

**Investment Policy for
The Rocky Mountain District Council of the Assemblies of God
dba Rocky Mountain Ministry Network (the “Network”)
(Adopted September 20, 2023)**

1. Purpose

The purpose of this policy is to set forth the standards and guidelines governing the investment and management of the Network’s financial assets. This policy is intended to be in accordance with the Colorado Uniform Prudent Management of Institutional Funds Act.

2. Financial Assets of the Network

The Network’s financial assets consist of (a) funds intended to be used to cover its short term operating and program expenses (the “Operating & Program Fund”), (b) reserve funds, which are funds to be held in reserve to support the Network’s future operations, serve as a resource during economic downturns or provide an additional source of income to further the Network’s mission (the “Reserve Funds”), and (c) funds which have been restricted by the donor or the District Presbytery for a specific purpose, but which do not have a restriction as to the timing of their expenditure (the “Restricted Funds”). Collectively, these three funds are referred to as the “Funds.” Financial assets subject to a specific donor restriction as to the investment or management of such assets shall be invested and managed in accordance with the donor’s restriction.

3. Investment and Management Objectives and Guidelines

Operating & Program Fund: The Operating & Program Fund shall be invested with the objective of preserving its assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet the Network’s ongoing programmatic and operational needs. Operating & Program Fund assets may be maintained in the checking account that the Network uses for day-to-day operations and may be invested in other cash-equivalent investments, such as savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, Treasury bills and other investments that are relatively easy to liquidate. The Network shall not invest in opportunities involving leveraged exchange traded funds (ETF), naked/uncovered options or currency arbitrage trading of any kind. The Network’s managers from time to time will review the allocation (or the methodology of allocation) of Operating & Program Fund assets between the Network’s checking account and its other cash equivalent investments, determining the appropriate allocation based on the Network’s cash-flow needs, and regularly report such allocation to the District Presbytery. The District Presbytery may direct that changes be made to such allocation and will also consider from time to time whether the Network’s Operating & Program Fund assets are sufficient to allow for the designation of a portion of such assets to the Reserve Funds.

Reserve Fund: The Reserve Funds shall be invested with the objective of preserving the long-term real purchasing power of the Reserve Funds’ assets while realizing appropriate investment income. The Reserve Funds’ assets may be invested in certificates of deposit, Treasury bills,

mutual funds, exchange traded funds, bonds, equities, fixed income securities and, as to an appropriate portion, cash equivalent investments. The Network shall not invest in opportunities involving leveraged exchange traded funds (ETF), naked/uncovered options or currency arbitrage trading of any kind. The asset allocation of the Reserve Funds shall be determined from time to time by the District Presbytery, in consultation with any advisors if desired, which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

Restricted Funds: The Restricted Funds shall be invested with the objective of preserving and enhancing the purchasing power of the Funds' assets while ensuring that liquidity requirements can be met. Restricted Funds' assets may be invested in certificates of deposit, Treasury bills, mutual funds, exchange traded funds, bonds, equities, fixed income securities and, as to an appropriate portion, cash equivalent investments. The Network shall not invest in opportunities involving leveraged exchange traded funds (ETF), naked/uncovered options or currency arbitrage trading of any kind. The asset allocation of each of the Restricted Funds shall be determined from time to time by the District Presbytery, in consultation with any advisors if desired, which allocation shall reflect a proper balance of such Fund's investment objective, any risk tolerance standard and the need for liquidity.

Go Rural Investment Fund: The Go Rural Investment Fund (the "Go Rural Fund") exists to sustain an interest-bearing funding source that grows the Go Rural Fund's principal while also assisting rural churches in the Network. The Go Rural Fund is financed through the following sources:

- (a) Initial principal: The Go Rural Fund is financed through proceeds of rural churches that ceased to exist and the properties were sold.
- (b) Interest income: Fifteen percent (15%) of the Go Rural Fund's annual interest is added to the principal and reinvested.
- (c) Other income: The Go Rural Fund receives donations by individuals, churches, or organizations in addition to proceeds designated by the Network Presbytery.

The Go Rural Fund invests primarily in church bonds, which are securities issued by nonprofit corporations such as churches, Christian schools, bible colleges, or Christian ministries, so that the investments themselves further the Network's Christian ministry purposes by supporting and facilitating the ministry work of other Christian churches, ministries and organizations that have purposes and programs consistent with the Network's purposes. The Network's managers (or Investment Committee, if such a committee has been appointed) shall use the following criteria to evaluate investment opportunities:

- (a) Collateral (value and marketability of the collateral)
- (b) Finances (prior cash flow, financials, and debt service)
- (c) Location (setting, facility, parking, and surrounding communities)
- (d) Leadership (governance, history, and strength of pastoral and board leadership)
- (e) Debt (future amortization and debt service requirements)
- (f) Growth (current growth, ministries, relevance, and community engagement)

- (g) Diversity (protect the Go Rural Fund's overall portfolio by investing in a variety of church models, different investment sizes, diverse geographical locations, various lengths of maturity, and with no investment in any one bond offering that represents more than 10% of the Go Rural Fund's principal).

4. Diversification

Investments of each Fund will be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or sector unless the District Presbytery prudently determines that, because of special circumstances, the purposes of the Fund are better served without diversification. The District Presbytery shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, at a minimum, annually.

5. Responsibilities of the District Presbytery

In managing the financial assets of the Network, the District Presbytery will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances. When making investment and management decisions, the District Presbytery shall consider the Network's purposes, as well as the purposes of the specific Funds. In making decisions regarding management and investment of the Network's financial assets, the District Presbytery, as required by applicable law, shall consider the following factors, if relevant:

- (a) general economic conditions;
- (b) the possible effect of inflation or deflation;
- (c) the expected tax consequences, if any, of investment decisions or strategies;
- (d) the role that each investment or course of action plays within the overall investment portfolio of the specific Fund;
- (e) the expected total return from income and the appreciation of its investments;
- (f) the other resources of the Network;
- (g) the needs of the Network and the specific Fund to make distributions and to preserve capital; and
- (h) an asset's special relationship or special value, if any, to the purposes of the Network.

The District Presbytery shall not make management and investment decisions regarding an individual asset in isolation but rather in the context of the specific Fund's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and the Network. The District Presbytery shall make reasonable efforts to verify facts relevant to the management and investment of the Funds and may incur only costs that are appropriate and reasonable in relation to the assets, the purpose of the Network and the skills available to the Network.

Within a reasonable time after the Network's receipt of a gift of property or other financial assets, the District Presbytery shall make and carry out decisions regarding retaining or

disposing of the property, or the rebalancing of the Fund or Funds applicable to such gift in order to ensure compliance with the purposes, terms, and distribution requirements of the Network (including the diversification requirements and other aspects of this policy) as necessary to meet other circumstances of the Network and the requirements of applicable law, subject to any restrictions imposed by the terms of the gift.

The District Presbytery may delegate one or more of its responsibilities hereunder to a committee of the District Presbytery or an officer or employee of the Network. Any such committee or individual to whom such responsibility is delegated shall report to the District Presbytery on a regular basis and shall be subject to direction by the District Presbytery. If such responsibilities are delegated to a committee or individual, the rights and obligations set forth in this policy applicable to the District Presbytery (other than the right to amend this policy) shall also apply to such committee or individual, subject to the right of the District Presbytery to review and revise any decision of such committee or individual, and reports required under this policy to be made to the District Presbytery may instead be made to the committee or individual, which or who shall in turn report to the District Presbytery on a regular basis.

6. Responsibilities of Management

Management shall be responsible for the day-to-day administration and implementation of policies established by the District Presbytery concerning the management of the financial assets of the Network. Management shall also be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds. Specifically, management shall:

- (a) oversee the day-to-day operational investment activities of all financial assets subject to policies established by the District Presbytery;
- (b) contract with any necessary outside service providers, such as: investment consultants, investment managers, banks, and/or trust companies and/or any other necessary outside professionals;
- (c) ensure that (i) the service providers adhere to the terms and conditions of their contracts, (ii) the service providers have no material conflicts of interest with the interests of the Network, and (iii) performance monitoring systems are sufficient to provide the District Presbytery with timely, accurate and useful information;
- (d) regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook and investment strategies;
- (e) monitor asset allocation and rebalance assets as directed by the District Presbytery and in accordance with approved asset allocation policies;
- (f) comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments;
- (g) tend to all other matters deemed to be consistent with due diligence with respect to prudent management of institutional funds; and
- (h) prepare and issue periodic status reports to the District Presbytery.

7. Review of Investment Policy

The District Presbytery will review this policy, and shall amend the policy, from time to time as necessary to reflect developments affecting the Network's finances and activities.