

CTSA Investment Spending Guidelines

Proposal

In light of its investment philosophy, objectives, and asset allocations (see below), the Catholic Theological Society of America establishes the following guidelines regarding its investment funds

- A. The CTSA presently can draw 5% of its investment balance annually to be used for both mission-related and operating expenses. In the future, through a unanimous decision of the board, this draw may be more than 5% but it should not exceed 10%.
- B. The CTSA establishes a floor of \$500,000 for its investments balance. This means that if the total balance of the society's investments falls below \$500,000 the board is not obligated to take the 5% draw, although it still may do so if circumstances warrant.
- C. In terms of how the CTSA will make decisions concerning the allocation of its investment funds, projects or initiatives identified in Tier 1 have top priority followed by projects in Tiers 2, 3, and 4 respectively. The bullet points offer examples of projects or initiatives associated with that tier.
 1. Ongoing, established programs that benefit the CTSA and its members directly.
 - Conference scholarship program
 - Future administrative costs (presently all administrative costs are covered through operations which is funded through annual dues). This will only become a reality if the CTSA is forced to leave John Carroll University.
 2. One-time or temporary projects and initiatives that benefit the CTSA and its members directly.
 - Ad hoc committees or other groups established by the CTSA to study and report on particular issues vital to the functioning of the society as a whole (conference structure, *Proceedings*, website/communications, etc.)
 3. Projects and initiatives that directly benefit the CTSA's relationship, or CTSA members' relationships, with other relevant groups.
 - Dinner with a bishop initiative
 - CTSA representatives acting in an official capacity with INSeCT
 4. Projects and initiatives that benefit other theological societies or groups that also positively affect the CTSA's potential for future growth and development.
 - INSeCT grants

General Information Concerning CTSA Investments

The following information concerning investment philosophy, objectives, and asset allocations is taken directly from the CTSA's *Statement of Investment Policies and Objectives* (September, 2007)

Philosophy

The CTSA, responding to the Gospel challenge of responsible stewardship, calls for investment decisions to be made with consideration to both economic and social justice factors. Thus, the goals we strive for in the investment of our assets are:

1. Support of the various programs and ministries of the CTSA;
2. Current and future maintenance of real assets and properties of the CTSA
3. Influence corporate policy and public conscience in the promotion of peace, human rights, equality, and the respect for and quality of life for all persons.

Objectives

The objectives for the society's investments are a blend of the following:

1. Achieve Optimal Long-Term Total Return: Funds in excess of those required to meet projected liquidity needs should be invested in fixed income and equity securities in an amount which offers the greatest potential for realizing optimal long-term total return consonant with our risk tolerance. It is incumbent upon the managers to prudently advise the CTSA as to the appropriate risk levels consonant with our Philosophy and Objectives. There are no tax implications for the managers to consider, so the goal of total return is specified without preference for income or capital gains.
2. Preserve Capital: Investment strategies utilized by the managers should provide long-term preservation of capital, in both real (net of inflation) and absolute terms. The managers should make reasonable efforts to avoid substantial losses of principal in any short-term period, consistent with their style of management.
3. Herald Gospel Values: The managers must collaborate in our attempt to reflect the principles of justice and peace integral to the investment decisions and the other actions of the CTSA. We may choose to periodically issue socially responsible investing guidelines that may include:
 - a. Avoidance in the investment in companies that violate our principles of justice and peace
 - b. Active involvement that may include corporate dialogue, proxy voting, shareholder resolutions, and similar activities with the companies in our equity portfolio, either on our own part or through the services of a social responsible investment advisor

Asset Allocations

The CTSA shall maintain a diversified asset investment allocation within the following parameters:

[NOTE: The actual asset allocation for your funds will depend on your fund's unique investment objectives, risk tolerance, actuarial assumptions and liquidity needs. Likewise, equity style diversification will depend on risk tolerance as well as return expectations]

Asset Class	Asset Allocation Parameters		
	Maximum	Minimum	Target
Cash Equivalents	5%	0%	0%
Fixed Income	45%	35%	40%
Equities:	65%	55%	60%
Value Equity	17%	7%	12%
S&P 500 Index	23%	13%	12%
Growth Equity	17%	7%	12%
Small Cap Equity	14%	4%	9%
International Equity	14%	4%	15%

Investments and Fossil Fuels

Freeze any new investments in the Carbon Underground 200, either through direct ownership or commingled funds that include fossil fuel public equities and corporate bonds, including reinvestment of dividends, effective June 30th, 2022. [Approved by Board of Directors on June 9, 2022].

To implement its decision approved at the June 9th, 2022 to "to freeze any new investments in the Carbon Underground 200, either through direct ownership or commingled funds that include fossil fuel public equities and corporate bonds, including reinvestment of dividends, effective June 30th, 2022," the Board of Directors instructs the Treasurer to henceforward (October 29th, 2022) deposit any new investments, including reinvestment of dividends, with CBIS into green funds, those that are not associated with the Carbon Underground 200. [Approved by Board of Directors, October 2022].