

 EPISCOPAL CHURCH IN CONNECTICUT  
Donations & Bequests for Church Purposes, Inc.

**Line Items and Definitions:** The following is a list of terms found on monthly statements provided by the Episcopal Investment Funds of the Donations & Bequests for Church Purposes, Inc. (D&B). In addition, a brief description of the Total Return Spending and Income Distribution Plans can be found at the end of the list. All components (i.e., contributions, transfers, etc.) listed below, except Book Value, are reported at market value. Investors are participants in a pooled fund and hold units, which are a fraction of the total units in the fund. D&B consists of one investment pool - a balanced return pool of assets based on an investment policy approved by the D&B Trustees.

**Additions:** Cash added to an account, resulting in purchase of units in the D&B fund.

**Disbursements:** Cash disbursed from an account, resulting in redemption of units in the D&B fund.

**Transfers In/Out:** A transfer of cash between accounts of a single parish, or a reinvestment of income to principal within one account.

**Investment Earnings:** All interest and dividends generated by D&B's investments. See below for additional information on the Income Plan.

**Management Fees:** Investment Management, advisory, asset custody, administrative service and participant accounting service expenses paid by D&B.

**Realized Gain/Loss:** Realized gain or loss is also tracked by D&B. The amount reported is an investor's proportion of the period's realized capital appreciation or depreciation. The amount is the difference between the cost basis and the value realized at the sale of an asset.

**Unrealized Gain/Loss:** Unrealized gain or loss is tracked by D&B. The amount reported on a statement is an investor's proportion of the period's unrealized capital appreciation or depreciation. The amount reported is the difference between the cost basis and the current market value for the underlying asset.

**Book Value:** Original cost of investments.

**Market Value:** The net asset value of an investor's investment.

**Spending Plan:** Also known as the Total Return Spending Plan for participants in D&B. A spending plan permits the investor to make a systematic or regular withdrawal from its investment funds. The amount withdrawn is often a percentage of a rolling average of assets in an investment fund over the past three years. For example, St. Andrews Church has invested in D&B on December 31 of the past three years, its account had the following balances:

Year 1: \$ 90,000  
Year 2: \$100,000  
Year 3: \$110,000

Therefore, the average balance is \$100,000. If St. Andrews elects to receive 4% of its three-year average balance, it will receive \$4,000 for the year.

**Total Return:** The sum of dividend or interest income and any capital gain. Total return is generally considered a better measure of an investment's return than dividends or interest alone.

**Income Plan:** Also known as the Income Distribution Plan. The Income Distribution Plan permits an investor to receive net income - the Investment Earnings less the Management Fees. Net income is listed on the statement and distributed the following month.