Cathedraticum tax, unless the Archbishop grants an exemption from this for particularly burdensome situations.
3. Parishes may transfer excess operating income into their endowment trust. However, as operating income, the amount invested would still be subject to the Cathedraticum tax.
4. A maximum of 10% of a parish's deposits in the Interparish Loan Fund may be moved to the endowment trust in a given fiscal year, provided the minimum specified balances (4 months operating funds) are maintained.

Policies for School Endowment Trusts

1. Monies raised for a parish-based school endowment are the property of the parish and are to be recorded on the parish books. Monies raised for a school-based school endowment are the property of the school and are to be recorded on the school's books.
2. All donations to the endowment fund become part of the principal of the trust and may be withdrawn by the trustees only according to the terms of the trust. Any withdrawals from the principal of a parish-based school endowment are considered parish income and are subject to the Cathedraticum tax.
3. Gifts to a school-based endowment fund amounting to less than \$1,000 may be retained as a restricted line item until such time as a sufficient amount is accumulated for a share purchase. Funds listed in this financial category are not subject to Cathedraticum Tax nor are other contributions to the endowment fund.
4. Parish corporators (or the School Board), the Endowment Trustees, and the pastor must establish clear priorities for distributing fund income according to the terms of the trust agreement.
5. Trustees of the fund must issue a report at least annually to the parish or school on the activity of the endowment fund.
6. Receipts from a bequest that do not specify educational endowment may not be added to it unless there is specific written permission from the Archbishop.

7. No church or school operating or non-operating income, and no receipts others than specific gifts to the endowment, may be transferred to the endowment fund.
8. Excess parish or school funds or reserves may be transferred to the endowment only if they have and are retaining at least 4 months of gross operating income, and with a written request to the Executive Director of Management Services/CFO and with the written approval of the Archbishop.
9. Contributions to, and earnings in, a parish-based school endowment fund are recorded on the parish books but are exempt from Cathedraticum tax if the preceding guidelines are followed.

POLICY FOR PARISHES/ SCHOOLS REQUESTING APPROVAL FOR NON-STANDARD INVESTMENT PLANS

All parishes and schools are strongly encouraged to follow the recommended guidelines for managing their investment funds. These investments could be for Endowments, Capital projects, and long- or mid-term savings. A money-market fund is available for short-term investments. The Archdiocese recognizes that there may be circumstances where a parish or school requests an exception to the Standard Investment Policy for Parishes and Schools. Following is the criteria, process, and procedures for such requests.

Initial Request

The parish or school requesting the exception should contact the Executive Director of Management Services/CFO to indicate their interest in establishing an investment account outside those approved by the Archdiocesan Investment Committee. This general notification is for the purpose of determining the level of interest and the reason for not following the standard recommendation:

Criteria for Consideration:

- Minimum funds on hand - \$2,000,000
- Minimum investment target - \$3,000,000
- Must have Minimum cash reserves on hand as required by policy (generally 4 months' operating income of the parish or school).
- Parishes are subject as well to required utilization of the Inter-parish Loan Fund for excess operating funds¹.
- Establishment or additional funding for an Endowment (from other than specifically restricted bequests or gifts) requires the approval of the Vicar and the Executive Director of Management Services/CFO.

¹ Parishes are permitted to keep in local reserve the greater of \$25,000 or one month's operating income. Operating income is derived by taking the total operating income of the immediately prior fiscal year, divided by 12. If one month's operating reserve is in excess of \$100,000, a second bank and federally insured account should be employed unless the amount in excess of \$100,000 of reserve will be had for only a brief period of time.

The requestor should provide:

- Source of funds
- Amount to be invested
- Purpose for the investment
- Period of time before funds will be used
- Support at the local level (pastor, finance chair, pastoral council or school board chair, etc.)
- Proposed Investment vehicle(s) or method(s)

Review Process

The Review Process has the following steps:

1. Submission of required information to the Archdiocesan Executive Director of Management Services/CFO.
2. A meeting may be held to discuss the information submitted in the proposal. After review, the proposal will be accepted or rejected.
3. If the proposal receives the support necessary, it is submitted to the Archdiocesan Investment Committee for review and consideration.

Step 1. If the minimum criteria are met, the pastor and/or appropriate school official should submit the following information to Management Services:

- Source of funds
- Amount to be invested
- Purpose for the investment
- Investment Policy and Strategy for the account
- Period of time before funds will be used
- Support/sponsorship at the local level (pastor, finance chair, pastoral council or school board chair, etc.)
- Identification of financial or investment advisors, if any
- What the local oversight and criteria for the investments will be, including a brief background of the board and/or finance committee chairs and any others with key roles on the committees
- Proposed Investment vehicle(s) or method(s)
- Financial Performance History or projected returns of proposed investments, including fees
- If an individual investment manager is proposed, the credentials and fees of the manager or firm, and any affiliations with the parish or school. Parishes and schools should avoid any arrangement that is, or appears to be, a conflict of interest. For example, a Parish Board Member who is the person proposing a plan with his/her employer or company.

Step 2. Information package is reviewed and/or meeting held between Management Services and Parish/School representatives; additional information required is provided for submission to the Investment Committee.

Step 3. Submit the proposal to the Investment Committee. The committee or an assigned sub-committee will review the proposal. The Committee may make recommendations or requests for additional information. If the Committee approves the proposal, there are certain minimum reporting requirements from the parish/school:

- Quarterly reports from the investment manager showing the performance of the investments; and comparisons to standard indices.
- Quarterly report from parish/school of changes in key personnel and information on their replacements.
- Quarterly report should show any additional investments (and source) and any withdrawals (and purpose).
- All accounts must be properly “titled” in the name of the Archbishop.
- If applicable, Archdiocesan legal counsel must prepare a proper Endowment document. Any other documents or agreements must also be reviewed and executed by the Archbishop. A copy must also be provided to Management Services.

These rules also apply to bequests or contributions of portfolios given to the parish or school. Those with individual securities will be reviewed, along with historical performance, and recommendations on future management of the portfolio will be provided as needed by the Investment Committee.

Withdrawal Procedures

Withdrawals from an Endowment fund can only be made in accordance with the Endowment Agreement. Other than the direct distribution of income to the designated purpose, a written request must be submitted to the Executive Director of Management Services/CFO. As required, the Executive Director will obtain the approval of the Vicar and Archbishop.

Similarly, withdrawals from other types of investment accounts require processing through the Executive Director of Management Services/CFO.

The request for withdrawal must include the reason for the request, the purpose for the use of the funds, the amount, and when needed. The request must have the approval of the properly authorized person on behalf of the school or parish (generally the pastor or chair of the school board).



ARCHDIOCESE OF BALTIMORE
PARISH & SCHOOL INVESTMENT PROGRAM

REQUEST TO ESTABLISH ENDOWMENT FUND

Parish/School:	Parish/School Code:	Phone: (____) _____
		Fax: (____) _____
		E-Mail: _____

Address:

Amount to be Endowed:	Source of Funds:
-----------------------	------------------

Other Investments & Financial Reserves:

<i>Account Type</i>	<i>Location</i>	<i>Balance</i>
Interparish Loan Fund	Archdiocese of Baltimore	

Purpose of Endowment:

Investment Options:

Requested by:	Title:	Date:
---------------	--------	-------

Pastor Signature:	Date:
-------------------	-------

APPROVAL:	<i>Signature</i>	<i>Date</i>	<i>Comments</i>
Controller			
Exec Director Mgmt. Services			
CFO			

Check #:	Issue Date:	Disposition:
----------	-------------	--------------

**ARCHDIOCESE OF BALTIMORE
PARISH & SCHOOL INVESTMENT PROGRAM**

- New Account Change to Account
 Endowment Other

Parish/School _____ Date: _____
Mailing Address: _____

Name/Purpose of Acct: _____
Contact Person: _____ Phone: _____

Option A - Up to 100% in any option. **Option B - Maximum combined equity limited to 70%**. The maximum number of funds that can be chosen under Option B is six. The allocation increment is 5%.

Investment Options

Choice

Selection

Option A - Up to 100% in any option

Apply to:

- Entire Account
 New Deposits

BALANCED PORTFOLIO

Christian Brothers Balanced Fund (Socially Responsible)	0%-100%	_____
PNC Parish & School Balanced Portfolio	0%-100%	_____
T. Rowe Price Balanced Fund	0%-100%	_____
Vanguard Group Balanced Index Fund	0%-100%	_____
Total		100%

Option B - Maximum combined equity limited to 70%

MONEY MARKET

Blackrock Liquidity Treasury Trust Fund	0%-100%	_____
---	---------	-------

BONDS

PNC Limited Maturity Bond Fund	0%-100%	_____
PNC Total Return Advantage Bond Fund	0%-100%	_____
T. Rowe Price High Yield Bond Fund	0%-100%	_____
Vanguard Total Bond Market ETF	0%-100%	_____

HYBRID

T. Rowe Price Spectrum Income Fund	0%-100%	_____
(fund can invest up to 25% in stocks)	0%-100%	_____

STOCKS - Large Cap

Blackrock Equity Dividend	0%-70%	_____
T. Rowe Price Blue Chip Growth Fund	0%-70%	_____
Vanguard Total Stock Market Index ETF	0%-70%	_____

STOCKS - Other Strategies

Max. exposure in any of the "Other Equity" 10%; 15% for International Equity

Harbor International Fund	0%-15%	_____
Dodge & Cox International Stock	0%-15%	_____
iShares Russell 2000 Index (Small Cap)	0%-10%	_____
T. Rowe Price Real Estate (REIT's)	0%-10%	_____
Aston/Fairpointe Mid Cap 1 Fund	0%-10%	_____

STOCKS Sub Total	70%	_____
	Total	100%

Authorized by: _____ Title: _____

Send completed form to: Linda J. Derkach, VP
PNC Institutional Investment Group
One East Pratt Street, 5th Floor West, Baltimore, MD 21202
PHONE: (410) 237-5560 FAX: (410) 237-5856

ARCHDIOCESE OF BALTIMORE PARISH AND SCHOOL INVESTMENT OPTIONS INVESTMENT PERFORMANCE NET OF FEES Returns as of December 31, 2014

Option A	10/14-12/14	YTD	Average Annualized Return		Std Dev 5 years	30-day/12 Month SEC Yield ²	Expense Ratio (Net)
			3 years	5 years			
Balanced Portfolio							
Christian Brothers Balanced Fund (Socially Responsible)	3.07%	8.80%	14.78%	11.28%	8.86	N/A	0.89
PNC Parish & School Balanced Fund	2.58%	6.44%	13.01%	10.17%	9.42	1.90%	0.35
T. Rowe Price Balanced Fund	1.75%	5.97%	12.92%	10.33%	9.65	1.99%	0.64
Vanguard Balanced Index Fund	3.88%	9.84%	12.98%	11.18%	7.87	1.79%	0.24
Option B							
Money Market							
BlackRock Liquidity Treasury Trust Fund	0.00%	0.00%	0.00%	0.00%	0.00	0.00%	0.20
Bonds							
PNC Limited Maturity Bond Fund	0.04%	0.41%	0.70%	1.12%	0.68	0.51%	0.49
PNC Total Return Advantage Bond Fund	1.02%	5.28%	3.39%	4.59%	2.64	2.27%	0.56
T. Rowe Price High Yield Bond Fund	-1.51%	2.00%	8.62%	8.63%	6.76	6.27%	0.75
Vanguard Total Bond Market ETF	1.75%	5.96%	2.56%	4.35%	2.78	2.51%	0.08
Hybrid							
T. Rowe Price Spectrum Income Fund	0.02%	3.88%	5.64%	6.13%	4.59	3.38%	0.69
Stocks - Large Cap Domestic							
BlackRock Equity Dividend	4.24%	9.35%	15.21%	12.90%	11.59	1.88%	0.70
T. Rowe Price Blue Chip Growth Fund	4.27%	9.28%	22.36%	16.70%	15.49	0.00%	0.74
Vanguard Total Stock Market ETF	5.23%	12.56%	20.49%	15.70%	13.62	1.76%	0.05
Other Equity Funds							
Aston/Fairpointe Mid Cap	4.46%	10.03%	22.99%	16.54%	17.90	0.13%	0.87
i Shares Russell 2000 Small Cap	9.75%	4.94%	19.25%	15.55%	18.02	1.26%	0.20
Dodge & Cox International Stock	-4.66%	0.08%	15.23%	7.89%	17.87	2.30%	0.64
Harbor International Stock	-4.05%	-6.81%	9.59%	5.54%	17.80	2.19%	0.74
T. Rowe Price Real Estate	14.23%	29.75%	16.18%	16.93%	16.72	2.23%	0.79
Index Returns							
91 Day U.S. Treasury Bill	0.00%	0.03%	0.04%	0.06%	0.02	N/A	N/A
Barclay Aggregate Bond Index	1.79%	5.96%	2.66%	4.45%	2.95	N/A	N/A
S&P 500 Stock Index	4.93%	13.69%	20.41%	15.45%	14.03	N/A	N/A
Russell 1000 Value	4.98%	13.45%	20.89%	15.42%	14.58	N/A	N/A
Russell 1000 Growth	4.78%	13.05%	20.26%	15.82%	14.58	N/A	N/A
Russell MidCap	5.94%	13.22%	21.40%	17.19%	14.88	N/A	N/A
Russell 2000 (Small Cap)	9.73%	4.90%	19.21%	15.55%	18.47	N/A	N/A
MSCI EAFE Index Net (International Equity)	-3.57%	-4.90%	11.06%	5.33%	16.73	N/A	N/A
MSCI Emerging Markets Net (International Equity)	-4.50%	-2.19%	4.04%	1.78%	18.55	N/A	N/A
MSCI US REIT	14.34%	30.38%	16.31%	17.05%	16.65	N/A	N/A

¹ All returns are cumulative annualized except periods less than one year.

² Money market yield quoted as monthly distribution yield.
Mutual fund data source: Morningstar Inc.

Option A - Up to 100% in any option

Option B - Maximum combined equities limited to 70%
Max exposure in any of the "Other Equity":
15% for International Equity
15% for Mid Cap
10% for REIT
10% for Small Cap Index