ST. JOHN'S CATHEDRAL

Statement of Endowment Policy

Approved by the Vestry on November 20, 1995
Amendment and Restatement Approved by the Vestry on April 11, 2016

I. Introduction

Throughout its history St. John's Cathedral has received gifts and bequests of funds intended to provide for the future of the Cathedral. Over time these funds have become known as the St. John's Cathedral Endowment Fund ("Endowment Fund" or "Fund"). The Vestry of St. John's Cathedral, in its desire to preserve and protect the future of these funds and any similar funds that might be received in the future, hereby adopts this Statement of Endowment Policy.

II. Endowment

The St. John's Cathedral Endowment Fund includes all those funds that are true endowment funds and those funds that are "quasi-endowment" funds. A detailed listing of these funds can be found in the attached Schedule III. True endowment funds are funds where the donor has stipulated that the original principal is to be maintained in perpetuity and only the income generated by the fund can be distributed. Generally, true endowment funds are created and governed by some form of legal document. (i.e. trust agreement) Quasi-endowment funds are funds that the Vestry has determined will be retained and invested similar to endowment funds.

It is the policy of St. John's Cathedral that all gifts and bequests in excess of $10,000 that are not a part of annual giving will become part of the St. John's Cathedral Endowment Fund unless otherwise directed by the donor and will therefore become subject to this and any other policies that provide for the distribution, designation, investment, or other aspects of the Fund.

III. Management

The Endowment Fund consists of multiple pools of funds. The majority of the assets of the Endowment Fund are invested in a liquid pooled fund referred to as the St. John's Cathedral Investment Fund (the "Investment Fund"). The Investment Committee of St. John's Cathedral, as described in the Charter of the Investment Committee of St. John's Cathedral attached as Schedule I, is authorized to administer the Investment Fund. All remaining assets in the Endowment Fund, such as real estate, notes, leases, and all other "non market invested assets," are not considered part of the Investment Fund and are subject to the oversight of the Finance Committee, pursuant to its charter, on behalf of the Vestry.

IV. Distributions

Due to the fluctuating nature of the income stream generated by the St. John's Cathedral Endowment Fund and the desire to maintain the purchasing power of the Fund over time, the Vestry of St. John's Cathedral has adopted and hereby readopts a "Total Return" policy with respect to annual distributions from the Fund. Simply stated this policy is to distribute no more than 5% of the average market value of the Fund on an annual basis.

More specifically, the 5% is calculated before the start of the fiscal year based on the average of the prior thirteen calendar quarters' total market value of the Fund ending with September 30. This way an exact distribution can be used in preparing the coming year's operating and capital budget. Prior to the Vestry's consideration of the annual budget for each fiscal year, the Investment Committee and the Finance Committee shall recommend an annual distribution to the Vestry with a calculation of the annual distribution in the format set forth on Appendix I. Prior to approving the annual budget, the Vestry shall review and approve, by separate resolution, the annual distribution from the Endowment Fund in the format set forth on Appendix I.

This distribution policy applies to the entirety of the St. John's Cathedral Endowment Fund and in no way overrides the terms of any true endowment funds. Nor does it preclude any donor from creating true endowment funds in the future. It means that in years when the income generated by true endowment funds is less than 5% an amount greater than 5% will be taken from quasi-endowment funds. Likewise, in years when the income generated by true endowment funds is greater than 5%, an amount less than 5% will be taken from quasi-endowment funds.

V. Designation

The amount distributed from the St. John's Cathedral Endowment Fund will be used to enhance the Cathedral's operating and capital budget beyond what is possible through the monies raised during the annual stewardship campaign. Specifically, annual distributions from the St. John's Cathedral Endowment Fund will be used for capital maintenance and improvements, and program and ministry needs, including such things as Christian Education, Music, Worship, and Outreach.

This designation policy applies to the entirety of the St. John's Cathedral Endowment Fund and in no way overrides any designations that may have been placed on funds by their donor. Nor does it preclude any donor from designating funds in the future.

VI. Amendment

This policy may be amended by the Vestry after consideration at two consecutive meetings and after giving the notices as provided below.

(a) A proposed amendment to this policy shall be first considered by the Vestry at a meeting for which at least 21 days prior written notice outlining the proposed amendment has been provided to the Vestry. The Vestry may, by a three-fourths vote affirmative vote of the entire Vestry, including the Wardens and the Dean, decide to move the proposed amendment forward to a second meeting, which shall be held no earlier than 28 calendar days after the first meeting.

(b) If the decision is to move the proposed amendment forward to a second meeting, the Vestry shall give written notice, including a copy of the proposed amendment, to the Chair of the Investment Committee and the Chair of the Finance Committee within 3 calendar days of the first meeting, for each committee's review and comment. The Vestry shall also give written notice, including a copy of the proposed amendment, to the entire congregation within 8 calendar days of the first meeting.

(c) The Investment Committee and the Finance Committee shall each provide the Vestry with their comments, including if appropriate, a recommendation with respect to the proposed amendment prior to the second meeting. The Vestry shall review the comments and recommendations and give further consideration to the proposed amendment at the second

meeting. If the Vestry wishes to approve the proposed amendment, it may do so only by a three-fourths affirmative vote of the entire Vestry, including the Dean and the Wardens.

(d) The Vestry shall give the Chair of the Investment Committee and the Chair of the Finance committee written notice of its final decision to approve or reject the proposed amendment within 3 business days of the second meeting. The Vestry shall give written notice to the entire congregation of its final decision to approve or reject the proposed amendment within 8 business days of the second meeting. If the proposed amendment was approved, the notices shall include the language of the amendment as approved.

This Section VI shall not apply to an amendment to the Schedules or the form of the Appendix.

VII. Schedules

The following schedules are attached and are considered part of this Statement of Endowment Policy:

Schedule I: Charter of the Investment Committee
Schedule II: Statement of Investment Policy and Guidelines
Schedule III: Schedule of Assets

ST. JOHN'S CATHEDRAL
Statement Endowment Policy
Schedule I

Charter of the Investment Committee

ST. JOHN'S CATHEDRAL
Statement of Endowment Policy
Schedule II

Statement of Investment Policy and Guidelines

ST. JOHN'S CATHEDRAL
Statement of Endowment Policy
Schedule III

Schedule of Assets

This Schedule III is a listing of those funds that make up the entirety of the St. John's Cathedral Endowment Fund and is considered an integral part of this Statement of Endowment Policy.

FUND/ASSET	QUASI/ENDOW	DESIGNATION	MANAGEMENT
All Soul's Walk	Endow	Columbarium	Investment
Auburn	Endow	Flowers	Investment
Bancroft	Endow	Altar Flowers	Investment
Fisher	Endow	Choir	Investment
Garth Fund	Endow	Garth	Investment
R. Hannington	Endow	Choir Camp	Investment
Holt	Endow	Altar Candles	Investment
Howard	Endow	None	Investment
Kuykendall	Endow	Doors/Music	Investment
Memorial Endowment	Endow	None	Investment
Neiman Choir	Endow	Choir	Investment
Neiman Grounds	Endow	Grounds	Investment
SJC General	Endow	None	Investment
SJC Youth	Endow	Youth	Investment
Spencer	Endow	Social Services	Investment
Thatcher	Endow	Altar	Investment
Wilderness Trust CNB	Endow	Wilderness	
Wilderness Trust WF	Endow	Wilderness	
Colbran Bequest	Quasi	None	Investment
Gaunt Trust	Quasi	None	Investment
Woodard Bequest	Quasi	Music	Investment
Elder Bequest	Quasi	Music	Investment
Nakata Bequest	Quasi	None	Investment
Lloyd/Stern	Quasi	Education	Investment
Nicholson Memorial	Quasi	Flowers	Investment
SCJIF General	Quasi	None	Investment
Fulenwider	Quasi	Music	Investment
Sarah M. Johnston	Quasi	None	Investment
Barker Estate	Quasi	Outreach	Investment
SJC Music Endowment	Quasi	Music	Investment
Devenish Bequest	Quasi		Investment
Sudanese Endowment	Quasi	Sudanese	Investment
Mabel M. Gass Bequest	Quasi	None	Investment
Archive Endowment	Quasi	Archive	Investment

FUND/ASSET	QUASI/ENDOW	DESIGNATION	MANAGEMENT
Clergy Housing • Proceeds of sale of clergy housing to be returned to Colbran Bequest	NA		
Loan to Diocese (Colbran Bequest) • Principal payments credited to Colbran Bequest • Interest payments credited to Colbran Bequest	NA	NA	Finance
Hezron Johnson Trust*	Endow	Outreach	US Bank

*Trust is managed by US Bank; SJC receives an annual distribution to be used for outreach

APPENDIX I
Format for Annual Endowment Distribution Approval

THE ANNUAL APPROVAL OF THE ANNUAL DRAW FROM THE ENDOWMENT SHALL BE IN THE FOLLOWING FORMAT:

The Vestry of St. John's Cathedral is responsible for the oversight and management of the Endowment Fund. Before the beginning of each fiscal year, the Vestry shall approve, by separate resolution, the amount to be distributed from the Endowment Fund for the coming fiscal year. Pursuant to the approved Endowment Policy, the amount of the distribution may be no more than 5% of the 13 quarter average total value of the Endowment Fund, although it may be less.

Based on the 13 quarter average total value of the Endowment Fund as of September 30, 20__ of $_____, the annual distribution for FY 20__ shall be 5%, which is $_____.

The following chart outlines a current estimate of the portion of the distribution each component of the Endowment Fund is expected to provide in dollars and as percentage of each component's 13 quarter average value.

ASSET	13 QUARTER AVERAGE	CALCULATED DRAW %	CALCULATED DRAW $
TOTAL		**5%**	

Recommended by Investment Committee:

_____
_____, Chair
Date: _____

Recommended by Finance Committee:

_____
_____, Chair
Date: _____

Approved by the Vestry on _____

_____
_____, Senior Warden
Date: _____