

*NETWORK Advocates*  
*Investment Policy Statement*  
*(updated 2016)*

## **I. PHILOSOPHY**

NETWORK Advocates for Catholic Social Justice (also known as NETWORK Education Program) is a 501(c)(3) organization that educates, organizes and lobbies for economic and social transformation. Founded by Catholic sisters in the progressive spirit of Vatican II, NETWORK Advocates works to create a society that promotes justice and the dignity of all in the shared abundance of God's creation.

Inspired by our founders and the leadership of the women who followed, NETWORK faithfully embodies Gospel justice and ignites hope in the world. We are rooted in the Catholic social justice tradition and open to all who share our passion.

Believing in the power of community, our Spirit-filled network of justice-seekers shapes federal policies to be consistent with the values we hold

- A just society includes all and values people over the accumulation of profits.
  - We work to change structures that cause poverty and inequality, placing the needs of people at the economic margins and excluded at the center of our advocacy.
  - We work for a federal budget that benefits everyone and a just tax system that ensures that all pay their fair share.
  - We work to ensure inclusion of everyone in our economy and democracy.
- A just society ensures that all people – the 100% – have what they need to live dignified lives.
  - We work for justly compensated jobs and we work for quality healthcare for all.
  - We work to protect the rights of immigrants and all who struggle at the margins.
  - We work for affordable housing, food assistance, and safety-net programs for all who need them.
- A just society recognizes that we live in an interconnected world.
  - We work for nonviolent solutions to conflict.
  - We work to alleviate unequal burdens created by climate change.
  - We work for trade policies that are rooted in justice and that protect all.

Likewise NETWORK'S managerial and financial activities are guided by the vision of social justice which respects the dignity of the human person, promotes the common good, and protects all of creation.

NETWORK Advocates promotes social justice through judicious investment of our financial portfolio as well as through our education, organizing, and lobbying. Therefore, NETWORK is committed to supporting and encouraging corporations by investing in those corporations that endeavor to work for social justice.

## **II. INVESTMENT POLICIES AND PROCEDURES**

All funds of NETWORK Advocates are held by the Board of Directors as a fiduciary. Therefore, even the legally unrestricted funds of NETWORK Advocates, are held by the corporation as a steward for the sake of carrying out its mission and purposes. The following investment objectives and

directions are to be judged and understood in light of that overall sense of stewardship.

Overall, the NETWORK investment fund shall be considered a total return fund. Emphasis shall be placed on investing in securities that have potential for appreciation and fund growth, until the fund reaches its goal; shifting to income and maintaining principal for the long term. Year-to-year fluctuations are acceptable as long as they are reflective of overall market movement. The goal is to earn the highest return possible consistent with our social justice priorities and principles, without exposing the fund to undue risk.

### **Social Justice Priorities**

NETWORK Advocates investments should reflect the following social justice priorities:

- Alleviating poverty
- Providing justice in the workplace
- Promoting ecological sustainability
- Combating racism and sexism
- Promoting peace
- Mending the wealth and income gap
- Everyone paying their fair share of taxes
- Mending the access gaps to healthcare, housing, democracy/voting, and citizenship

### **Social Justice Principles**

NETWORK Advocates investments should reflect the following social justice principles:

- Uphold the dignity of each person as an equally valuable member of the human family.
- Embrace our right and responsibility to participate with others in our shared public life.
- Stand with those who are living in poverty in the struggle against structures of injustice.
- Bridge divisions, rising above individualism for the good of the whole community.
- Unite with workers to build an economy that puts people, not profit, at the center.
- Nurture the earth, recognizing that we are interdependent with the rest of God's creation.

### **Specific Criteria**

The following criteria are to be used as guidelines for the type of companies in which NETWORK funds are invested. Companies which:

- Help to improve the quality of society in such areas as health, housing, food, utilities and transportation;
- Maintain fair employment practices, including living wages, collective bargaining, family-friendly workplace policies, and diversity in hiring;
- Establish a mechanism to allow consumer and minority groups including women a voice on their Board of Directors;
- Demonstrate commitment to community development and/or investment, particularly in communities with minority or low-income residents;
- Display a sense of responsibility to the need for ecological balance through their effort to avoid pollution of air, soil and water and to develop technology that is not destructive of the environment;
- Work to correct or at least avoid exploitation of developing nations; and
- Use their resources and facilities to promote peace and harmony among all peoples, rather than the destruction of life.

## **Investment Management**

The Board of Directors delegates supervisory authority over its financial affairs to the Finance Committee of the Board. This Committee is responsible for regularly reporting on investments to the full Board. In carrying out its responsibilities, the Finance Committee will act in accordance with these Investment Policies and all applicable laws and regulations. The Board reserves to itself the exclusive right to revise the Policies.

The Board of Directors is authorized to retain one or more Investment Managers to assume the investment management of funds and assets owned or administered by NETWORK Advocates. The Board may delegate this authority to the Finance Committee. The Board may also grant exceptions to the Investment Policies when appropriate.

A letter of understanding will be drafted between NETWORK Advocates and the Investment Advisor/Manager to ensure duties are defined and expectations are well understood. This letter of understanding will be reviewed on an annual basis.

## **Internal Management**

The Executive Director is responsible for the day-to-day oversight of the funds. The Executive Director, in consultation with the Finance Committee, may delegate this task to another staff member. The staff person responsible will give regular reports to the Finance Committee. The Finance Committee will give regular reports to the Board.

## **External Management**

The day-to-day professional management of the portfolio will be entrusted to an Advisor or Manager who is willing to comply with this Investment Policy Statement, has successful experience and recognized ability in the management of investments, and has recognized credentials and certification in investment management.

## **Financial Objectives**

Performance objectives shall be achieved through the implementation of an investment program of reasonable risk exposure designed to achieve consistent, maximum results from year-to-year, with strong emphasis being placed on the preservation of capital, while adhering to the social justice priorities and criteria set forth above.

## **Performance**

It is expected that the stock portion of the portfolio equal or exceed the performance of the S&P's 500 Composite.

The bond portion is expected to equal or exceed the performance of the Merrill Lynch Corporate Bond Index and the Merrill Lynch Government/Corporate Bond Index (or some other similar Index).

## **Reasonable Fees**

It is expected that all fees – for an Advisor/Manager, separate fund Managers, individual funds, brokers, trades, transactions and the like – are fully disclosed and communicated on a regular basis. They must also come in at or below industry norms for the size and type of NETWORK's portfolio.

## **Communications**

*Reports:* The Investment Advisor/Manager will present the following reports to the Finance Committee or their designee:

- A notification of all transactions shortly after settlement date,
- A monthly report of all receipts and disbursements within seven working days after the end of each month,
- A detailed quarterly report of the standing of the portfolio within 30 days of the close of each calendar quarter and,
- An annual report, which will be defined by the Board.

*Personal Contact and Meetings:* The Executive Director, or her designee, and the Investment Advisor/Manager will maintain regular contact and communication. Moreover, to discuss the investment portfolio and the current market status they will meet as needed and/or the Advisor/Manager will join Board or Finance Committee meetings.

## **Evaluations**

The Board, Finance Committee, and staff designee will continually monitor portfolio performance. At the close of a five-year market cycle, the Board may engage the services of a professional organization to evaluate and compare investment results. At the end of a five-year period, the Board shall evaluate the manager and consider contract renewal.

## **Investment Policy Changes**

The Board reserves the right to change or amend these policies with written notification to the Investment Advisor/Manager.

## **III. INVESTMENT POLICY AND PHILOSOPHY CHANGES AND WAIVERS**

Any changes and/or additions to the NETWORK Investment Policy and Philosophy are made in the following manner:

- Proposed changes and/or additions are brought to the Finance Committee for review. Suggestions may come from Board, staff, or Advisor/Manager.
- After study of the change and/or addition, the Finance Committee makes a proposal concerning it to the full Board.
- The Board approves/changes/disapproves the Committee proposal and communicates its decision to the Committee.

*NETWORK Advocates (NEP)  
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(updated 2016)*

*Everything will be the same in the NETWORK Advocates (NEP) version except this text would replace the same section above.*

