

INVESTMENT POLICY
of the
Investment Fund of the Episcopal Church
Diocese of Northern California

Amended August 20, 2016, effective immediately and supersedes all previous Investment Policy Statements.

I. DESCRIPTION OF THE FUND

- A. The Investment Fund was established by the Bishop of the Episcopal Diocese of Northern California and the representatives of the Diocese at the Annual Convention of the Diocese on November 8, 2013. It succeeded the Episcopal Church in the Diocese of Northern California Endowment Trust.
- B. The operation of the Investment Fund is described in the Investment Fund Statement approved by the Bishop and Convention. Responsibilities are assigned to the Board of Trustees of the Diocese and to the members of the Investment Fund Committee, which hereby adopts this Investment Policy.
- C. The members of the Investment Fund Committee are appointed by the Bishop and the Board of Trustees of the Diocese. The number of members is specified in the Investment Fund Statement. Members are appointed annually with no limitations on length of service. A member may be removed by the Board of Trustees at any time.
- D. The Diocese is a 501(c)(3) organization and is subject to the rules and tax laws governing US tax-exempt foundations. The Investment Fund is therefore tax-exempt and subject to these same laws and regulations.
- E. This Investment Policy will be consistent with State and Federal Laws and Regulations. The Investment Fund Committee intends to manage the Investment Fund in a manner consistent with the principles established by the Uniform Prudent Management of Institutional Funds Act (UPMIFA):

1. The Investment Fund will be operated in accordance with its provisions and Investment Fund documents, including the Investment Fund Statement.
 2. In 2008, the California legislature passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA), defining trustee fiduciary and investment duties. UPMIFA provides guidance on asset classification of donor-restricted funds. It also lists other governing principles reflecting accepted elements of modern portfolio theory and standards of performance, including diversification and covariance, as well as risk and return analysis.
 3. Fiduciaries of the Investment Fund will act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor, acting in a like capacity and familiar with such matters, would use.
 4. The Trustees will review this Investment Policy no less than every three (3) years to determine if modifications are necessary or desirable. If modifications are made, they will be communicated in writing on a timely basis to all fiduciaries and approved by a majority vote of current Trustees.
 5. All investment transactions undertaken on behalf of the Investment Fund will be made solely in the interest of the Investment Fund.
 6. Whenever a fiduciary believes this Investment Policy statement should be altered, it is the responsibility of that fiduciary to initiate written communication to the Investment Fund Committee Chair and the Bishop.
- F. The Investment Fund Committee is permitted to hold and invest funds on a short-term and long-term basis consistent with the needs of the Diocese, the Episcopal Foundation of Northern California (EFNC), and participating congregations, collectively known as Constituent Organizations. The Investment Fund Committee sets the fund investment and management guidelines, selects investment Money Managers and advisors, and monitors investment results.
- G. The Investment Fund Committee makes secured loans to congregations and individuals in the Diocese and sets the loan conditions and interest rates. These loans must be consistent with the policies of the Diocese. Loans secured by the real property of any parish, mission, congregation, or institution shall be approved by the Bishop and Standing Committee. Secured loans to individuals and missions shall be approved by the Bishop and the Board of Trustees.

II. STATEMENT OF PURPOSE

This document establishes the Investment Policy of the Investment Fund. Its purpose is to:

- A. Set forth the investment objectives, risk tolerance, liquidity needs, investment philosophy and approach, allocation targets, policies regarding fund flows, monitoring and rebalancing, that the Investment Fund Committee judges to be appropriate and prudent and to serve as a guide for the ongoing oversight of the investment assets.
- B. Communicate these investment objectives, policies, and performance criteria to the Board of Trustees, the Diocese, Constituent Organizations, investment advisors, fund custodians, and other interested parties as appropriate.
- C. Establish the criteria by which investment advisors, consultants and Money Managers are selected, measured, retained and/or terminated.
- D. Establish the criteria by which Diocesan real estate and personal loans to clergy proposed by the Board of Trustees are made.

III. DUTIES AND RESPONSIBILITIES

In addition to the policies defined herein, the Investment Fund Committee will cause the funds to be invested in accordance with this Investment Policy and in a manner that provides the diversification of investment vehicles and safeguards to which a prudent investor would adhere.

Those responsible for the management and administration of the Investment Fund's investments include, but are not limited to:

- A. **The members of the Investment Fund Committee** are responsible for:

1. Overseeing the management of all investments.
 2. Providing for the implementation, review and modification of this Policy.
 - a. At no time shall an Investment Fund Committee member direct or control any transactions of the Investment Fund portfolio as this is a direct conflict of interest. After entire Investment Fund Committee approval a delegated individual on the committee may direct the Investment Advisor or custodian to complete an agreed upon transaction.
 3. Communicating this Investment Policy and performance expectations to the Investment Advisor, to Money Managers and to investors.
 4. Monitoring and evaluating performance of the Investment Advisor and Money Managers.
 5. Taking reasonable action to replace investment advisors and Money Managers as necessary.
- B. **The Custodian** is responsible for collecting, holding and safeguarding the Investment Fund's assets and providing accurate and timely reporting to the Diocesan accounting Department as well as certain administrative functions as required by the Diocese.
- C. **Investment Advisors** are responsible for:

1. Recommending to the Investment Fund Committee investments that are consistent with this Investment Policy and the investment advisory agreement, as well as monitoring the adherence of fund Money Managers to the investment parameters described in prospectuses.
2. Implementing security and/or Money Manager selection and timing of purchases and sales within the guidelines set forth by the Investment Fund Committee.
3. Proxy ballots will be voted in a manner appropriate to the fund(s) by either the Investment Advisor or, if not part of their duties, then the trustee/custodian. If voting a proxy is not in their range of duties, then the current Chair of the Investment Fund Committee will vote the resulting proxies in a manner as best known for the preservation and shareholders' value enhancement.
4. Complying with all applicable laws, rules and regulations.
5. Keeping the Investment Fund Committee and the investment advisor informed of any material change in personnel, investment strategy, and/or other pertinent information.
6. Providing accurate and timely reporting.
7. Determine the timing and degree of portfolio rebalancing
8. Be party to selecting a trustee/custodian to account for and be custodian of Investment Fund's assets.

D. **Investment advisors and consultants:** will advise the Investment Fund Committee about market trends, investment strategy and policy; conduct investment performance measurement of the Funds and its investment Money Managers; and conduct other projects as mutually agreed upon with the Investment Fund Committee.

IV. **INVESTMENT PHILOSOPHY AND OBJECTIVES**

The assets of the Investment Fund are to be invested in accordance with the objectives summarized below:

- A. Optimize return within reasonable and prudent levels of risk; The 'A' Fund's aggregate risk parameters, as measured by portfolio volatility and beta (risk related to market as a whole), should be similar to or lower than those of a passive portfolio to be allocated to the proportionate indexes of the account itself (for example Russell 1000, Russell 2000, MSCI EAFE, MSCI EM, NAREIT, and Barclay's Aggregate or Barclay's Global Aggregate, etc.), or some other methodology for assessing the risk

inherent in the portfolio as may be determined by the Investment Fund Committee and or Investment Advisor from time to time.

- B. The Investment Fund serves different constituencies in the Diocese that have different investment goals, risk tolerance, and cash flow needs. Some may desire long-term growth of investments with an investment horizon of five to 10 years and may tolerate an acceptable level of risk and volatility. These investors may or may not have cash flow needs. Others may have cash flow (payout) needs and desire a shorter-term horizon of five years or less with little tolerance for volatility (risk). Others may have short term spending needs and will desire full liquidity and minimal risk. The Investment Fund Committee will attempt to meet all of the needs in the Diocese through the establishment of three separate funds, each designed to meet particular goals. Investors may use a combination of these funds at their discretion to meet their individual investment goals.
- C. The Investment Fund has a unique role in setting aside a portion of the fund for the purpose of providing loans for capital acquisition or improvements by congregations in the diocese as well as loans to clergy of the Diocese as approved by the Board of Trustees and the Standing Committee. This is discussed in more detail below.
- D. Overall the Investment Fund Committee seeks long-term future growth of investments while incurring an acceptable level of risk. It is hoped that the investment income, when combined with any appreciation, will be enough to offset payouts and provide net growth to the fund. The fund will also seek an allocation strategy to protect it to the extent practical from the potentially severe adverse effects of an extended deflationary, extreme inflationary, or downturn in the equity and bond markets environment.
- E. The Investment Fund Committee believes that the investment objectives of the Investment Fund can be realized by relying on some external investment experts to manage fund assets within the overall framework of the portfolio as prescribed by the Investment Fund Committee. Any external investment Advisors are expected to promptly advise the current members of the Investment Fund Committee of any material change in their investment philosophy, leadership, decision-making structure, or principle investment personnel.
- F. The members of the Investment Fund Committee may instruct Money Managers to invest the assets among a diversified selection of equities, equity funds including but not limited to domestic, international, and emerging markets, real estate funds, bonds, bond funds, balanced funds, money market funds, fixed income, and Diocesan real estate loans and cash. A small amount of loans to clergy of the Diocese are also permitted. See the discussion below under these specific funds.

While there cannot be complete assurance that the objectives of this Investment Policy will be realized, it is believed that the likelihood of their realization is feasible based upon this policy and historical performance of the asset classes discussed herein.

V. ASSET ALLOCATION TARGET AND RANGES

Investment assets are invested in three funds, the (A) Fund, (B) Fund and (C) Fund.

‘A’ Fund, hereafter known as the *Balanced Fund*

The primary goal of the *Balanced Fund* is growth of principal and production of income with a moderate risk tolerance. It is expected that dividend and interest income will comprise a portion of the total return. The market value of the principal will be subject to fluctuations. The time horizon for the *Balanced Fund* is five to 10 (5-10) years. The Fixed Income portion of the *Balanced Fund* portfolio includes Diocesan approved secured Real Estate loans and a small proportion of secured personal loans to Diocesan clergy.

The *Balanced Fund* will be invested in the following asset classes ranging between a minimum and a maximum of total Fund assets as shown below. To facilitate cash needs, small amounts may be held in cash or money market funds, typically in a range from 0% to 10% of (A) or (B) Fund assets.

A more detailed asset allocation schedule is contained in Exhibit A.

Asset Class	Target	Minimum/Maximum
Equity	60%	50%-80%
Alternative/REIT	7.5%	0-15%
Fixed Income and Real Estate Loans	30%	20%-40%
Cash	5%	0%-10%

‘B’ Fund hereafter known as the *Income Fund*

The *Income Fund* will be invested predominantly in bond funds and may provide higher interest rates than the (C) Fund. It is designed to produce a reasonably reliable flow of income with minimal risk of loss of capital. It will be interest rate sensitive and subject to some fluctuations. The time horizon for the *Income Fund* is two to five (2-5) years.

‘C’ Fund, hereafter known as the *Money Market Fund*

The *Money Market Fund* may be deposited in money market funds or FDIC bank cash account(s). A portion may be invested in short term bond funds with a time horizon of a one to no more than three (1-3) year duration. This fund account is designed to provide liquidity with very modest expected returns for investors who will need access to their funds within short time periods, or who need a place to put funds while making decisions about investments in the other funds.

VI. REBALANCING PROCEDURES

If the asset allocation of the *Balanced Fund* diverges from those limits depicted in Attachment A, the Investment Fund Committee members or their designee will direct the Investment Advisor to implement the rebalancing of assets across asset classes and investment management portfolios at a minimum of semi-annually.

VII. FUND, ASSET CLASS, AND INVESTMENT MONEY MANAGER RISK/RETURN OBJECTIVES

The Investment Fund Committee members will periodically review the investment Money Managers' progress in meeting their investment objectives. The investment rate of return and risk objectives for each investment Money Manager or mutual fund shall be evaluated based on the rate of return over rolling three and five-year periods as compared to appropriate benchmarks and other comparisons/Indexes as deemed valuable by the Investment Advisor.

The investment objectives and performance benchmarks for each asset class are described in **Exhibit A**, attached.

VIII. INVESTMENT ADVISOR SELECTION PROCESS

The investment Advisor selection process will include a review of the investment objectives, review of selected Advisors that fit those criteria, selection of Advisors, and regular monitoring after Advisor selection. The following criteria, though not exhaustive, shall be used when choosing investment Advisor(s):

- A. Portfolio Management—The investment Advisor and investment firm should have sufficient experience and resources to provide confidence the selected Advisor(s) can provide competitive risk and return in the current investment environment for a reasonable period of time.
- B. Process—The Investment Advisor should adhere to its stated style and investment objectives as outlined by the Investment Advisor and mutual fund prospectus, if applicable.
- C. Fees—All Investment Advisors and investment vehicles utilized will have expense levels that are reasonable and competitive.
- D. Other—Other available measures of Advisor performance will be utilized, including comparing the Investment Advisor's performance to a peer universe.
- E. It is the duty of the Investment Advisor to research, implement and report these processes of Money Managers and Funds selected or terminated. The Investment Advisor shall then report these findings to the Investment Fund Committee whenever a change in Money Managers is made in the portfolio (account).

IX. GUIDELINES FOR SECURITY HOLDINGS

The members of the Investment Fund Committee recognize that, due to the current level of assets in the funds, the funds may be invested in a pooled investment vehicle such as a mutual fund or commingled fund. In the case of pooled vehicles, the prospectus would serve as the overall guide for prohibited and permitted securities. In the event that the Fund invests in any separate managed portion of individual stocks or bonds by selection of an individual equity or bond Money Manager, as fiduciaries the following guidelines will apply:

- A. **Non-Individual Security Holdings:** In addition to direct investment in individual securities, commingled trusts, mutual funds and other pooled asset portfolios are acceptable investment vehicles.
- B. **US Equity Security Holdings:** Equity holdings shall be restricted to readily marketable securities of corporations that are actively traded on major exchanges. There is no minimum market capitalization for holdings of individual issues.
- C. **Non-US Equity Security Holdings:** Non-US equity holdings shall be highly liquid securities issued by corporations headquartered in countries included in the Morgan Stanley Capital International Europe Australia Far East Index and Canada (MSCI EAFE Index).
- D. **Global Fixed Income Security Holdings:** Fixed income investments shall be marketable securities that may include, but not necessarily be limited to, US Treasury, Federal Agencies and US Government guaranteed obligations, and corporate issues including convertibles. Non-US debt may include a small portion of Emerging Markets or Developed Countries Debt outside the US.
- E. **Diocesan Approved Real Estate and Personal Loans:** Current participants in the *Balanced Fund* have previously agreed that the Fund may hold loans to congregations in the Diocese secured by real estate and approved by the Bishop and Standing Committee in an amount up to one third (1/3) of the total assets of the *Balanced Fund (A)* and the *Income Fund (B)* combined. The Investment Fund Committee will monitor the funding of these loans to ensure that in aggregate they fall within the 1/3 of total assets criteria at the time they are funded. Within this third, the funds may also hold a portion of the *Balanced Fund* as secured personal loans to clergy of the Diocese as approved by the Bishop and the Board of Trustees and reviewed annually.

- F. **Cash Holdings:** It is the policy of the Investment Fund Committee to have each investment portfolio fully invested to the maximum extent possible. It is understood that the investment Advisors at any point in time may not be fully invested. While the investment Advisor's assets may be partially invested in cash equivalents, for asset allocation purposes, these funds shall be considered invested in the asset classes of the respective Advisors. In turn, each Advisor's performance will be evaluated on the total amount of assets under the Advisor's direct management.
- G. **Prohibited Investments:** The Investment Fund Committee prohibits investment in the following assets or type of assets unless utilized via a publically traded Mutual Fund:
- a. Futures, options or option strategies used for other than defensive and hedge strategies undertaken to preserve principal;
 - b. Short sales, warrants or margin transactions, or any leveraged investments;
 - c. Commodities or commodity contracts;
 - d. Any securities which the Investment Fund Committee specifically prohibits by written notice;
 - e. Prohibited Transactions in all cases:
 - i. Securities of the investment Advisor, the custodian bank, their parent or holding companies, and any related subsidiaries, with the exception of the short term investment funds of the custodian as in money market or bank savings accounts.
 - ii. Letter stock, private placements or direct placements, and other unregistered equity securities.
- H. **Diversification and Asset Allocation:** Investments shall be diversified with the intent to minimize the risk of large losses. Consequently, the combined investment portfolios will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings.

No single asset class, investment style, or strategy can consistently outperform. Therefore, assets will be diversified appropriately using Modern Portfolio Theory concepts, as required by UPMIFA. The asset allocation decision significantly affects the long-term rate of return and volatility of the invested assets. The asset allocation should reflect a proper balance of the needs for liquidity, diversification and risk aversion. The target asset mix, consistent with the achievement of the long-term objectives implies a balanced investment approach of a total 60% equities and 40% Fixed Income allocation of the entire portfolio (or 70% Equities

and 30% Fixed Income depending on the needs and environment of the funds). The asset classes and ranges are listed in **Exhibit A**.

In individual stock, not more than 5% of the total stock holdings of all portfolios valued at market may be invested in the common stock of any one corporation.

Execution of Security Trades: The Investment Fund Committee expects the purchase and sale of securities to be made through responsible brokers in a manner designed to receive the best combination of realized prices and commission rates.

Socially Responsible Investing: The Corporate Social Responsibility Committee, a subcommittee of the National Concerns Committee of the Executive Council of the Episcopal Church of the United States of America, establishes the directives for socially responsible investments. These directives are largely guided by recommendations from the Interfaith Center on Corporate Responsibility (ICCR) with respect to shareholder activism and other socially responsible investment issues.

There are portfolio restrictions that have been put into place, all based on policies passed by the Executive Council.

A list of companies subject to portfolio restrictions based on Episcopal Church guidelines will be provided in **Exhibit A1**. Where mutual funds are used as an investment vehicle, screening will occur *at the time of purchase* based on the most recent prospectus.

The current list as provided by The Episcopal Church, for informational purposes only, is attached as **Exhibit B**.

X. PERFORMANCE MONITORING GUIDELINES/REVIEW FOCUS

The Investment Fund Committee will review the performance for the Funds quarterly in total, and for each asset class and Money Manager against appropriate benchmarks. It is not expected that this Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in the Investment Policy.

The ongoing monitoring of investments is the mechanism for revisiting the Investment Advisor selection process. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

As Fiduciaries, the Investment Fund Committee will, however, review this policy no less than every three (3) years for changing needs of the Fund, current law, or investment opportunities or risks. There is no requirement that under this review the policy must be changed; the review must, however, be documented.

XI. FIDUCIARY LEVELS

Fiduciary Level	Policy Portfolio Objectives Asset Allocation Spending Policy	Strategy Asset Class Strategies & Structure	Management Manager Selection and Implementation	Execution Security Selection	Control Review for Compliance vs. Objectives
Board of Trustees	Decides	Informed	Informed	Informed	Informed
Investment Fund Committee	Oversees	Oversees	Oversees	Informed	Oversees
Investment Advisor	Recommends	Recommends/ Consults	Recommends/ Decides	Oversees	Reviews Money Manager Decisions
Money Managers		Consulted		Decides	Compliance

XII. INVESTMENT ADVISOR TERMINATION

There are no hard and fast rules for Investment Advisor termination; however, if an Investment Advisor has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the Investment Advisor, within a reasonable time, may be grounds for termination.

The Responsibility of the Investment Advisor is to review and present any recommendation to terminate a Money Manager and will be treated on an individual

basis, and should not be made solely based on quantitative data. In addition to those above, other factors may include turnover in professional staff or clients, or material changes in investment processes. Considerable judgment must be exercised by the Investment Advisor in the termination decision process.

XIII. PROCESS FOR REPLACING AN INVESTMENT ADVISOR

Should it be necessary to terminate the current Investment Advisor the Investment Fund Committee shall cause a request for proposal (RFP) to be established and the Investment Fund Committee shall then interview and decide between no less than three (3) professional proposals. The policies of this Investment Statement and the guidelines of UPMIFA and Modern Portfolio Theory are to be the criteria for proposal content.

XIV. SUMMARY AND SIGNATORIES

This Investment Policy is not intended to be a rigid statement from which there can be no deviation. However, any significant changes must be reported to the Investment Fund Committee by the Investment Advisor, and the Committee will so inform the Board of Trustees. The Committee may propose changes to this Investment Policy from time-to-time to the Board of Trustees for its approval. Any such approved changes will be reported timely to the Investment Advisor.

Investment Fund Committee Chair
Date

Bishop of the Episcopal Diocese of Northern California
Date

Investment Advisor
Date

Secretary, Board of Trustees
Date

EXHIBIT A

Investment Fund Committee

Fund 'A' hereafter known as the *Balanced Fund*

ASSET ALLOCATION AND INVESTMENT OBJECTIVES

For the purposes of this Policy, cash in individual Advisor portfolios is considered part of the individual Advisor's allocation.

Investment Objectives	Min	Target	Max	Benchmark
Fixed Income/Investments: Provide income through a diversified fixed income portfolio that may include inflation-protected securities, global fixed income and emerging market debt	10%	13%	30%	Barclay's Capital Aggregate Bond Index and/or Barclays US Aggregate Index
Investment Objectives	Min	Target	Max	Benchmark
Cash: Cash may make up to 5% of this allocation with a range of 0-10%	0	5%	10%	iMoneyNet taxable
Investment Objectives	Min	Target	Max	Benchmark
Fixed Income/Real Estate & Personal Loans	15%	17%	33% A+B	NAREIT Index
Investment Objectives	Min	Target	Max	Benchmark
Alternative assets including REITs Provide long-term capital appreciation through a diversified actively managed portfolio of alternative and global Real Estate Investment Trusts	0	5%	10%	FTSE EPRA / NAREIT Global Index
Investment Objectives	Min	Target	Max	Benchmark

US Equity (Large Cap): Provide long-term capital appreciation through a diversified, actively managed portfolio of large cap stocks or funds, which may include stocks of foreign companies that are traded in the US; prefer those with good dividends.	25%	30%	35%	S&P 500 Index, Russell 1000 Index
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Investment Objectives	Min	Target	Max	Benchmark
US Equity (Small-Mid Cap): Provide long-term capital appreciation through a diversified, actively managed portfolio of small-mid cap stocks or funds, which may include stocks of foreign companies that are traded in the US.	5%	10%	15%	Russell 2000 Index

Investment Objectives	Min	Target	Max	Benchmark
International Developed Markets: Provide long-term capital appreciation through a diversified, actively managed portfolio of international equities or funds from developed market countries.	10%	15%	20%	MSCI EAFE

Investment Objectives	Min	Target	Max	Benchmark
International Emerging Market: Provide long-term capital appreciation through a diversified actively managed portfolio of international equities or funds from emerging market countries.	0	5%	10%	MSCI Emerging Markets Index

EXHIBIT A1

- Militarism: Shares of any company (a) among the top five U.S. defense contractors, measured in dollar volume of sales and (b) any company among the top 50 defense contractors that receives more than fifty percent of its revenues from military contracts.
- Sudan: Shares of companies whose activities make continued human rights violations possible by providing revenues to the Sudanese government.
- Tobacco products: Shares of companies that manufacture or sell tobacco products.
- For-profit prisons: Shares of companies that operate for-profit prisons.

EXHIBIT B

The Episcopal Church SRI Guidelines

Companies Subject to No-Buy Portfolio Restrictions

The Domestic & Foreign Missionary Society Episcopal Church Executive Council
Corporate Social Responsibility Committee Updated on February 18, 2015

The Corporate Social Responsibility Committee, a subcommittee of the Executive Council establishes the directives for socially responsible investments. These directives are largely guided by recommendations from the ICCR (Interfaith Center on Corporate Responsibility) with respect to shareholder activism and other socially responsible investment issues.

There are four portfolio restrictions in place based on policies adopted by the Executive Council. They are:

- **Militarism:** Shares of any company (a) among the top US defense contractors, measured in dollar volume of sales and (b) any company among the top 50 defense contractors that receives more than fifty percent of its revenues from military contracts.
- **For-profit prisons:** Shares of companies that operate for-profit prisons.
- **Sudan:** Shares of companies whose activities make continued human rights violations possible by providing revenues to the Sudanese government.¹
- **Tobacco products:** Shares of companies that manufacture or sell tobacco products

The following is a list of companies subject to portfolio restrictions based on Episcopal Church policies, revised February 2015.

MILITARY CONTRACTORS	CUSIP	SEDOL
Lockheed Martin	539830109	2522096
Raytheon	755111507	2758051
Northrop Grumman	666807102	2648806

FOR-PROFIT PRISONS	CUSIP	SEDOL
Avalon Correctional Services Inc.	053436309	BTC34L8 US
Cornell Companies Inc. (CRN)	219141108	2224381 US
Corrections Corp. of America	22025Y407	2759418 US
G4S Secure Solutions		7370115 DK
Geo Group	36162J106	LYWQ1 US
Wackenhut Corrections	929798106	ISIN US9297981063

Sudan	SEDOL
Nam Fatt Malaysia)	6621159
ONGC (India)	6139362

¹ There is considerable discussion within the SRI community about which companies to include in Sudan portfolio screens, especially given recent political changes in the country. For the time being, the list remains the same as before, with a focus on those companies whose direct involvement in the oil industry provides significant financial support to the Sudanese government in Khartoum. Further review of this issue is being undertaken, but any change in screening approach would require a CCSR recommendation and Executive Council approval.

US TOBACCO COMPANIES	CUSIP	US TOBACCO COMPANIES	CUSIP
Altria Group	02209S129	Schweitzer-Maudit International	808541106
Alliance One International	018772103	Star Scientific	85517P101
Lorillard	544147101	Universal Corp.	913456109
Philip Morris International	718172109	Vector Group	92240M108
Reynolds American	761713106		

NON-US TOBACCO COMPANIES	CUSIP	SEDOL
Al-Eqbal Investment Company PLC (Jordan)	4820675Z JR	
Blagoevgrad-BT AD (Bulgaria)	BG11BLBLAT13	5643723 BG
British American Tobacco plc (UK and subsidiaries)	GB0002875804	0287580 GB
Carreras Group Ltd (Jamaica)	JMP213891048	2177827 JM
Ceylon Tobacco Ltd (Sri Lanka)	LK0042N00008	6186904 LK
Compania Chilena De Tabacos S.A (Chile)	2904903Z CI	
Eastern Company (Egypt)	EGS37091C013	6298177 EG
Godfrey Phillips (India)	INE260B01010	6374806 IN
Golden Tobacco	INE973A01010	6302357 IN
Haskovo-Tabac AD	BG11HAHABT16	B0559C4 BG
Imperial Tobacco Group plc (United Kingdom)	GB0004544929	0454492 GB
Isperih BT (Bulgaria)	BG11ISISAT15	
ITC Ltd (India)	INE154A01025	
Japan Tobacco (Japan)	JP3726800000	
Jerusalem Cigarette Co Ltd (Israel)	PS2003111643	
JT International Bhd (Malaysia)	MYL261500002	
Karelia Tobacco Company Inc (Greece)	GRS120131008	
Khyber Tobacco Company (Pakistan)	PK0012401011	
Kothari Products Ltd (India)	INE823A01017	6051110 BD
KT&G Group (Korea)	48268G100	
National Cigarettes (Sudan)	5442537Z YS	
Pakistan Tobacco Company (Pakistan)	PK0002701016	6668305 PK
Parvomay BT (Bulgaria)	BG11PIP1AT14	B04HN29 BG
Pazardzhik BT (Bulgaria)	BG11PAPABT16	7541308 BG
Philip Morris CR A.S. (Czech Republic)	CS0008418869	4874546 CZ
Philippine Tobacco Flue-Curing and Redrying Company (Philippines)	PHY696181098	6687667 PH
Pleven BT (Bulgaria)	BG11PLPLDT18	7635751 BG
PT Gudang Garam Tbk (Indonesia)	ID1000068604	5549326 DE
RTCL Limited (India)	INE754B01012	B03K6F3 IN
Societe Ivoirienne de Tabacs (Cote d'Ivoire)	CI0000000154	6817475 CI
Sofia-BT (Bulgaria)	BG11SOSOVT14	
Souza Cruz (Brazil)	BRCRUZACNOR0	
Swedish Match AB (Sweden)	SE0000310336	
Tvornica Duhana Zagreb (Croatia)	HRTDZORA0002	
Union Tobacco & Cigarette Industries Co (Jordan)	JO4107411012	
VST Industries (India)	INE710A01016	
West Indian Tobacco Company Ltd (Trinidad & Tobago)	TTP985721039	