



General Conference of Seventh-day Adventists  
Investment Office



# Important Disclosures

## Important Disclosures

**This report is intended solely for institutional use by organizations within the Seventh-day Adventist Church or by investors in the GC Unitized Funds and is for informational purposes only and should not be construed as investment advice. This report is not intended as an offer or solicitation with respect to the purchase or sale of any security.**

Past results are not indicative of future investment results. Investments are not guaranteed and you may lose money. This publication is for informational purposes only and reflects the current opinions of the General Conference Investment Office. Information contained herein is believed to be accurate, but cannot be guaranteed. Opinions expressed in this material may be subject to change without notice.

This publication has been prepared without taking into account investors' objectives, financial situation or needs. Before acting on this information, investors should consider its appropriateness having regard to objectives, financial situation or needs. It is the investors' responsibility to be aware of and observe the applicable laws and regulations of their country of residence. Potential investors in emerging markets should be aware that investment in these markets can involve a higher degree of risk. Any forecast, projection or target is provided as an indication only and is not guaranteed in any way.





## *Mission*

*Provide Seventh-day Adventist Church organizations, institutions, and related entities, investment services to manage funds entrusted to them by the Lord in order to fulfill the mission of the church to spread the Gospel to the world.*

---

*“Who then is a faithful and wise servant, whom his master made ruler over his household, to give them food in due season? Blessed is that servant whom his master, when he comes, will find so doing.”*

*Matthew 24:45*



# General Conference Investment Office

Investment Services for any SDA Entity or Institution

## Account Types

Pensions/Endowments

Operating / General

Plant / Project Funds

Donor Advised



Long term investments for pensions and retirement funding.

Medium term investments focusing on income generation for operating needs.

Medium to long term investments to meet the needs for property maintenance or project financing.

Funds donated by individuals are held for various mission projects as directed by the donor.



# General Conference Investment Office

## *Investment Services*

### Investment Guidance



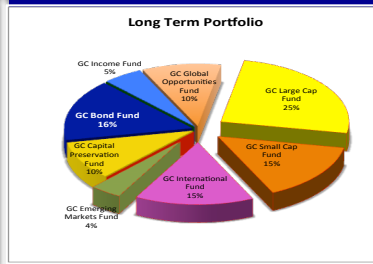
Initial consultation and guidance is provided for SDA entities to develop a sound investment program.

### GC Unitized Funds



The GCIO manages 18 unitized funds which may provide a solid foundation for an investment portfolio.

### Portfolio Construction



Help construct an investment portfolio that is tailored to the objectives and constraints of investors.

### Tactical Asset Allocation



Provide ongoing advice is provided to make changes to the asset mix as needed as the market outlook changes.





# GC Investment Committee (GCIC)



GCIC Chair  
 Juan Prestol-Puesán, PhD  
 Treasurer  
 Administrator  
*General Conference*



GCIC Vice-Chair  
 G Thomas Evans  
 Treasurer



GCIC Secretary  
 Tim H Aka, CFA  
 Assoc. Treasurer,



GCIC Assoc. Secretary  
 Raymond Jimenez III  
 Retirement

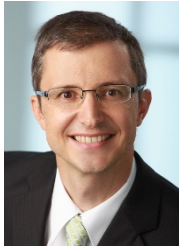
*North American Division*

*General Conference*

*North American Division*



Mabio Coelho  
 Chief Information  
 Security Officer  
*General Conference*



Markus Czettel  
 Associate Treasurer  
*Inter-European Division*



William Easterbrook  
 President  
*Adventist HealthCare  
 Retirement Plan*



Jermaine Jackson  
 Chief Financial Officer  
*Adventist Risk Management*



J Raymond Wahlen II  
 Under-Treasurer  
*General Conference*



Rodney Neal  
 Sr. VP Financial Affairs  
*Loma Linda University*



Michael Jamison  
 Assoc. Treasurer  
*North American Division*



Byron Schuneman  
 Special Assist to the Adm.  
*Adventist Retirement Plans*



Glynn C W Scott  
 Treasurer  
*Lake Union Conference  
 North American Division*



## GC Investment Office

Tim Aka, CFA,

*Associate Treasurer and Investment  
 Manager*

*General Conference*

*of Seventh-day Adventists*

23 years Industry Experience

Tim has spent the past 23 years in the banking and investment industry with the majority of his career focused on investment management at TD Bank in Toronto, Canada. In his position at TD he took a lead role in managing products for TD Wealth Managed Investment Solutions, overseeing \$17 billion in assets.

The GC Investment office has 7 investment & finance professionals and staff. They manage \$2.3 billion in investments from church clients around the world.



# GC Funds



<p><b>GC Money Fund</b> Short term cash management</p> <p>\$359,340,072</p>	<p><b>GC Capital Preservation Fund</b> Protection of capital plus growth</p> <p>\$178,779,057</p>	<p><b>GC Bond Fund</b> Actively managed core bond portfolio</p> <p>\$166,033,526</p>	<p><b>GC Total Return Bond Fund</b> Actively managed global bonds</p> <p>\$98,562,197</p>	<p><b>GC Income Fund</b> Actively managed balanced income fund</p> <p>\$252,930,542</p>	<p><b>GC Global Opportunities Fund</b> Global balanced growth fund</p> <p>\$172,275,319</p>
<p><b>GC U.S. Large Cap Fund</b> Actively managed U.S. Large Cap portfolio</p> <p>\$200,468,687</p>	<p><b>GC U.S. Small Cap Fund</b> Actively managed U.S. Small Cap Portfolio</p> <p>\$92,010,507</p>	<p><b>GC International Equity Fund</b> Actively managed int'l equity fund</p> <p>\$130,059,920</p>	<p><b>GC Emerging Markets Equity Fund</b> Actively managed emerging markets fund</p> <p>\$76,885,667</p>	<p><b>GC Opportunistic Liability Driven Investment Fund</b> Specialty fund to manage funds for a pension plan.</p> <p>\$428,267,817</p>	<p><b>GC Alternative Investment Fund</b> A fund of funds holding several alternative funds.</p> <p>\$65,623,599</p>
<p><b>SDA Short Term Bond Fund</b> Short term bond index fund</p> <p>\$91,732,893</p>	<p><b>SDA Intermediate Bond Fund</b> Intermediate term bond index fund</p> <p>\$11,119,512</p>	<p><b>SDA Total Market Bond Fund</b> Total market bond index fund</p> <p>\$192,565,783</p>	<p><b>SDA U.S. Large Cap Index Fund</b> U.S. Large Cap Index fund</p> <p>\$503,786,809</p>	<p><b>SDA U.S. Small Cap Index Fund</b> U.S Small Cap Index fund</p> <p>\$382,337,839</p>	<p><b>SDA International Index Fund</b> International Index fund</p> <p>\$369,119,749</p>



# Sub-Advisors



## Fixed Income Funds



## U.S. Equity Funds



## International Equity Funds



## Balanced Funds





# Sub-Advisors



## Fixed Income Managers

---

**LEGG MASON**  
GLOBAL ASSET MANAGEMENT



Established 1899

**\$750 Billion in Investments**

**Clients:**

- 68% U.S.
  - 32% Foreign
- 

**P I M C O**

Your Global Investment Authority

**\$1.7 Trillion in Investments**

Los Angeles, New York, London,  
Munich, Milan, Tokyo, Singapore

-----

**NEWCENTURY**  
A D V I S O R S

**\$2.5 Billion in Investments**

Howard Hughes Foundation  
Kellogg Foundation



# Sub-Advisors



## Equity Managers

---



**\$753 Billion in Investments**

-----



**\$62 Billion in Investments**  
London, Philadelphia

-----



**\$180 Billion in Investments**  
Established in 1851

-----



**\$535 Billion in Investments**  
48 Offices Globally



# GC International Equity Fund

## Unitized Fund Structure Example

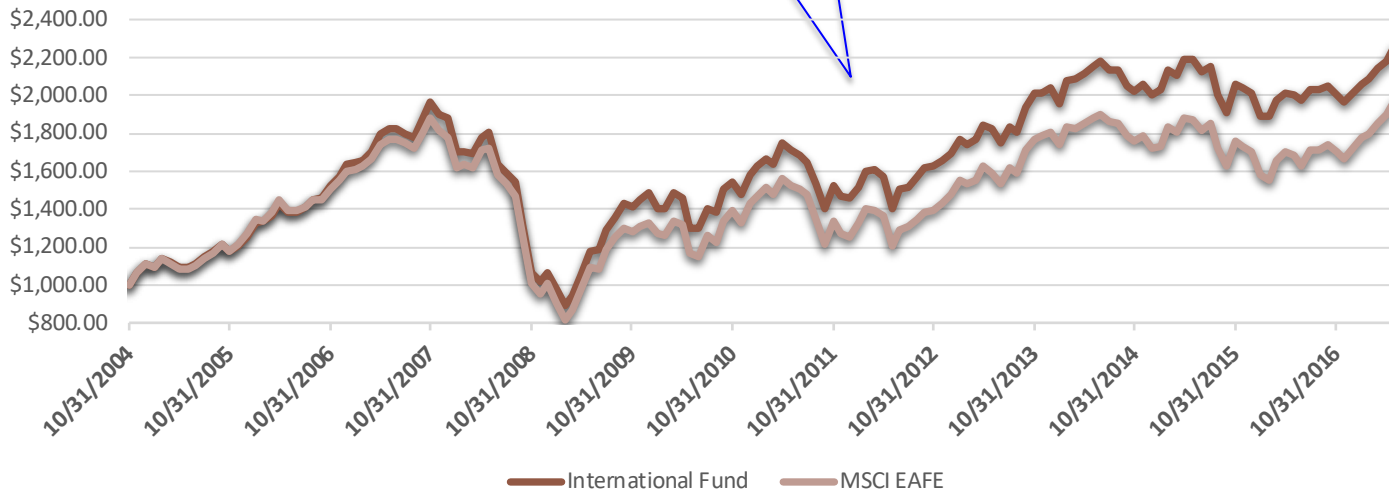
### Investment Objectives & Strategies:

- Seeks to provide long term growth of principal through investment in developed markets' international equities.
- Franklin Templeton: Medium to Large Cap Growth
- Mondrian Investment Partners: Large Cap Value, with emphasis on downside protection
- Comerica Wealth Management: International Index Fund – using MSCI EAFE index
- Cash may be held within the fund for safety of principal when acceptable.

Outline of the investment objectives, and as the managers and strategies employed to achieve the objectives.

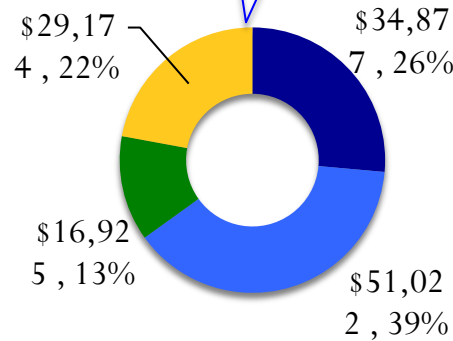
This graph show the growth of \$1000 invested in the fund since 2004, and compares it with the growth of the benchmark.

Growths of \$ 1000



The fund is made up of several investment strategies managed by several sub-advisors. This chart shows the breakdown.

Fund Structure (\$000)



■ Franklin Templeton 
 ■ Mondrian  
■ Comerica 
 ■ Cash



# SDA Values Screen



- GC investment funds are screened for industries and corporate practices.
- Industry Screen: Restricted Industries
  1. Tobacco manufacturers. (e.g. Phillip Morris, British American Tobacco)
  2. Alcohol manufacturers and sales (MillerCoors, Diageo, many restaurants chains which derive a large portion of sales from alcohol)
  3. Pornography production (no stocks are listed in major exchanges)
  4. Gambling and gaming companies (Caesars Entertainment)
  5. Meat product manufacturers and sales (Hormel, McDonalds)
  6. Caffeinated beverage manufacturers and sales. (Coke, Starbucks)
- ESG Screening: Environmental Social Governance Impact (New process being implemented)
  1. Eliminate poorly performing companies; repeat offenders; no change in behavior.
  2. Environmental: BHP Billiton (Mining Practices), Volkswagen (Emissions)
  3. Social (Worker Exploitation, Community impact): Harmony Gold (South Africa), Grupo Mexico.
  4. E.g. Wells Fargo (Fraud), Deutsche Bank (Market Manipulation), Petrobras (Bribery)
- Some public funds and Exchange Traded Funds (ETFs) are used that are not screened. But holdings are reviewed to gauge any major allocations to restricted industries and/or allocations are relatively small.



# GC Investment Annualized Performance Summary

As At September 30, 2017

	Market Value	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3Yrs (%)	5Yrs (%)	10Yrs (%)	Return (%)	Since
<b>GC MONEY FUND</b>	\$331,714,130		0	0.4	0.6	1	0.1	0.2	0.8	2.1	Dec-98
<i>91 Day T- Bills</i>			0.1	0.2	0.4	0.5	0.2	0.2	0.4	0.3	
<b>GC CAPITAL PRESERVATION FUND</b>	\$179,172,339	9.6	0.2	1.1	1.5	2.1	1.5	1.1	--	2	Dec-07
<i>91 Day t-Bills</i>			0.1	0.2	0.4	0.5	0.2	0.2	0.4	0.3	
<b>GC BOND FUND</b>	\$164,052,746	8.8	-0.1	1	1.6	0	1.6	1.5	3.6	3.8	Jun-02
<i>BBgBarc US Govt/Credit Int</i>			-0.2	0.9	1.7	-0.2	1.9	1.8	3.9	4	
<b>GC TOTAL RETURN BOND FUND</b>	\$99,656,889	5.3	1	2.7	4.8	6.4	--	--	--	3.5	Jun-15
<i>BBgBarc US Aggregate TR</i>			-0.1	1.4	2.3	-0.3	2.5	2.2	4.5	2.8	
<b>GC LONG TERM BOND FUND</b>	\$20,156,863	1.1	0.1	0.2	0.3	--	--	--	--	0.3	Dec-16
<i>BBgBarc US Corporate Long A of Higher TR</i>			1.1	4.9	6	1.5	5.7	4.9	7.1	6	
<b>GC INCOME FUND</b>	\$253,912,280	13.6	0.4	1.8	3.7	4.7	3.2	3.8	3.1	4.5	Sep-01
<i>BBgBarc US Credit Int TR</i>			-0.1	1.4	2.5	1.4	2.6	3	4.9	4.9	
<b>GC LARGE CAP EQUITY FUND</b>	\$199,949,069	10.7	0.8	2.7	6.5	13	7.2	13.5	6.3	6.7	Dec-96
<i>S &amp; P 500</i>			0.6	3.1	9.3	17.9	9.6	14.6	7.2	14.3	
<b>GC SMALL CAP EQUITY FUND</b>	\$92,612,104	4.9	0.9	1.4	3.2	15.6	6.2	13.1	5	8.6	Dec-98
<i>Russel 2000</i>			3.5	2.5	5	24.6	7.4	13.7	6.9	9.2	
<b>GC INTERNATIONAL FUND</b>	\$126,600,389	6.8	-1.6	3.6	10.4	12.9	-0.1	7.6	1.2	4.9	Dec-96
<i>MSCI EAFE</i>			-0.2	6.1	13.8	20.3	1.1	8.7	1	4.7	
<b>GC EMERGING MARKETS FUND</b>	\$77,345,279	4.1	0.9	4.4	12.3	16.9	-1.7	3.7	1.9	6.8	Dec-96
<i>MSCI Emerging Markets</i>			1	6.3	18.4	23.7	1.1	4	1.9	6.2	
<b>GC GLOBAL OPPORTUNITIES FUND</b>	\$168,722,414	9	0.3	2.2	6.9	9.6	0.1	3.3	--	3.3	Nov-10
<i>CPI +5%</i>			0.5	1.7	4	6.7	6	6.4	6.7	6.8	
<b>GC OLDI FUND</b>	\$424,670,010	22.7	0.2	2.1	4.5	4.6	1.3	4.1	--	6.2	May-09
<i>Actuarial Assumed Rate = 6%</i>			0.5	1.5	3	6	6	6	--	6	
<b>GC ALTERNATIVE INVESTMENTS FUND</b>	\$65,400,400	3.5	0.3	0.3	2.3	5.5	--	--	--	1.8	Aug-14
<i>HFRI Fund of Funds Composite Index</i>			-0.2	0.6	3	6.3	1.5	3.8	0.9	1.4	





# GC Investment Calendar Year History

FUND	INDEX	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Inception	Date
		%	%	%	%	%	%	%	%	%	%	%	%	%	Inception	Date
<b>GC MONEY FUND</b>		<b>1.3</b>	<b>2.9</b>	<b>4.9</b>	<b>5.3</b>	<b>2.9</b>	<b>0.6</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.7</b>	<b>2.1</b>	Dec-98
	91 Day T-Bills	1.4	3.2	5.0	4.4	1.3	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.3	1.9	
<b>GC CAPITAL PRESERVATION FUND</b>						<b>4.3</b>	<b>5.7</b>	<b>2.4</b>	<b>0.8</b>	<b>2.4</b>	<b>-1.7</b>	<b>1.3</b>	<b>0.2</b>	<b>1.8</b>	<b>1.9</b>	Dec-07
	Barclays Intermediate Gov't/Credit					5.1	5.2	5.9	5.8	3.9	-0.9	3.1	1.1	1.3	2.0	
<b>GC BOND FUND</b>		<b>3.0</b>	<b>2.3</b>	<b>4.5</b>	<b>6.6</b>	<b>2.0</b>	<b>6.1</b>	<b>6.7</b>	<b>6.6</b>	<b>4.3</b>	<b>-1.4</b>	<b>4.6</b>	<b>1.4</b>	<b>2.1</b>	<b>3.8</b>	Jun-02
	Barclays Aggregate Bond Index	4.3	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	0.5	2.6	4.5	
<b>GC TOTAL RETURN BOND FUND</b>														<b>3.3</b>	<b>1.5</b>	Jun-15
	Western Total Return Unconstrained Fund													3.3	1.5	
	Barclays Aggregate Bond Index	4.3	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	0.5	2.6	2.2	
<b>GC INCOME FUND</b>		<b>4.5</b>	<b>2.3</b>	<b>6.2</b>	<b>1.4</b>	<b>-6.8</b>	<b>8.0</b>	<b>4.2</b>	<b>4.5</b>	<b>4.8</b>	<b>4.5</b>	<b>5.3</b>	<b>0.8</b>	<b>3.9</b>	<b>4.5</b>	Sep-01
	50/50 S&P 500/Barclays Aggregate	7.6	3.8	10.0	6.4	-17.9	16.3	11.3	5.3	10.1	14.1	9.8	1.2	7.3	6.3	
<b>GC LARGE CAP EQUITY FUND</b>		<b>7.3</b>	<b>5.7</b>	<b>11.2</b>	<b>2.8</b>	<b>-38.5</b>	<b>31.9</b>	<b>13.5</b>	<b>0.4</b>	<b>16.7</b>	<b>33.3</b>	<b>14.1</b>	<b>-0.4</b>	<b>9.8</b>	<b>6.5</b>	Dec-96
	S&P500	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	12.4	
<b>GC SMALL CAP EQUITY FUND</b>		<b>27.0</b>	<b>6.6</b>	<b>14.9</b>	<b>-3.6</b>	<b>-41.3</b>	<b>28.9</b>	<b>24.9</b>	<b>-0.9</b>	<b>16.9</b>	<b>33.9</b>	<b>7.6</b>	<b>-1.9</b>	<b>17.2</b>	<b>8.7</b>	Jun-02
	S&P1000	18.4	10.9	11.9	5.2	-34.7	33.5	26.5	-0.9	17.4	35.9	8.5	-2.1	22.5	11.0	
<b>GC INTERNATIONAL FUND</b>		<b>21.9</b>	<b>12.6</b>	<b>26.8</b>	<b>11.6</b>	<b>-42.6</b>	<b>37.7</b>	<b>6.8</b>	<b>-10.7</b>	<b>16.8</b>	<b>21.2</b>	<b>-3.6</b>	<b>-0.3</b>	<b>0.3</b>	<b>4.6</b>	Dec-96
	MSCI EAFE	20.2	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-0.8	1.0	4.2	
<b>GC EMERGING MARKETS FUND</b>		<b>21.2</b>	<b>33.9</b>	<b>32.8</b>	<b>36.5</b>	<b>-52.5</b>	<b>75.7</b>	<b>21.3</b>	<b>-19.8</b>	<b>22.2</b>	<b>1.3</b>	<b>0.1</b>	<b>-13.9</b>	<b>9.7</b>	<b>6.4</b>	Dec-96
	MSCI Emerging Markets	25.6	34.0	32.3	39.4	-53.3	78.5	18.9	-18.4	18.2	-2.6	-2.2	-14.9	11.2	5.5	
<b>GC GLOBAL OPPORTUNITIES FUND</b>									<b>2.3</b>	<b>10.8</b>	<b>3.0</b>	<b>-0.5</b>	<b>-8.0</b>	<b>8.1</b>	<b>2.5</b>	Nov-10
	GMO Policy Index								-0.4	11.9	15.9	5.4	-0.2	2.1	4.0	
<b>GC OLDI FUND</b>								<b>10.4</b>	<b>9.4</b>	<b>9.0</b>	<b>4.0</b>	<b>5.5</b>	<b>-5.8</b>	<b>8.3</b>	<b>6.1</b>	May-09
	Barclays Long Term Credit							10.7	17.1	12.7	-6.6	16.4	-4.6	10.2	9.7	
<b>GC ALTERNATIVE INVESTMENT FUND</b>										<b>4.7</b>	<b>12.6</b>	<b>1.1</b>	<b>0.3</b>	<b>2.4</b>	<b>1.0</b>	Aug-14
	HFRI Fund of Funds Composite Index	6.9	7.5	10.4	10.3	-21.4	11.5	5.7	-5.7	4.8	9.0	3.4	-0.2	0.5	0.4	



# Portfolio Construction

## *Defining the Investment Goals*

### 1. Investment Objective

1. Preserve Capital
2. Generate Income
3. Growth of Principal

### 2. Time Horizon

1. Short, Medium or Long Term
2. Flexible, Not Flexible
3. Finite, Perpetual or Undefined

### 3. Risk Tolerance

1. No losses
2. Volatility Range
3. Avoid Permanent Impairment

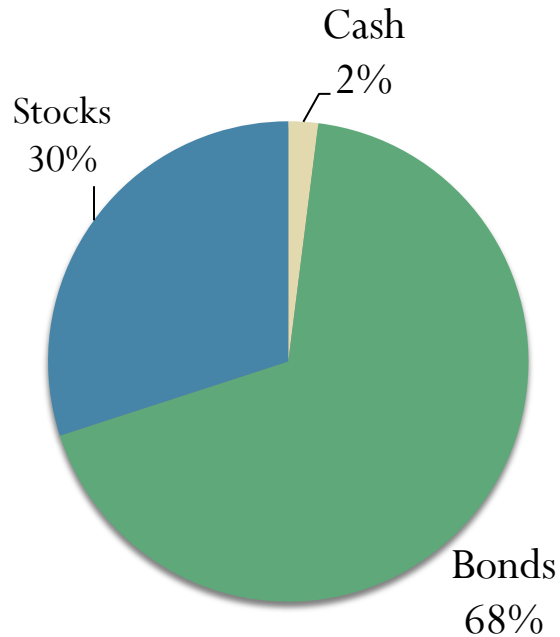
### 4. Liquidity Needs

1. Periodic Withdrawals
2. Regular Withdrawals
3. No Expected Withdrawals



# Portfolio Construction

## *Creating the Right Recipe: Step 1*



1. Cash provides for liquidity needs and reduced volatility.
2. Bonds provide steady income and modest capital growth.
3. Stocks provide long term growth and dividends.
4. Risk vs. Return
5. 90% of long term performance is driven by this decision.

## 1. Asset Class Allocation

1. Cash
2. Bonds
3. Stocks



# Portfolio Construction: Step 2

## *Safe Store of Money*

	Quality AAA, AA,A BBB,BB,B	Duration 1-3Yrs 3-5Yrs 5-10Yrs	Sectors Technology, Financial, Energy, etc.	Weight
Government Bonds	AAA	2 – 10Yrs	U.S., Sovereign	4%
Agency Bonds	AAA	2-5Yrs	U.S.	2%
Asset Backed Securities	AAA, AA	2-10Yrs	Mortgage, Cards, Auto	55%
Corporate Bonds	A, BBB	2-5Yrs	All Sectors	9.5%
HighYield Bonds	B, BB	2-3Yrs	All Sectors	2%
Cash & Equivalents	NA	< 1Yr	Cash, T-bills	11%
Inflation Linked	AAA	17%	TIPS	17%
Currency Exposure	AAA		USD, Euro, GBP, JPY	2%

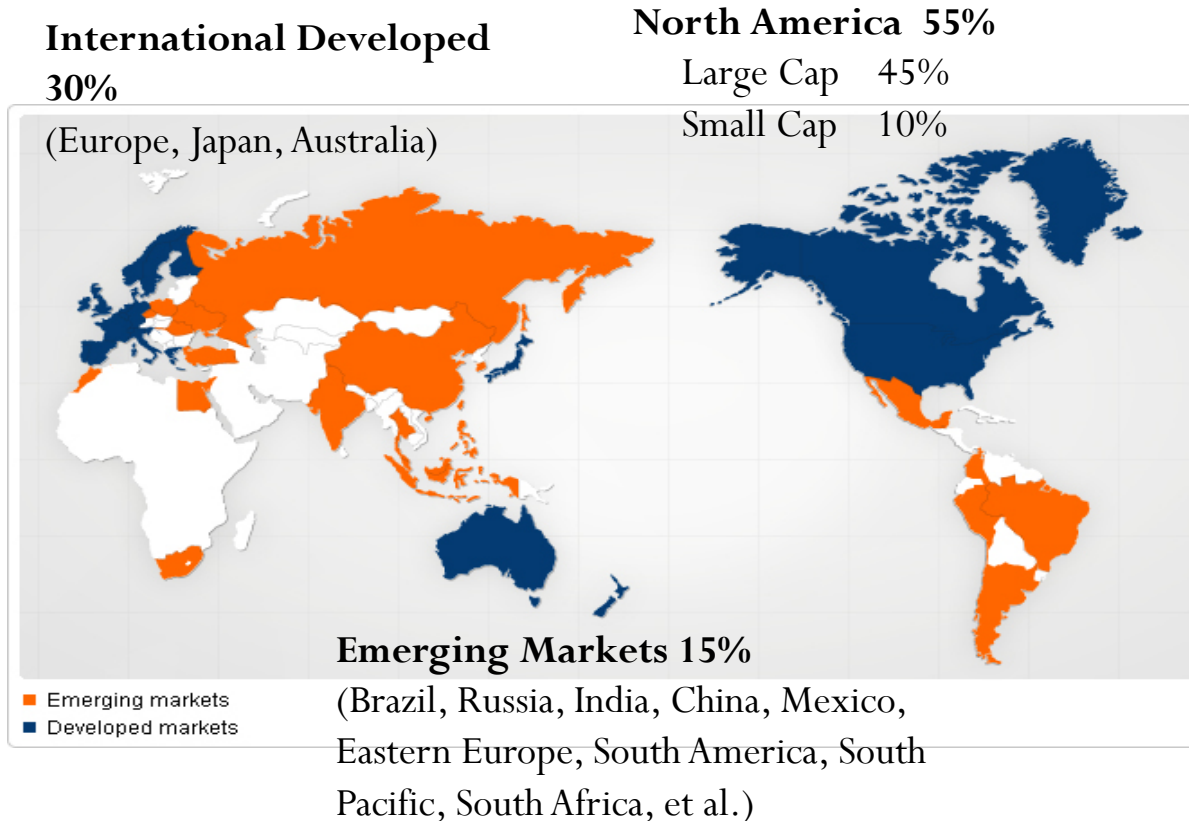
## 2. Portfolio Effect

1. Yield
2. Duration / Liquidity
3. Quality / Risk
4. Convexity (Sensitivity to change)



# Global Equity Allocation

## Grow with Global Economy: Step 3



### 3. Geographic Diversification

1. U.S.
2. International Developed
3. Emerging Markets





# Investment Models & Objectives

## S85 20 Policies

6. **Controlling committees shall complete an asset allocation study in consultation with a non-conflicted, qualified Investment Management Consultant** for asset pools for investment prior to investing any assets.
8. For each asset pool, an Investment Policy Statement in a format understood by the money management industry and consistent with this General Conference Working Policy shall be approved by each controlling committee whether employing external managers or managing funds internally.

Objectives	Safety of principal	Generating Current Income	Long Term Portfolio Growth
Model Portfolios	Safety Model	Income Model	Low Volatility Growth Balanced Growth Long Term Growth
Purpose	Provide safety of principal and preservation of purchasing power	Provide steady income without encroaching on principal.	Provide long term growth of principal utilizing different levels of risk.
Typical Use by Church Entities	Capital projects, donor advised funds. A short to medium term investment 1-2 years.	Operating funds, revolving funds, or other income generating needs over a long term. Minimum 3-5 years.	Pension or retirement plans, plant funds, endowment funds and other long term growth needs. Minimum 3-5 years.

- The GC Investment Office has developed 5 investment model portfolios which can be employed by investors to achieve the investment objectives for SDA entities and institutions.
- These model portfolios correspond to typical investment objectives for Church entities’.
- Investors could invest their portfolios by following these models or may customize the portfolio as needed.
- These models have been researched and developed in consultation with an investment consultant who has conducted an asset allocation study, and fulfills the requirements of the GC investments policies.



# Strategic Models

- The following chart provides the allocations utilized by each of the model portfolios developed by the GC Investment Office.
- The models utilize the GC Unitized Funds as the investment vehicles.
- The portfolios may have allocations to Cash & Cash Equivalents, Fixed Income, Equities and Balanced Funds.
- The funds contain investments across a wide range of investment types and geographic regions.
- The model performance and volatility (riskiness) is shown below.

Asset Class/Portfolio Mix (in %)	Eq Alloc	Yield	Safety	Income	Low Volatility	Balanced	Long Term
GC Money Fund\Cash	0.0%	0.2%	10.0%	0.0%	0.0%	0.0%	0.0%
GC Capital Preservation Fund	5.0%	1.0%	45.0%	5.0%	0.0%	0.0%	0.0%
Total			55.0%	5.0%	0.0%	0.0%	0.0%
GC Bond Fund	0.0%	1.8%	10.0%	20.0%	10.0%	5.0%	10.0%
GC Total Return Bond Fund	0.0%	1.5%	20.0%	20.0%	25.0%	20.0%	10.0%
GC Income Fund	10.0%	2.7%	15.0%	40.0%	30.0%	20.0%	10.0%
Total			45.0%	80.0%	65.0%	45.0%	30.0%
GC Large Cap Fund	100.0%	2.1%	0.0%	5.0%	10.0%	20.0%	25.0%
GC Small Cap Fund	100.0%	1.7%	0.0%	0.0%	5.0%	5.0%	10.0%
GC International Fund	100.0%	2.0%	0.0%	2.5%	7.5%	15.0%	20.0%
GC Emerging Markets Fund	100.0%	2.4%	0.0%	0.0%	2.5%	5.0%	5.0%
Total			0.0%	7.5%	25.0%	45.0%	60.0%
GC Global Opportunity Fund	35.0%	4.3%	0.0%	7.5%	10.0%	10.0%	10.0%
Total Weight			100%	100%	100%	100%	100%
Look Through Equity Allocation			3.75%	14.38%	31.50%	50.50%	64.50%
Estimated Yield			1.36%	2.27%	2.30%	2.28%	2.24%
<b>Portfolio Return 10 Years</b>			<b>2.91%</b>	<b>4.05%</b>	<b>4.65%</b>	<b>4.37%</b>	<b>5.08%</b>
<b>Standard Deviation 10 Years</b>			<b>2.16%</b>	<b>3.52%</b>	<b>6.14%</b>	<b>9.09%</b>	<b>11.31%</b>



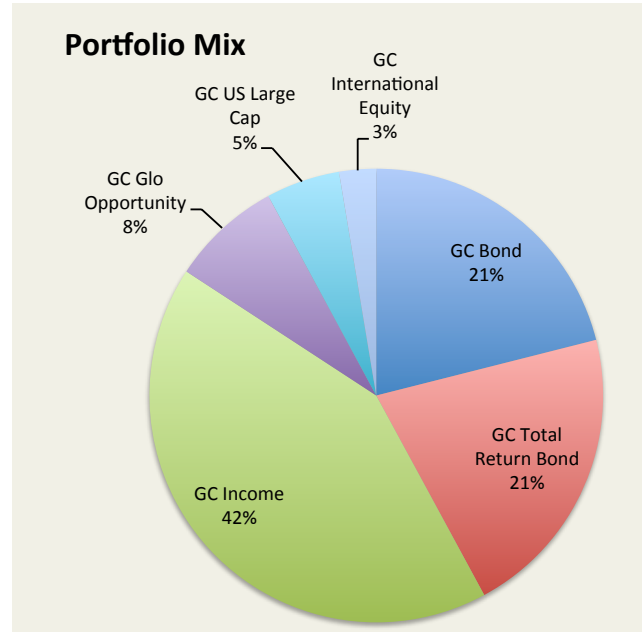
# Performance of *Income Model*

- The performance of the models (Strategic and Tactical) are shown. The allocation is that of the Strategic Model.
- The portfolio may be adjusted periodically to look for opportunities for optimal growth. These Tactical models will be made available in 2018. The results of the Tactical model is also shown.

## Income Model Objectives:

- Generate current income on a regular basis.
- Invests in a well diversified portfolio of GC Funds
- The portfolio may generate some capital growth.
- The majority of the principle will not be needed for 5 years or longer.
- Average fluctuation\* investment value of < 5%.
- Current Income: Yield ~ 2.5%

\*As measured by portfolio standard deviation.



## Performance November 2107

Annualized Return	1 Year	3 Year	5 Year	7 Year	10 Year	Since 2001	Average	Worst	Best
Strategic Model	7.2%	3.4%	3.9%	4.2%	4.1%	5.0%	4.9%	-12.8%	18.7%
Standard Deviation		2.5%	2.4%	2.6%	4.0%	3.7%			
Tactical Model	7.4%	3.5%	4.2%	4.6%	5.0%	5.6%	5.5%	-7.0%	17.5%
Standard Deviation		2.1%	2.3%	2.6%	3.5%	3.3%			

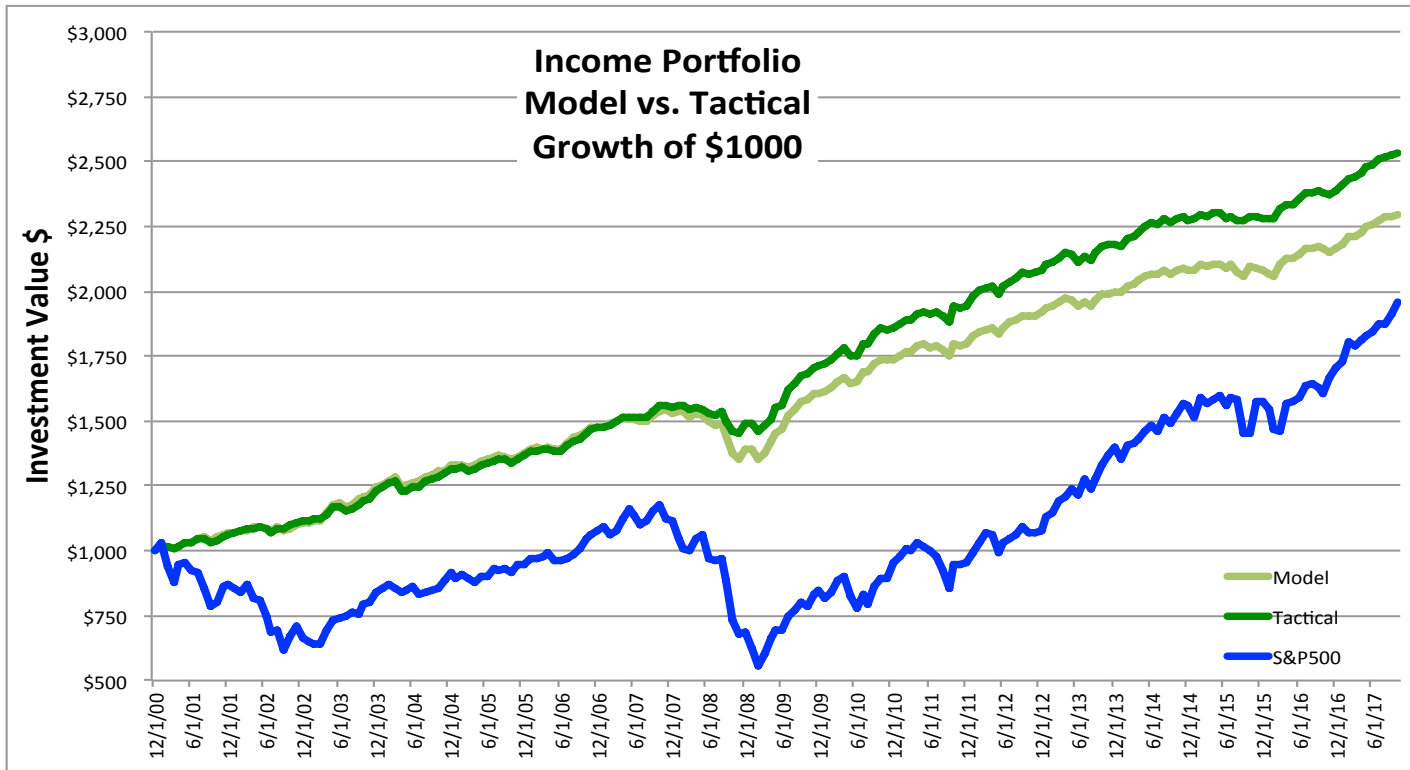
  

Calendar Year Return	2017 YTD	2016	2015	2014	2013	2012	2011	2010	2008
Strategic Model	6.6%	5.3%	-0.7%	4.4%	8.1%	9.5%	1.9%	9.6%	-17.7%
Tactical Model	6.7%	5.8%	0.0%	4.3%	9.0%	10.0%	5.5%	10.2%	-10.8%
S&P500 Index	17.3%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	-37.0%
BBG Agg Bond Indx	1.4%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.2%



# Income Model Portfolio

*32% Equities 68% Fixed Income*



This graph depicts the hypothetical results of \$1000 invested in the Low Volatility growth models using a Strategic and Tactical approach since 2001. The S&P500 index is shown for comparison purposes only. This graph is for illustrative purposes only. Your investment results may vary.



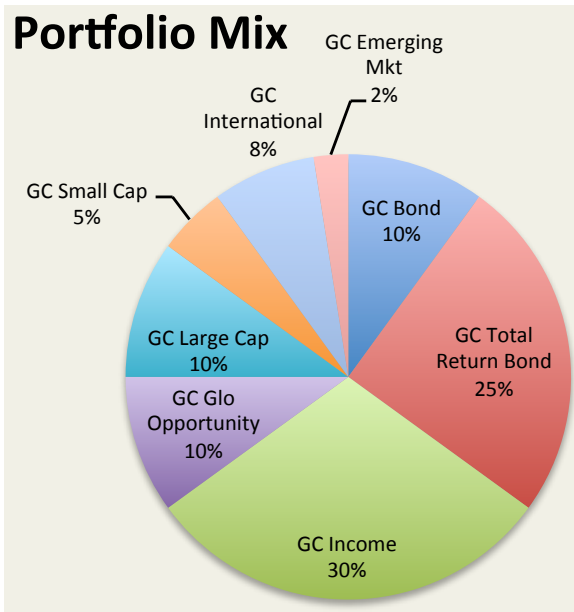
# Performance of *Low Volatility Growth Model*

- The performance of the models (Strategic and Tactical) are shown. The allocation is that of the Strategic Model.
- The portfolio may be adjusted periodically to look for opportunities for optimal growth. These Tactical models will be made available in 2018. The results of the Tactical model is also shown.

## Low Volatility Growth Model Objectives:

- Growth of principle over a 3 – 5 year
- Invests in a well diversified portfolio of GC Funds
- Investments may generate some current income.
- Principle will not be needed for 5 years or longer.
- Average fluctuation\* investment value of +/- ~6% or more is acceptable.
- Yield ~ 2.3%

\*As measured by portfolio standard deviation.



## Performance October 2107

Annualized Return	1 Year	3 Year	5 Year	7 Year	10 Year	Since 2001	Average	Worst	Best
Strategic Model	8.9%	4.1%	5.3%	5.3%	4.4%	5.7%	5.6%	-23.3%	27.1%
Standard Deviation		4.1%	3.9%	4.5%	6.6%	5.9%			
Tactical Model	9.9%	4.7%	5.8%	6.4%	6.3%	6.9%	6.6%	-14.5%	27.9%
Standard Deviation		3.5%	3.8%	4.5%	6.1%	5.4%			

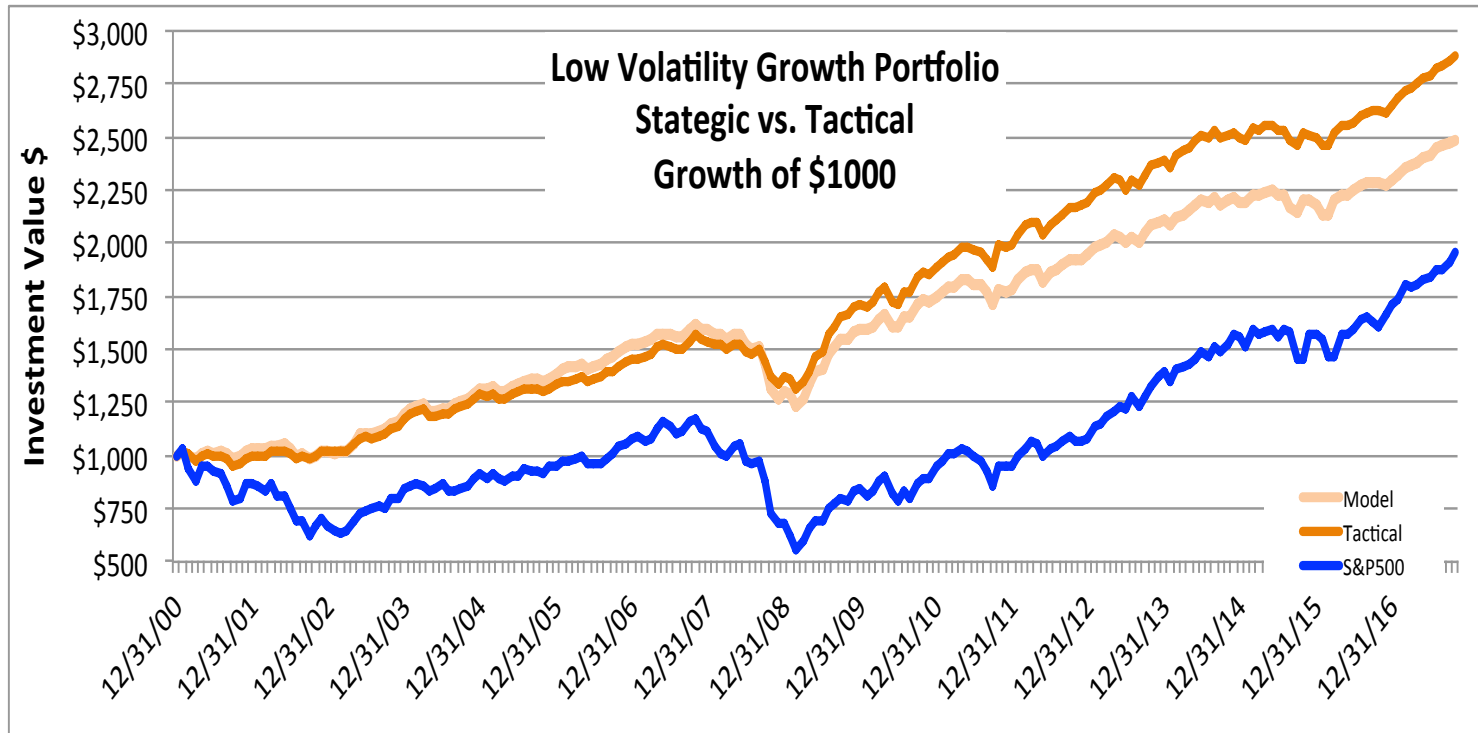
Calendar Year Return	YTD	2016	2015	2014	2013	2012	2011	2010	2008
Strategic Model	4.6%	5.3%	-0.7%	4.4%	8.1%	9.5%	1.9%	9.6%	-17.7%
Tactical Model	5.0%	5.8%	0.0%	4.3%	9.0%	10.0%	5.5%	10.2%	-10.8%
S&P500 Index	15.3%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	-37.0%
BBG Agg Bond Indx	3.2%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.2%





# Low Volatility Growth Portfolio

35% Equities 65% Fixed Income



This graph depicts the hypothetical results of \$1000 invested in the Low Volatility growth models using a Strategic and Tactical approach since 2001. The S&P500 index is shown for comparison purposes only. This graph is for illustrative purposes only. Your investment results may vary.



# Helping You Be Wise Stewards

- GC Investment Office is here to help all church entities and institutions with their investment needs.
- No advisory fees charged by the GCIO.
- All in fund costs  $\sim 0.25\%$  -  $0.45\%$ . Fund costs include:
  - Operating fees – 4.0bp (0.04% of Assets)
  - Sub-advisor fees – 20bp – 60bp (already included in the fund.)
  - Sub-advisors include: PIMCO, Western Asset Management & QS Investors (Legg Mason), Franklin Templeton, Lazard, Alliance Bernstein, Harris Associates, Mondrian, Deutsche Asset Management, GMO, Silvercrest, Westwood, Madison Investment Advisors, New Century, Comerica.
- GC Unitized Funds provide access to excellent active investment managers at a low cost.
- Model Portfolio provide reliable long term investment strategies.



# Appendix

## *GC Fund Descriptions*

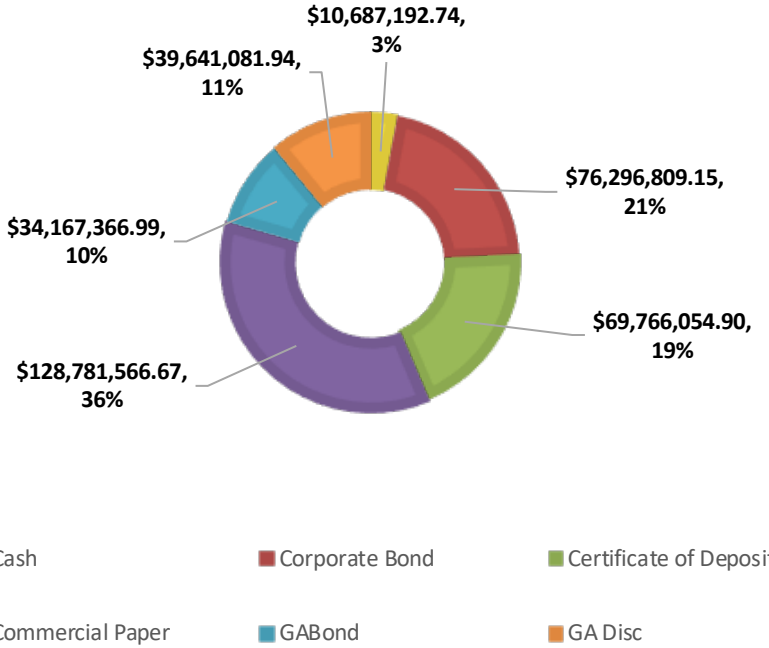
---



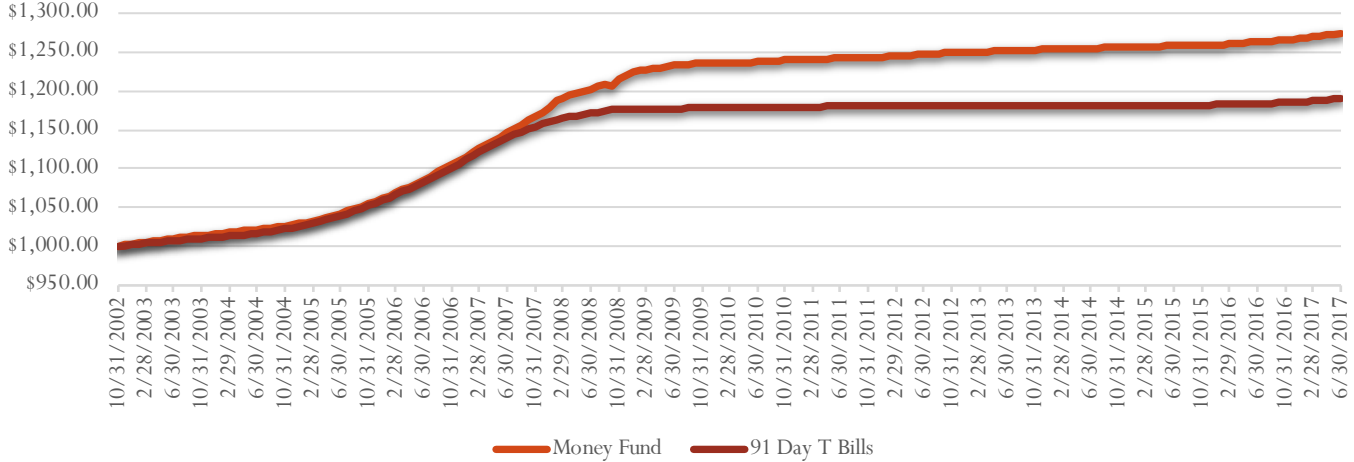
# GC Money Fund

## Investment Objectives & Strategies

- Objective is to provide a safe short term investment options for investors looking to manage liquidity.
- Invests in short term, high quality, investment.
- The fund maintains a \$1.00 NAV.
- Fund can be bought or sold daily.
- Fund managed internally by the GC Investment Office.



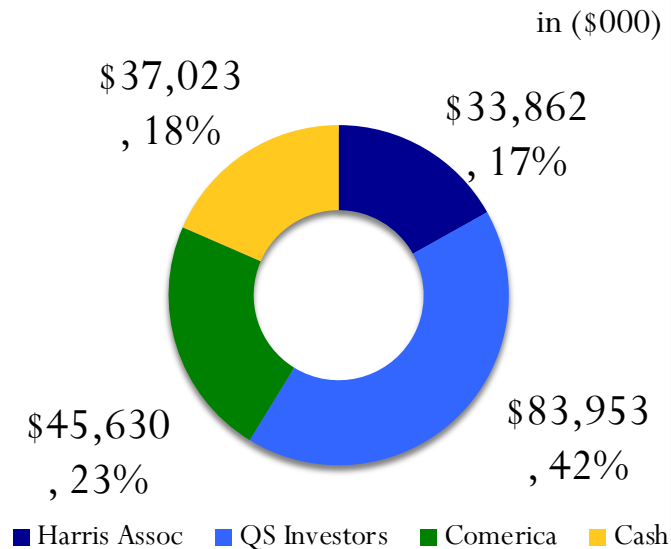
Growths of \$1000



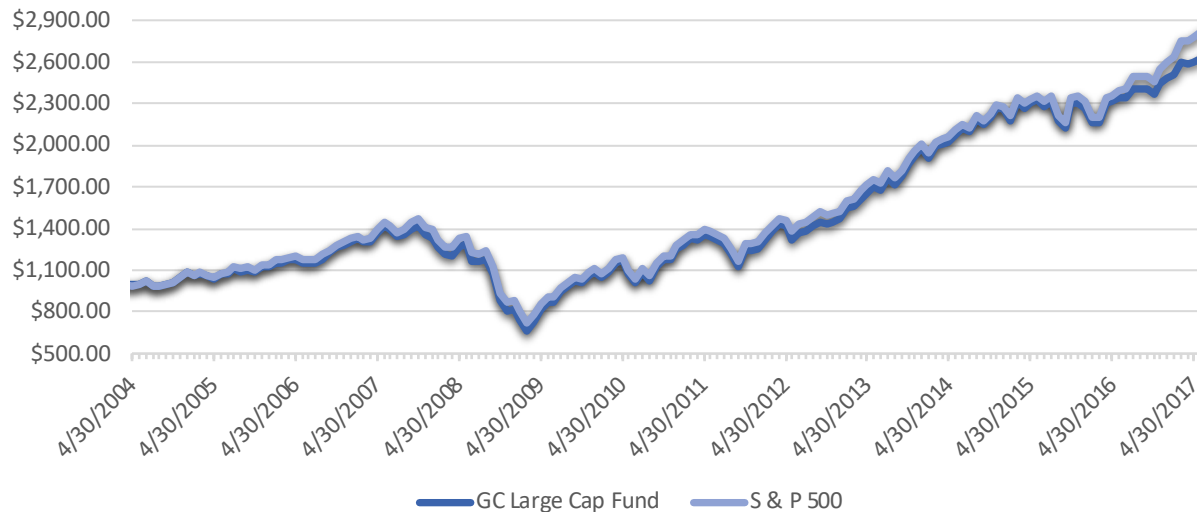
# GC U.S. Large Cap Fund

## Investment Objectives & Strategies

- Seeks to provide long term growth by investing in large size U.S. companies.
- Manager - Harris Associates: Medium to Large Cap deep value, contrarian
- Manager - QS Investors: Dynamic ETF Style Timing using U.S. Low Volatility Dividend Index
- Manager - Comerica Wealth Management: Index Fund – using S&P500 index
- Fund may hold cash for safety of principle when appropriate.



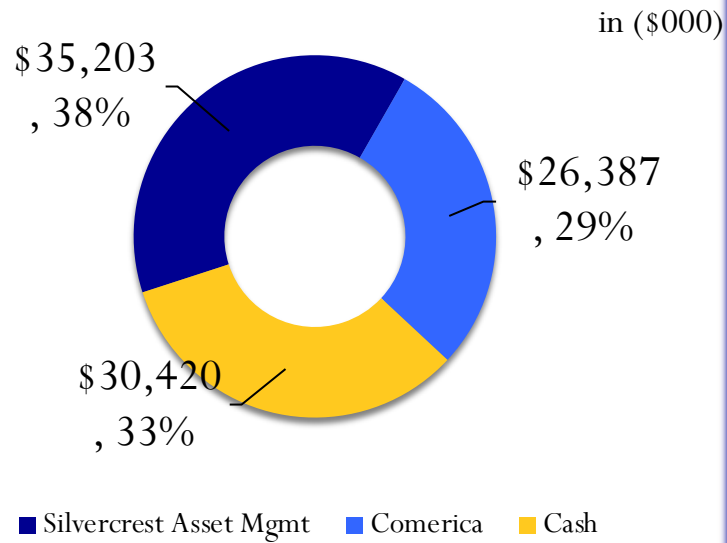
**Growth of \$ 1000**



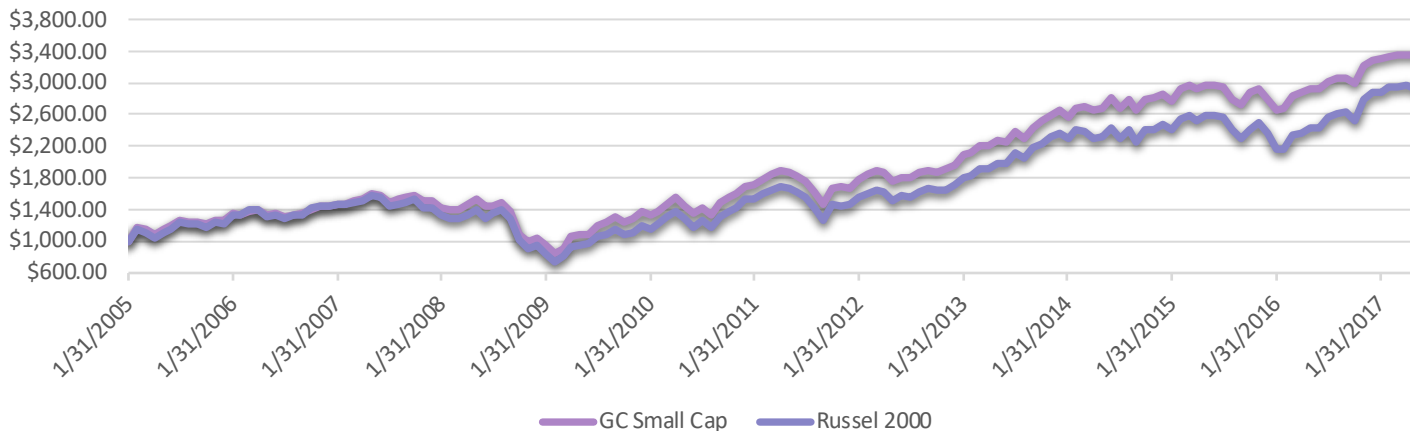
# GC U.S. Small Cap Fund

## Investment Objectives & Strategies

- Seeks to provide long term growth by investing in small and medium size companies.
- Manager- Silvercrest Asset Management: Small and Medium Cap value.
- Manager - Comerica Wealth Management: Index Fund – using S&P1000 index
- The fund may hold cash to provide for safety of principle when appropriate.



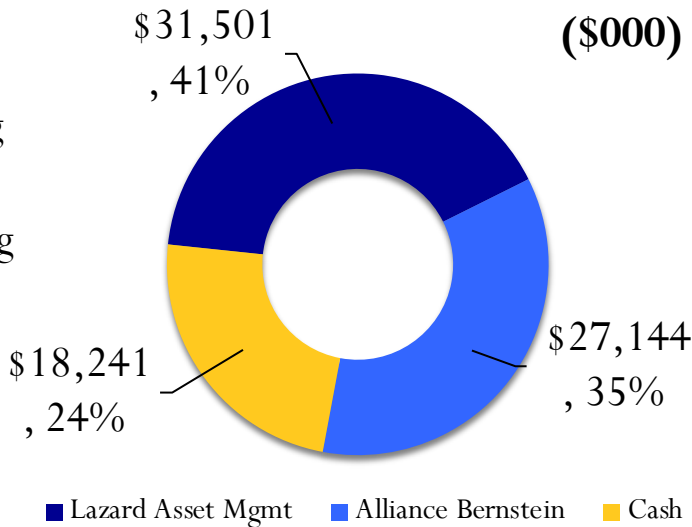
## Growths of \$1000



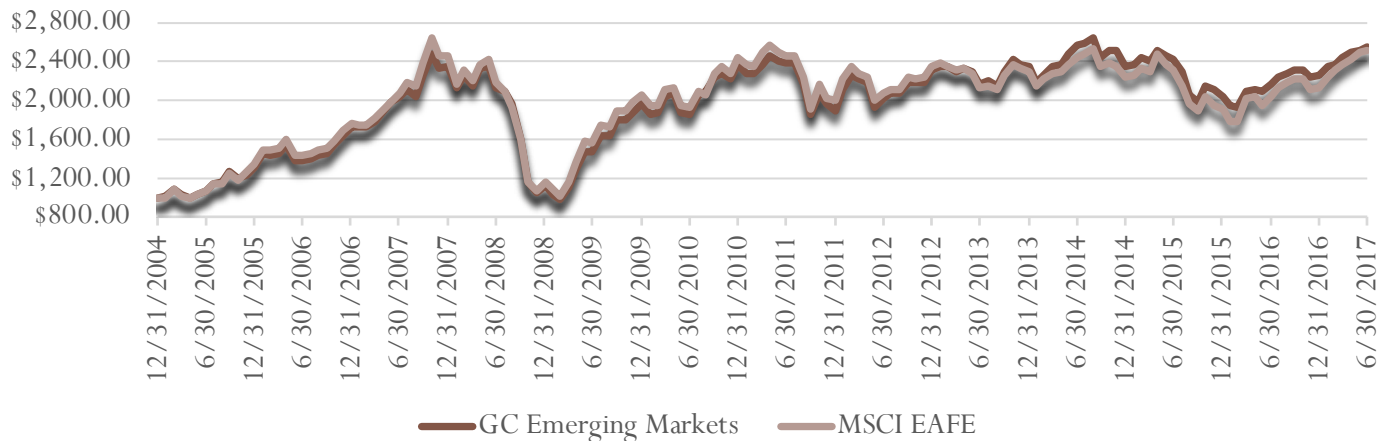
# GC Emerging Markets Fund

## Investment Objectives & Strategies

- Seeks to provide long term growth by investing in equities of emerging market countries.
- Manager - Lazard Asset Management: Emerging market value. Long term investors in global enterprises.
- Manager - Alliance Bernstein: Emerging markets growth. Invests in non-cyclical, high growth sectors.
- Fund may hold cash for safety of principal when deemed appropriate



## Growth of \$ 1000



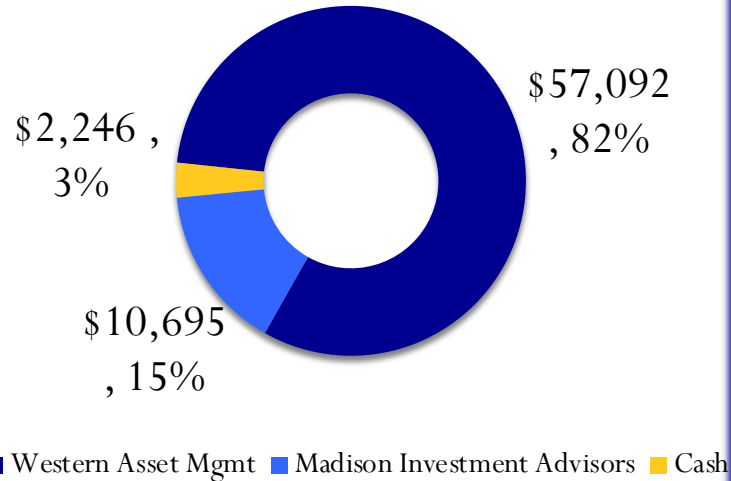


# GC Bond Fund

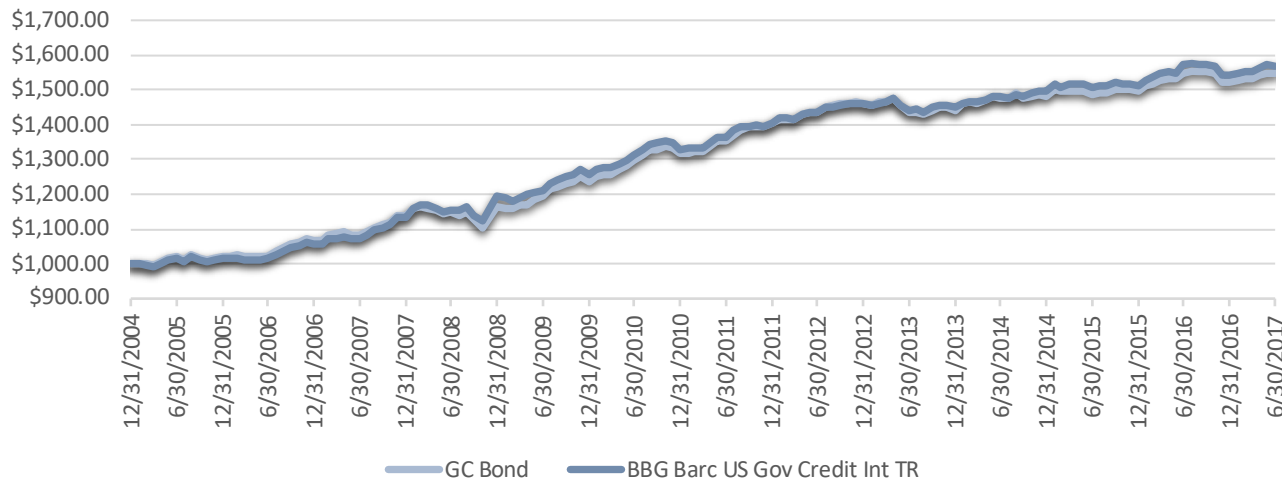
(\$000)

## Investment Objectives & Strategies

- Seeks to provide safety of principle and interest income by investing in a wide range of U.S. fixed income.
- Manager - Western Asset Management: Conservative core bond portfolio strategy with benchmark duration.
- Manager - Madison Investment Advisors: High quality core bond portfolio with minimum A rating. Varies duration according to outlook.



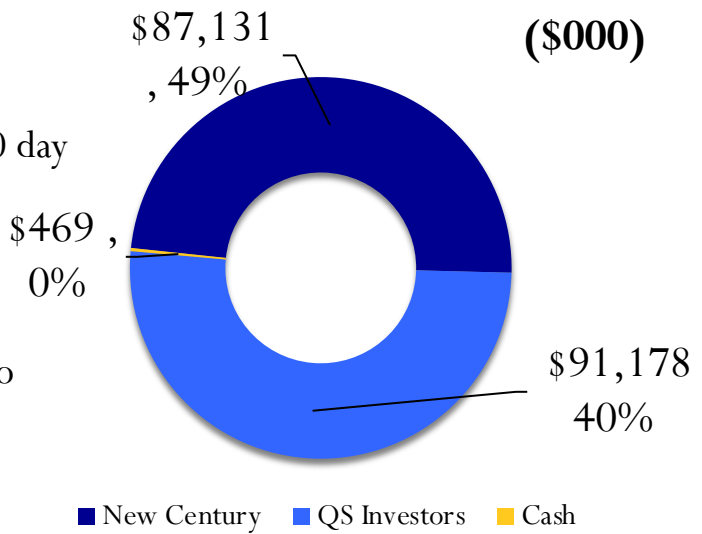
## Growths of \$1000



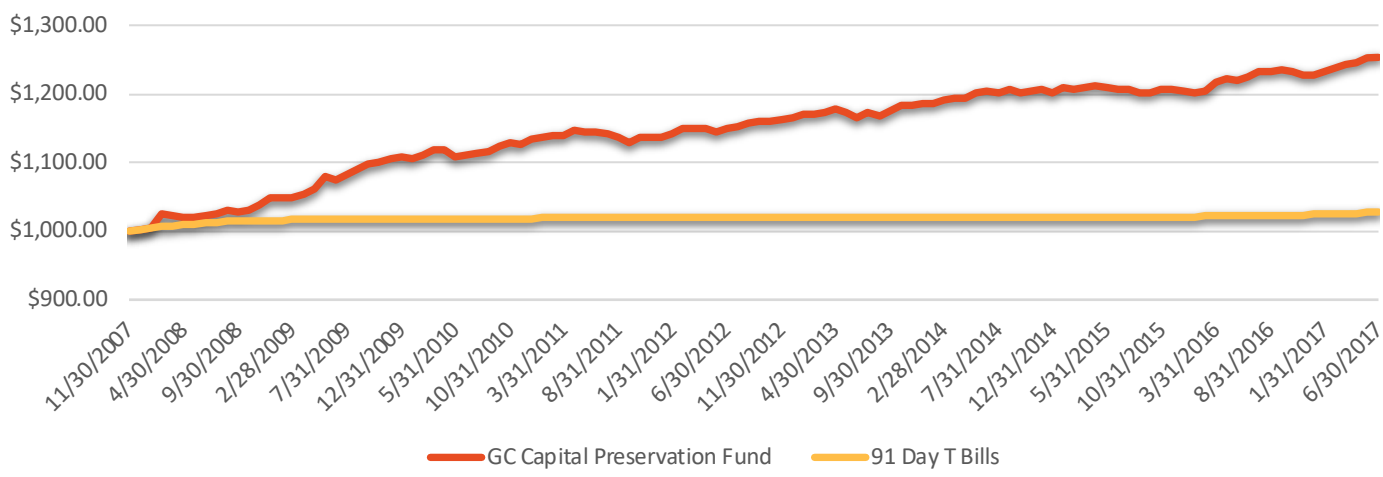
# GC Capital Preservation Fund

## Investment Objectives & Strategies

- Seeks to provide a growth of 1.00% over 90 day T-bills while ensuring safety of principal
- Manager – New Century Advisors: Risk managed balanced portfolio.
- Manager – QS Investors: Balanced portfolio using portfolio insurance approach.



## Growths of \$ 1000

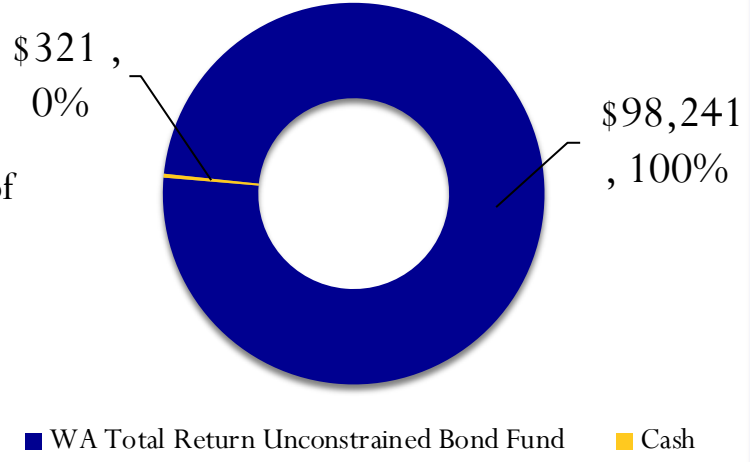


# GC Total Return Bond Fund

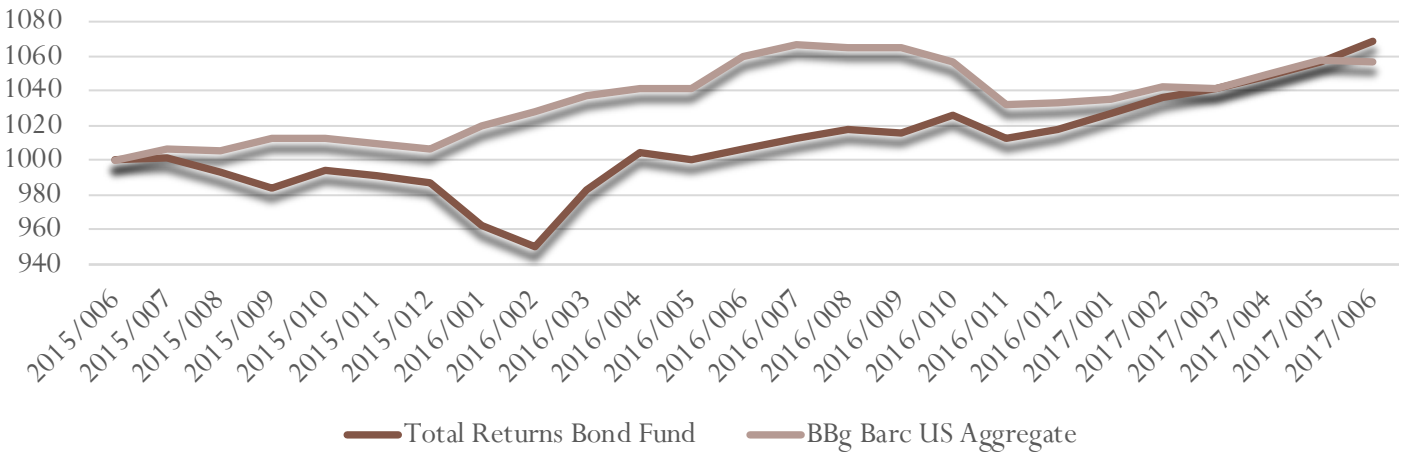
(\$000)

## Investment Objectives & Strategies

- Seeks to provide growth of principal and interest income by investing in a wide range of U.S. fixed income.
- Manager – Western Asset Management: Unconstrained bond fund strategy. Does not follow any index and may adjust duration according to their expectation of interest rate movements.



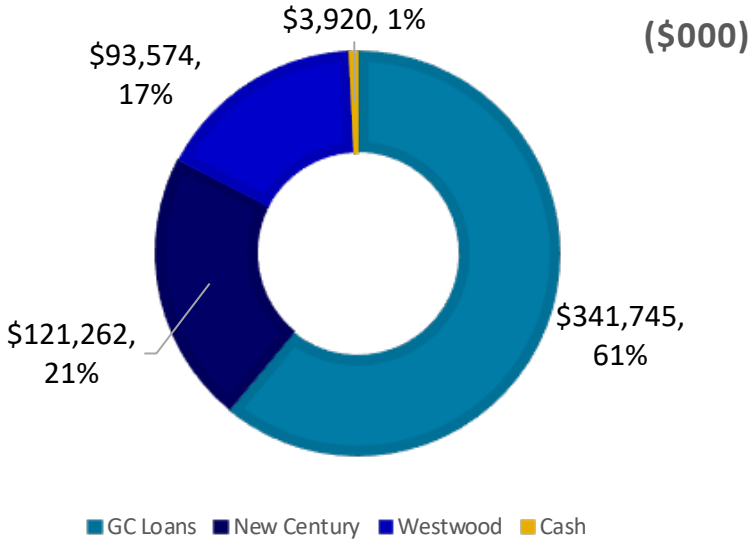
## Growth of \$ 1000



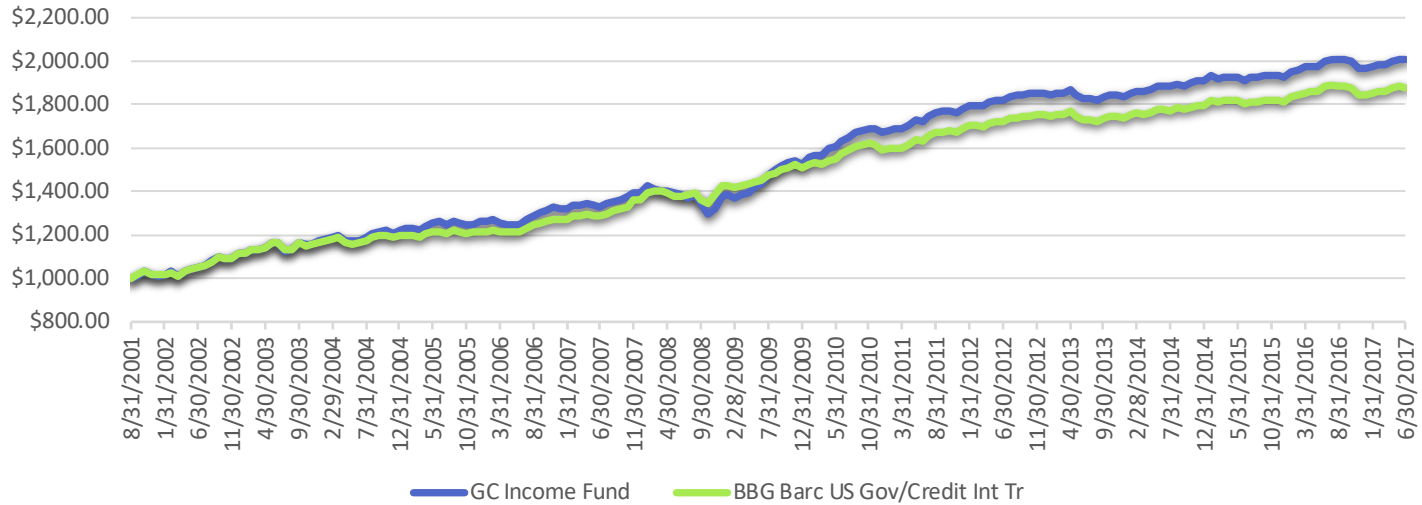
# GC Income Fund

## Investment Objectives & Strategies

- Seeks to provide steady current income and long term portfolio growth through investment in asset allocation strategies.
- Manager – Westwood Holdings: Income Opportunity Fund
- Manager – New Century Advisors: Balanced Income strategy.
- Manager – GC Investment Office: General Conference Loans.



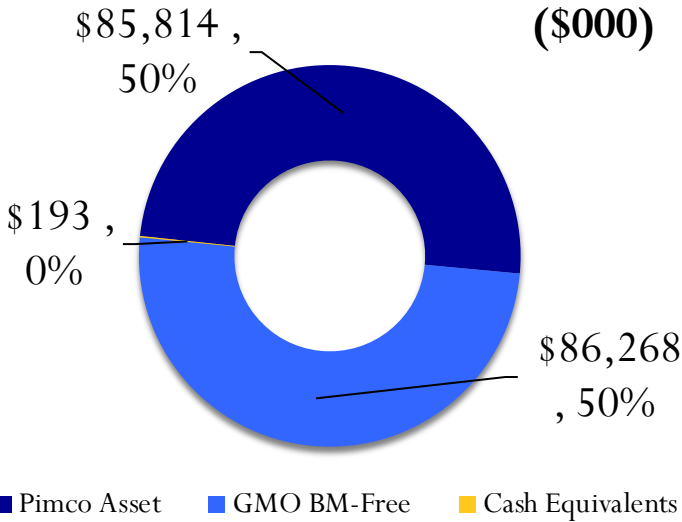
## Growths of \$1000



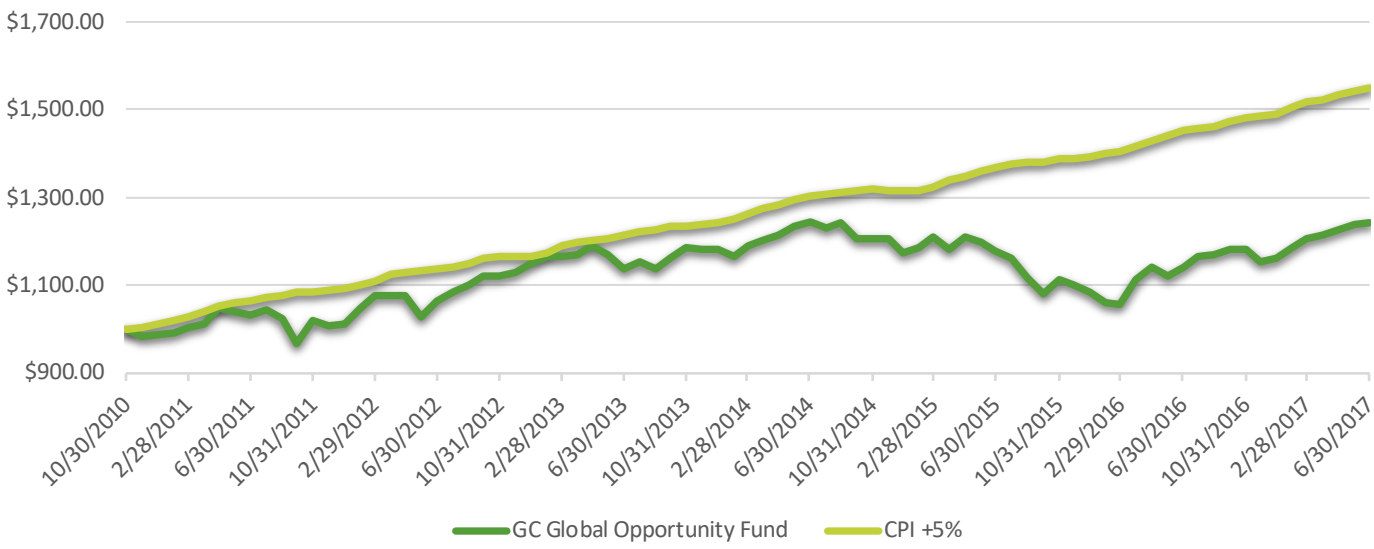
# GC Global Opportunities Fund

## Investment Objectives & Strategies

- Seek for long term growth of principal by investing in global asset allocation strategies with a value orientation.
- Manager – Pacific Investment Management Co (PIMCO) – All Assets All Authority fund.
- Manager – GMO LLC: GMO Benchmark-Free Portfolio Strategy



## Growth \$1000

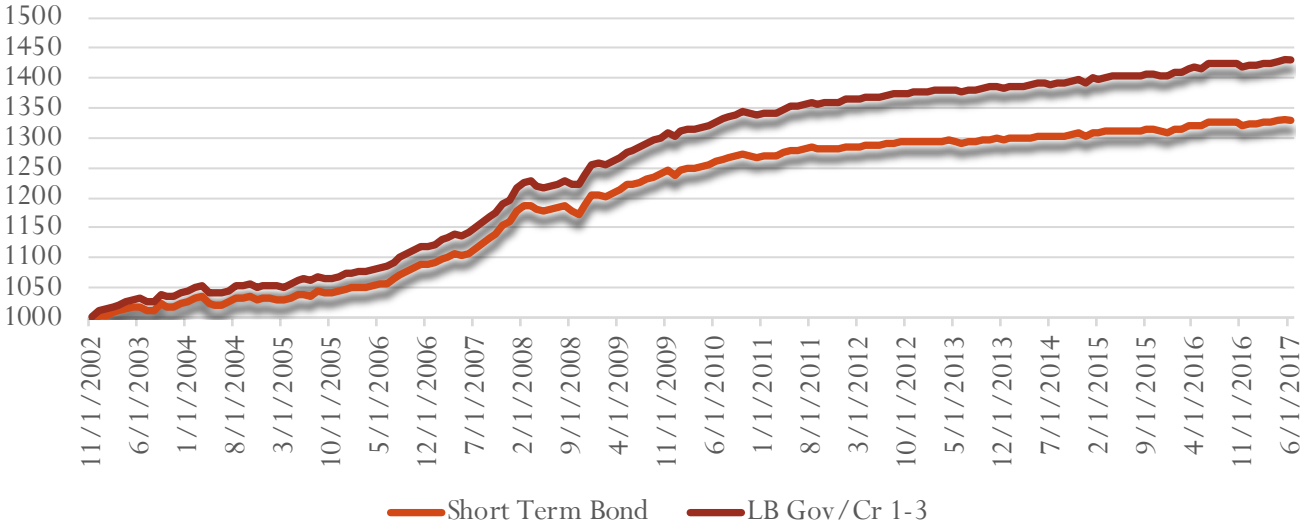


# SDA Short Term Bond Index Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the Bloomberg Barclays Short Term U.S. Government/Credit Bond Index.
- The fund employs an index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

### Growth of \$1000

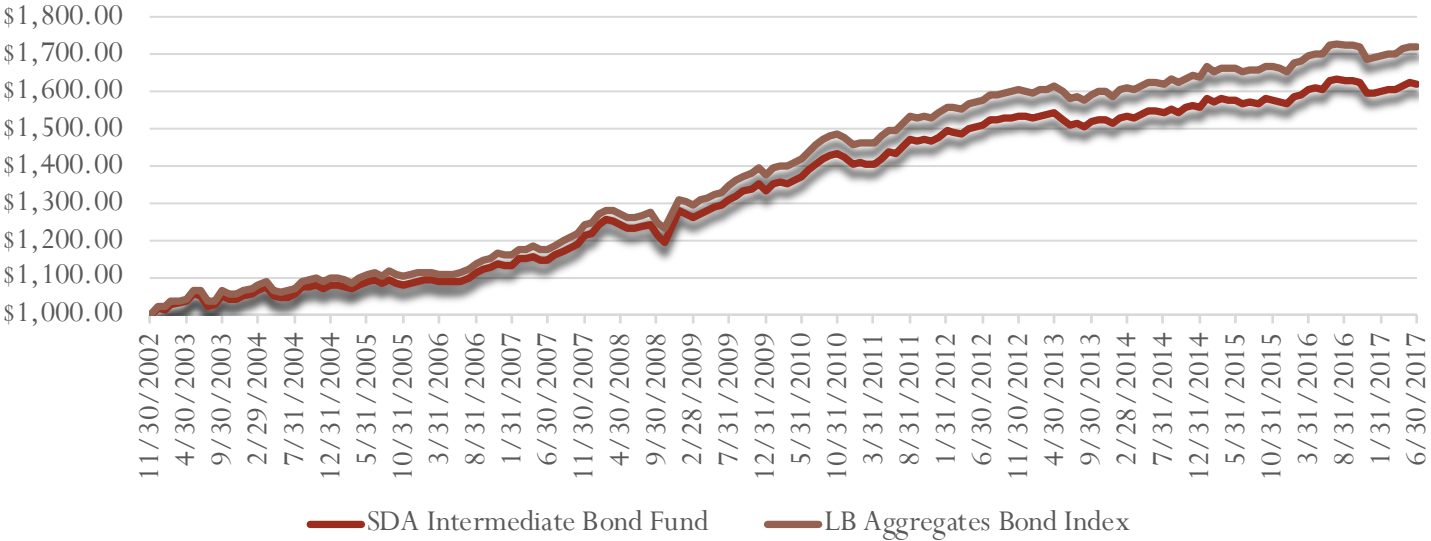


# SDA Intermediate Bond Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the Bloomberg Barclays Intermediate Term U.S. Government/Credit Bond Index.
- The fund employs a index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

### Growth of \$1000



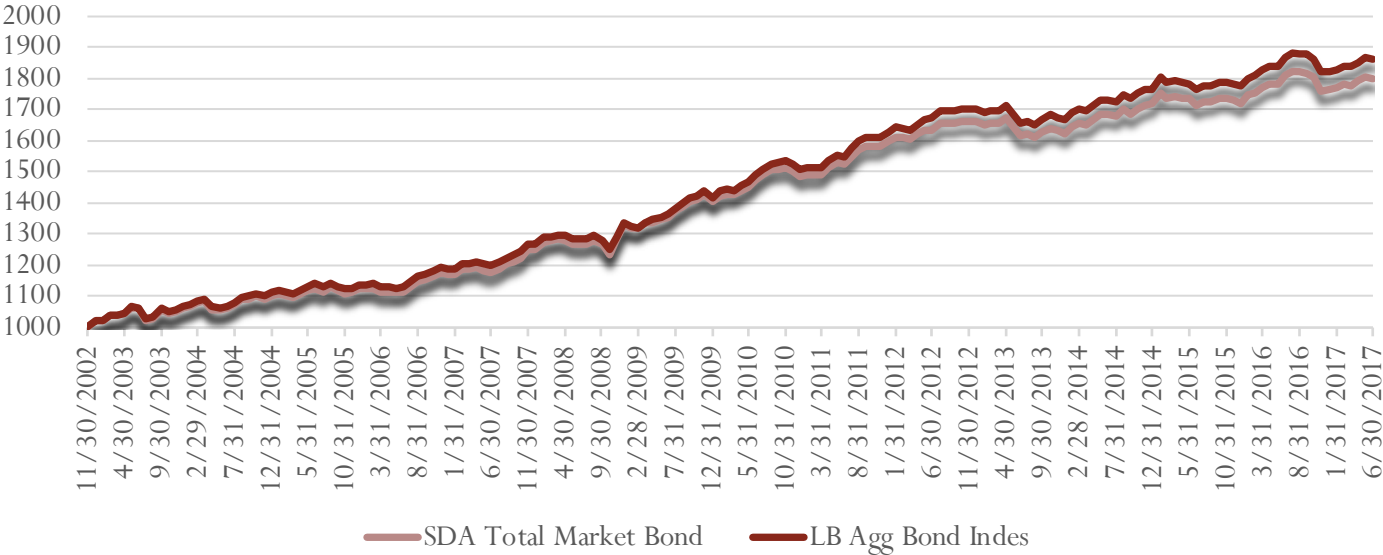


# SDA Total Market Bond Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the Bloomberg Barclays Aggregate Bond Index.
- The fund employs a index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

### Growth of \$1000

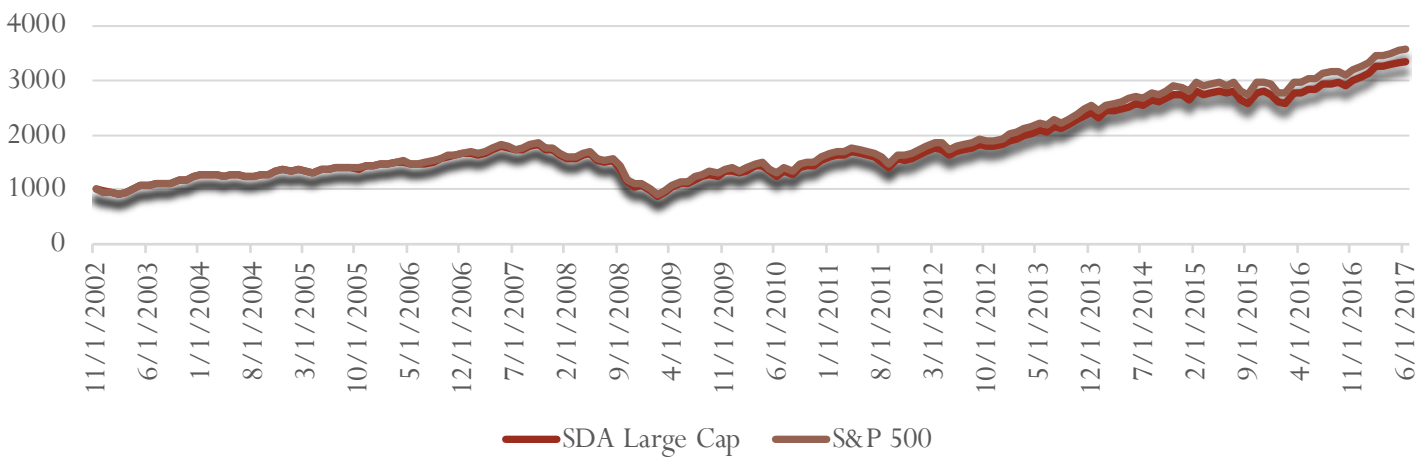


# SDA U.S. Large Cap Index Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the S&P500 equity index.
- The fund employs a index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

Growth in \$1000

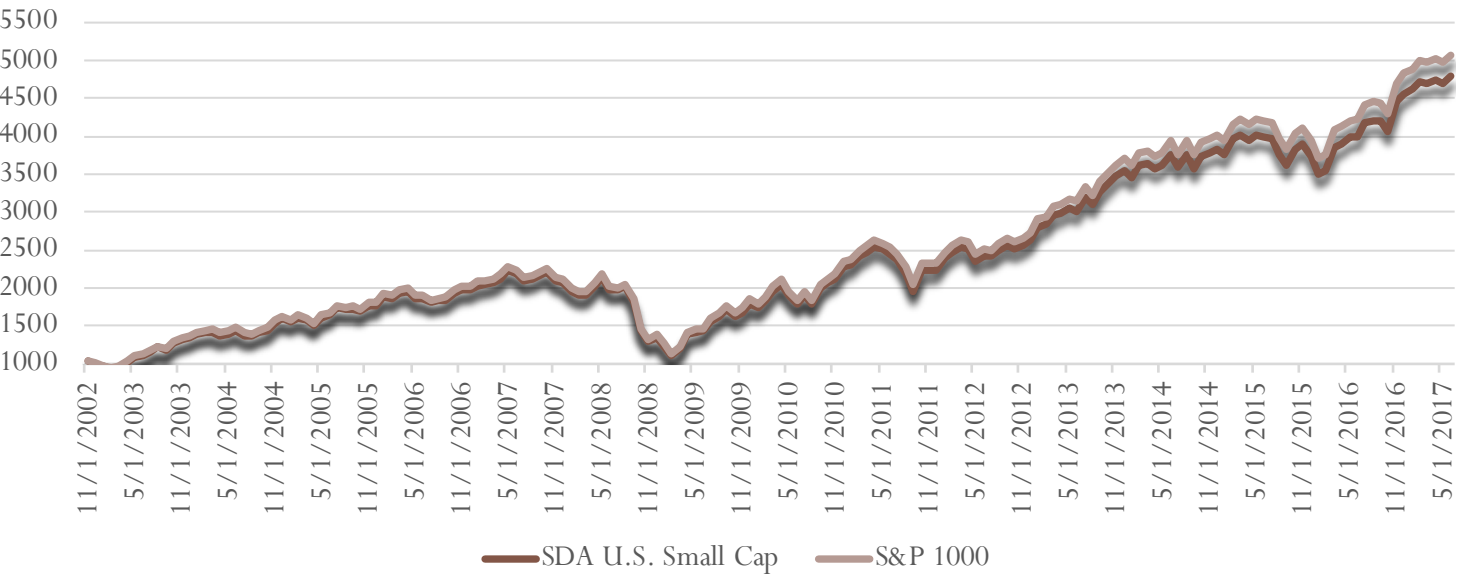


# SDA U.S. Small Cap Index Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the S&P1000 equity index.
- The fund employs a index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

### Growth of \$ 1000



# SDA International Index Fund

## Investment Objectives & Strategies

- Seeks for safety of principal and growth over the short to medium term by investing in a portfolio following the MSCI EAFE equity index. (EAFE = Europe, Australia & Far East)
- The fund employs a index strategy, which seeks to invest in the same securities in the same proportions as the index. Allocations within the fund are adjusted daily to match the index.
- Manager – Comerica Asset Management.

### Growth of \$ 1000

