

Yukon Presbytery Trustees Report

25 February, 2017

Our most recent focus has been upon implementing the Investment Policy adopted at the October, 2016 meeting of Presbytery. We divided our investment portfolio with Merrill Lynch, now a subsidiary of Bank of America Corporation, into three types of investment:

- 1) **SHORT TERM WORKING CAPITAL:** 20% of our investment is maintained in this category. The purpose of this category is to have capital available for short term needs of operation.
- 2) **GENERAL INVESTMENT/INCOME REPLACEMENT PORTFOLIO:** 60% of our investment is maintained in this category. Income derived from these stocks and bonds are distributed either into the Short Term Working Capital or reinvested in this Portfolio to continue growth of the investment. Stocks and bonds in this category of investment are generally those that have least risk and derive the better return. Investment grade bonds include government securities, preferred stocks, and bonds rated BBB or better.
- 3) **LONG TERM CAPITAL FUND:** 20% of our investment is maintained in this category. It is anticipated that these investments may be held for 10+ years. The objective of this Long Term Capital Fund is to achieve long-term growth and to provide a dedicated source for legacy. Periodic distributions may be made from this category with approval of the Board of Trustees. The purpose of this investment category is creation of longevity for the Presbytery and is generally not available to fund general operating expenses.

It is our goal to exceed an absolute rate of return of 5%.

The principle investment guideline is, “Consistent with the Fifth Great End of the Church, investments should promote social righteousness.” Consequently, there are some categories of investment we seek to avoid: tobacco and alcohol companies, arms and munitions, identified companies that ignore or exploit climate change, among others.

On 1 January, 2017, our investment was valued at \$169,690.95 and we are pleased to report that on 31 January, 2017, our investment was valued at \$178,191.27, a yield of \$8,425.04.

Management of Presbytery owned real estate is a part of our mandate. Member churches are encouraged to consult with the Board of Trustees prior to beginning a real estate transaction or when real estate holdings are in need of major repair. Member churches are reminded that all real estate holdings are held in trust for the Presbytery by the Board of Trustees.

Rev. Israel Nelson, President, Board of Trustees