

## CIT Oversight Committee Members

### **Richard (Rick) Bauzenberger, Chair**

**Member – North Shore Congregational Church, Fox Point, WI.**

**Nichols College - BBA degree**

His early professional career was with the trust departments of Fidelity Bank (Wells Fargo), Mellon Bank (BNY Mellon), Marine Trust/Bank One (Chase Bank), and Marshall & Ilsley Bank (BMO Harris Bank). From 1997-2007 Rick was the principal of his own investment firm, LakeShore Investment Management, where he served as a Certified Financial Planner (CFP) and Registered Investment Advisor.

### **Richard (Dick) Peterson**

**Member – Faith Community Church, Franklin, WI**

**University of Illinois, BS – Electrical Engineering, New York University – MS - Electrical Engineering**

Dick began his professional career as a member of the tech staff at Bell Labs. He was a securities broker from 1968 to 1981 and an independent investment advisor from 1981 to 2005.

### **Steven (Steve) Russ**

**Member – First Congregational Church, Wauwatosa, WI**

**Carroll University – BA; Keller Graduate School of Management – MBA**

Steve has served as a financial advisor since 1989, and has been with Robert W. Baird since 2005.

### **James (Jim) H. Walsh**

**Member – First Congregational Church, Wauwatosa, WI**

**University of Wisconsin – BBA degree in Accounting**

Jim was with Arthur Andersen & Co. for 37 years (25 as a partner). He served for ten years as our Association's treasurer.

### **Ex-Officio Members**

**Jeff Dillon, NACCC Treasurer, Vice Chair**

**Member - Faith Community Church, Franklin, WI**

**Rev. Dr. Martin Hall, Board of Directors Liaison**

**Senior Minister – North Shore Congregational Church, Fox Point, WI**

**Varn Philbrook, Congregational Foundation Board of Governors Liaison**

**Member—First Congregational Church, Yarmouth, MA**

**\* Rev. Dr. Michael Chittum, Executive Director**

**\* Dan Drea, Chief Financial Officer**

**\* Non-voting members**

# The Congregational Investment Trust



8473 South Howell Avenue  
P.O. Box 288  
Oak Creek, WI 53154  
800-262-1620  
Fax: (414) 764-0319  
Email: [naccc@naccc.org](mailto:naccc@naccc.org)  
[www.naccc.org](http://www.naccc.org)

***How are your investments doing?***

***We invite your church to participate in this valuable service.***

## What is the Congregational Investment Trust (CIT)?

The CIT was created in 1991 as an endowment trust for donor gifts and contributions to the National Association of Congregational Christian Churches. Several years later the Trust was reconstituted as a separate 501(c)(3) organization and opened to member churches as a vehicle for their endowment gifts. Endowment gifts are long-term by definition and are invested to preserve the purchasing power of gifts made. The CIT pursues this investment objective through a diversified portfolio of stocks and bonds, using a moderately balanced allocation of approximately 65/35 (stocks/fixed income).

### What are the CIT's advantages?

One important advantage is the top-tier investment expertise with multiple levels of oversight. First, the portfolio is managed by Vanguard Institutional Advisory Services, an investment advisory service offered by Vanguard Advisors, Inc., which is an indirect, wholly-owned subsidiary of The Vanguard Group (Vanguard). Vanguard is a client-owned investment management company responsible for over \$3 trillion of investment assets, based in Valley Forge, PA. Applying Vanguard's investment methodology, the investment advisor manages the portfolio assets according to four key principles:

1. *Create clear, appropriate investment goals*
2. *Develop an asset allocation using broadly diversified funds*
3. *Minimize cost*
4. *Maintain perspective and long-term discipline*

Second, Vanguard offers access to best-in-class portfolio managers, including dozens of carefully screened independent global asset managers. Vanguard's Portfolio Review Department performs ongoing evaluations and oversight of each fund and its managers. The third level of oversight is provided by a group of individuals from member churches across the country. These individuals, most of whom have experience serving as corporate fiduciaries, oversee the CIT program by reviewing reports and meeting with the investment advisor quarterly. These multiple levels of management and supervision provide a disciplined investment process that avoids unnecessary risk to the assets entrusted to the CIT.

A further CIT advantage is the institutional benefit of aggregating assets of individual churches. The CIT achieves economies of scale sufficient to partner with a qualified investment professional at a reasonable cost. For example, the Vanguard relationship provides access to the lowest-cost, institutional share class of Vanguard Total Stock Market Index Fund, which requires a \$5 million minimum investment.

In summary, the CIT offers the following benefits:

1. *Investments selected by a professional advisory service*
2. *A competitive and often lower cost fee structure*
3. *A disciplined, broadly diversified investment strategy*
4. *Fiduciary oversight by the experienced CIT Oversight Committee*

The Trust should not be used as a short-term or money market vehicle as principal values will fluctuate.

## How is the CIT Administered?

### How will we have access to our funds invested in the CIT?

The trustee, Community Bank NA, NY, values all accounts on the last business day of each month. Any requests for withdrawals, either partial or complete, must be received by the Trustee in writing (USPS or email) no later than the last business day of the month for the distribution to occur as of that month-end valuation. In addition, a predetermined dollar amount can be distributed on a regular basis. Generally, all distributions will be made within seven business days following the month-end valuation.

### What is the minimum to invest and how is the account balance reported?

A minimum investment of \$2500 will create a fund and an account balance of \$1000 must be maintained. At the end of each calendar quarter, a statement for each of the church's funds will be emailed/mailed to the church.

### What are the costs and how are they paid?

There are two types of fees: administrative and investment management. Each fee will be prorated and reported on the quarterly statement with the exception of the embedded mutual fund expense ratios. Currently the fees are:

Trustee/Administrative ~	.16%
Investment Mgt/ Fund Expenses ~	.13%
<b>Total Fees ~</b>	<b>.29%</b>

In keeping fees low, we increase the investment return potential.

### How do we participate?

The church must adopt the *Congregational Investment Trust Adoption Agreement* and execute the *Account Registration Form*. These forms can be obtained from the NACCC office by calling the administrative contact, Dan Drea at 800-262-1620, ext 1616 or emailing him at [ddrea@nacc.org](mailto:ddrea@nacc.org).

### Who can I call if I have any questions?

For all administrative questions about forms or statements, call Dan Drea, CIT Administrator at the NACCC office 800-262-1620, ext 1616. For all investment questions, please call Rick Bauzenberger, CIT Oversight Committee Chair at 262-204-8049.