

St. Mary's Episcopal Church
Investment Committee Meeting
March 5, 2009

Attendees: Alicia Bowman, Ariel Acuna, Rick Gordon

Mr. Gordon reported that he presented the Investment Committee Report for 2008 (attached) to the congregation at the Parish's annual meeting on January 25, 2009.

The Investment Committee meeting reviewed the performance of the DIT funds for the period ending 12/31/08.

The meeting reviewed reports from Mr. Acuna calculating the amount of funds in excess of income required from the endowment in 2009 based on a 4 ½% spending rate (increased from 4% in 2008 by the Vestry). This amount is calculated using a three year average of market values. Despite the increased spending rate, due to some overages from the prior year principal redemptions of less than \$3,000 are anticipated in 2009. The meeting agreed that such redemptions could wait until the third quarter.

The meeting reviewed the endowment's asset allocation. Since equities had fallen below the Investment Policy target range of 50-75%, rebalancing the portfolio was discussed. It was agreed to recommend a rebalancing to a 55% equities/45% bonds allocation for unrestricted agency funds. This recommendation, if accepted, would be implemented at the end of March, based on February's closing balances.

It was agreed to review asset allocation at the next meeting.