

DIOCESAN INVESTMENT TRUST

The Diocesan Investment Trust (the 'DIT') is an investment trust fund created by a Special Act of the RI General Assembly March 27, 1957 and under a Declaration of Trust dated January 17, 1958 as amended and revised (the 'Declaration of Trust'). As of June 30, 2000, the Diocese of Rhode Island (the 'Diocese') serves as trustee. Units of beneficial interest in the DIT are available to the Diocese, to any parish or mission, and to any religious benevolent, charitable or educational institution of or affiliated with The Episcopal Church carrying on its activities wholly or partly within the Diocese, or any organization or corporation holding funds for the benefit of any of the foregoing. Units may be purchased or redeemed at regularly scheduled intervals. The DIT is a recognized separate IRS 501(c)(3) organization within the Diocese

The Diocese appoints a Commission on Investments (the 'Commission') to provide supervision of the affairs of the DIT. The Commission has engaged US Trust (Bank of America), Boston Partners Asset Management (the 'Advisers'), to provide investment management services and Bank of America (the 'Custodian') to provide custodian and fund accounting services. The members of the Commission on Investments are not affiliated with the Advisers or with the Custodian. The Advisers are responsible for the management of the assets of the DIT and manage the portfolio from day to day in accordance with investment objectives and policies established by the DIT. The Custodian is responsible for the receipt and custody of assets and the collection and payment of income.

The current investment objectives of the DIT are to provide for above-average long-term growth of capital and income. The asset allocation objective for the DIT is approximately 47-67% for equities, 20-40% for fixed income investments, 0-20% for alternative investments and 0-20% for cash. The Advisers employ different investment philosophies. The portfolio is managed by US Trust (Bank of America) and invested among various investment fund managers. There can, of course, be no assurance that the DIT will achieve its investment objectives.

Each participant in the DIT owns units. Distributions are made quarterly to each participant on the basis of the number of units. The Commission has adopted a policy of distributing, except in extraordinary circumstances, an annual amount of 4.5% to 5.0% of the average fair market value of the DIT for the sixteen calendar quarters preceding the dates of the distribution. The actual amount of a distribution is determined by the Commission from time to time.

Administrative details can be obtained by contacting, Ms. Joan DeCelles, Diocesan Finance Director at joan@episcopalri.org or 274-4500 ext. 229.

Under Canons of the Diocese, the Commission is the trust investment committee for the administration of the DIT. The Commission supervises the affairs of the DIT which includes establishing investment objectives and policies of the DIT. The Commission meets quarterly.