



The Episcopal Diocese of Vermont

Episcopal Diocese of Vermont Investment Fund

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Fund Overview

The Trustees of the Episcopal Diocese of Vermont (the "Trustees") manage a pooled investment portfolio (the " Fund" or "Diocesan Unit Trust" or "DUT") on behalf of the Episcopal Diocese of Vermont (the "Diocese"). The assets held in the DUT are owned either by the Diocese or by individual church parishes or organizations located within the Diocese of Vermont.

The Trustees have a fiduciary duty to the DUT and have hired advisors to manage the investments. The Trustees develop the overall investment policy of the DUT and have hired an investment advisor to manage the investment pursuant to the investment policy statement. All investments made by the investment managers are selected in accordance with the [investment guidelines of the Episcopal Church](#) which among other features limit the investment in energy, defense, and tobacco companies for example.

The investment allocation and performance is reviewed on an ongoing basis by the investment committee of the Trustees.

Fund Strategy

The Fund is a long-term investment portfolio with an eye towards allocating capital to investments that will be held for at least five years. The Fund is not actively traded, however changes are made when the conditions in the marketplace have caused a move outside of the bounds of the risk parameters associated with the DUT.

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Generally speaking, the Fund invests in large capitalization stocks with some mid and small capitalization US companies. There is a modest exposure in international companies and locally publicly traded companies. The managers of the fund look to invest in businesses with attractive characteristics that are believed to outperform over the longer term. The managers are expected to diversify the fund portfolio and invest in a prudent manner and one that is consistent with the Investment Policy put in place by the Trustees of the Episcopal Diocese of Vermont. For example, the fund avoids significant sector concentration and will reduce positions as they grow larger relative to others. Furthermore, if performance is not achieved, positions may be eliminated and reinvested elsewhere.

In addition to equities, the fund may invest in treasuries, US Preferred stocks, US corporate bonds, CDs, and cash.

Fund Details	
Structure	The Fund is invested primarily by Hickock and Boardman Capital Management (HBCM) of Burlington, VT. HBCM manages or oversees all of the publicly traded assets of the fund. HBCM has outsourced the management of US small capitalization stocks and international stocks.
Subscriptions	Quarterly
Redemptions	Quarterly
Fund Counsel	Thomas Little, Diocesan Attorney
Investment Manager	Hickock and Boardman Capital Management
Fund Administration	Hickok and Boardman Capital Management
Financial Custodian	Raymond James Financial, St. Petersburg, Florida

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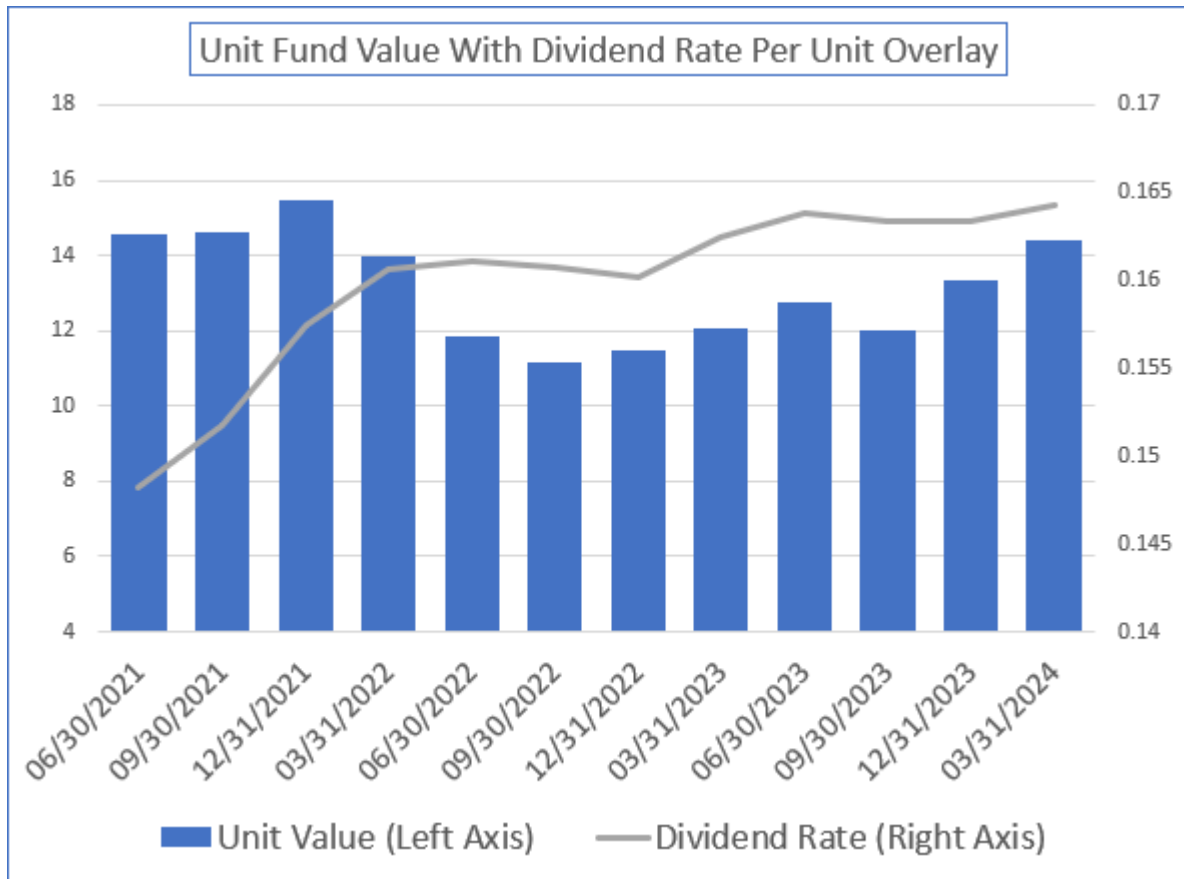
<p>Fund Distribution Policy</p>	<p>The Fund distributes dividends on its performance 30 days after quarter end at an annual rate of 5%. If not withdrawn, dividends are reinvested.</p> <p>The quarterly distribution rate (1.25% of assets) is calculated based on the previous 12 quarters' performance, so as to "smooth the curve" and allow for better predictability in planning for the participant parishes. (See the example below.)</p> <p>Each parish must notify the Fund Manager via the Diocesan Comptroller by 15 days prior to the end of the Quarter if the parish desires to take less than their quarterly allocation. If a parish decides to take less than the quarterly 1.25% allocation, the unallocated amount will be reinvested in the parish/owner's account.</p> <p>If a parish would like to withdraw funds from the principal of the account, and the principal was donated to and therefore is owned by the parish, they must notify the Trustees as soon as possible, but at latest by 15 days prior to the end of a quarter.</p> <p>In the case of funds whose principal was donated to the Diocese or the Trustees for management, withdrawal of the principal by the parish is not allowed.</p> <p>Performance in excess of the dividend is reinvested in the Fund and becomes part of the Principal.</p>
<p>Reporting</p>	<p>All Fund balances are reported to each owner on a quarterly basis by the HBCM.</p>

Fund Performance ⁽¹⁾

Fund performance can be reviewed in the quarterly statements [filed on the diocesan website](#).



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