THE EPISCOPAL DIOCESE OF ARIZONA

Investment Guidelines and Objective Statement

Purpose

The purpose of this statement is to establish a clear understanding of the investment policy, guidelines and objectives of The Episcopal Diocese of Arizona Investment Fund (the “Fund”) acting through its Investment Committee (the “Committee”) and the investment advisor retained by the Diocese as the investment manager (the Manager). This statement is intended to provide the manager with a meaningful framework for the management of the Funds assets, and to allow flexibility for effective daily management decisions.

Primary Objective

With the above purpose in mind, the primary objectives of the Fund shall be to achieve a reasonable total return on the assets while limiting the risk exposure of the capital through appropriate asset diversification.

Diversification

The Fund shall be managed as a balanced portfolio with a growth bias. The Manager is given full discretion to select individual securities, commingled funds or mutual funds, make periodic adjustments to the asset allocation and diversify Fund assets with the following ranges:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Strategic Range</th>
<th>Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>50 - 70 %</td>
<td>60 %</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>30 - 50%</td>
<td>40 %</td>
</tr>
<tr>
<td>(includes cash)</td>
<td></td>
<td></td>
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</tbody>
</table>

Within the equity asset class, the permissible range for alternatives is as follows:

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>5 – 10 %</th>
<th>7.5%</th>
</tr>
</thead>
</table>

Within the fixed income asset class, the permissible range for cash is as follows:

<table>
<thead>
<tr>
<th>Cash</th>
<th>0 - 40%</th>
<th>5.0%</th>
</tr>
</thead>
</table>

The market value of any individual equity security held by the Fund shall not, at the time of purchase, be more than 5% of the total market value of the Fund. Diversified mutual funds within an asset class are not subject to this limitation.
Exception

In the unlikely event of an extraordinary national or international adverse economic or financial market situation, the Manager is permitted to exceed the maximum allowable fixed income/cash allocation. The Manager will be the sole judge of the existence of such a situation and shall notify the chairman of the Committee of this action as soon possible.

Eligible Investments

Eligible equity investments include common stocks – global, domestic and international, emerging markets, preferred stocks, and convertible securities (including prefereds and debentures), mutual funds, exchange traded notes (ETN) and exchange traded funds (ETF). International securities that trade as American Depository Receipts (ADRs) on United States exchanges or over the counter markets and meet the above criteria are also eligible investments.

Eligible fixed income securities include any obligations issued or guaranteed by the United States Government, its agencies or instrumentalities, or corporate securities which at time of purchase are rated in one of the four highest rating categories (investment grade) by any of the nationally recognized statistical rating organizations, exchange traded notes (ETN) and exchange traded funds (ETF) and units/shares of mutual funds. International fixed income securities are eligible for purchase through the investment in mutual funds. High yield mutual funds are also eligible for purchase in a well diversified fixed income portfolio.

Eligible short term investments with maturities of less than one year include obligations issued or guaranteed by the United States Government, its agencies or instrumentalities, commercial paper which at the time of purchase is rated in one of the two highest rating categories by any of the nationally recognized statistical rating organizations, certificates of deposit with federally insured institutions (up to the maximum insured amount per institution) and units/shares of money market funds.

Alternative Investments shall include but not be limited to investments in commodity and real estate mutual funds, private equity and hedge funds through investments in exchange traded funds (ETF) and exchange traded notes (ETN), and mutual funds associated with alternative investments.

Liquidity

The assets of the Fund shall be sufficiently liquid to meet existing Fund disbursement requirements. Such requirements shall be communicated in writing to the Manager from time to time by the Committee.
Legal Constraints

The Manager must at all times invest the Fund assets within the guidelines of the prudent investor rule.

Tax Constraints

The Episcopal Dioceses of Arizona is a tax exempt organization. Therefore there are no income tax obligations with regard to the investments within the fund.

Time Horizon

There is an indefinite time horizon for the Fund assets. An annual investment guideline and policy review will be conducted by the Committee with the advice of and consultation with the Manager.

Risk

The risk assumed in the portfolio of the Fund will be commensurate with the above stated objectives and subject to the prudent investor rule.

Investment Objectives – Performance Measurement

The following investment objectives shall apply to the extent consistent with the above investment guidelines and asset allocation ranges.

1. The objective of the equity portion of the Fund shall be to seek to exceed the return of the Morgan Stanley All World Equity Index over a five year period.
2. The objective of the fixed income portion of the Fund shall be to seek to exceed the return of the Barclays (Blackrock) Intermediate Government/Corporate Bond Index on a total return basis over a five year period.
3. The performance shall be measured against a blended index using the indices noted above with an equity target of 60% and a fixed income target of 40%.

Other

The Manager shall provide a monthly investment portfolio report to the chair of the Investment Committee. The Investment Committee shall meet at least three times a year with the Manager. The foregoing Investment Guidelines and Investment Objective Statement shall be in effect until the parties mutually agree in writing to the contrary.