Meeting of
INVESTMENT BOARD
DIOCESE of the RIO GRANDE
Bosque Center
October 24, 2019 9:30 a.m.

Members Present:
Chair: Ms. Thérèse Saint-André, MBA, Church of the Holy Faith, Santa Fe
The Rt. Rev. Michael Hunn, Bishop Diocesan
Mr. John Perner, Diocesan Treasurer (via Zoom) – left meeting at 11:30 a.m.
The Rev. J.P. Arrossa, Assistant Treasurer
Ms. Elizabeth Blohm, St. Andrew’s Episcopal Church, Las Cruces.
Mr. Casper Brown, Grace Episcopal Church, Carlsbad.
Mr. Paul Apodaca, St. Chad’s Episcopal Church, Albuquerque – joined meeting at
10:30 a.m.
Ms. Lisa Katz-Ricker, Diocesan Business Manager, Ex-Officio

Members Absent:
Mr. Robert Barton, MBA, St. James Episcopal Church, Taos

Others present:
The Rev. Canon Raymond Raney, Recording Secretary

Persons present during presentations:
Ms. Robin Krasny, Mr. Mark Lewis, Morgan Stanley (via telephone)
Mr. Kurt Barnes, Asset Management Services, Episcopal Church (via Zoom)

Portfolio Review:
Ms. Robin Krasny, Mr. Mark Lewis, Morgan Stanley, led a discussion of
benchmarking. Ms. Krasny expressed the year-to-date has been better than expected in
light of the market volatility. She expressed caution toward year’s end. She noted the S&P
decline in the fourth quarter of 2018 and a market slowdown. She said a decline is not
expected, only slower growth.
Endowment Fund (80/20): 2018 showed a volatile year in the market with corrections that
ended in a decline in the last quarter. The fund is seeking 80% in growth and 20% in
preservation. The fund reflects the benefit of limiting unplanned withdrawals for 2019,
which were greater and affected the 2018 return.
Parish and Mission Pooled Investment Fund (65/35): The fund was split from the
Diocesan Pooled Investment Fund in 2014. The year-to-date return is positive.
The Wellspring and Advancement funds need to have new benchmarks set moving
forward. Ms. Katz-Ricker will resend the projected withdrawals to Morgan Stanley.
Benchmarking: Morgan Stanley requests communications on changes in the benchmarks
prior to the next Investment Board meeting. Ms. Katz-Ricker suggested reapportioning the
allocations for Wellspring and Advancement to 80/20. Rev. Arrossa suggested allocations
at 70/30 or 75/25. The board discussed the factors that could impact the economy next
year.
Asset Management Presentation:
Mr. Kurt Barnes, Asset Management Services, Episcopal Church previously provided the investment policy statement, which provides the asset allocation targets. The benchmarks are monitored and are adjusted based on the performance as markets move outside the targets. Bishop Hunn asked Mr. Barnes to walk through the fee structure. He outlined the manager’s fee is invested based on return generated. No fee is generated by his office – the net fee would be 60 basis points.
Each congregation would have its own trust fund account, and quarterly each would be notified via email that the report is available. In addition to the operating account, there is a short-term reserve.
Socially responsible listing includes some avoidance and some affirmative strategies for investment and advocacy listings [listings on the Episcopal Church website].

Asset Manager Selection
The Board compared the aspects of Episcopal Church Foundation and the Episcopal Church (DFMS). Both would report out to each of account holders. The return was higher for the Domestic and Foreign Missionary Society. Return for ECF 70/30 five-year return was 6.74 minus fees 40 basis points. The DFMS return after all fees 8% since 1992 and 10% since 2009.
The Board approved recommending to the Trustees of Property to move the management of the assets of the Diocese of the Rio Grande to the Domestic and Foreign Missionary Society (The Episcopal Church), and request action as soon as possible.

Next Meeting
January, 2020 TBD
Bosque Center, 9:30 a.m.