INVESTMENT OBJECTIVES AND GUIDELINES STATEMENT
for
PRESBYTERY OF CHICAGO
As Amended January 17, 2001

GUIDELINES

Diversification –
The Fund shall be managed as a balanced portfolio. The Manager is given full discretion to diversify Fund assets within the following asset classes and ranges:

Asset Class	Low Market Value	Normal	High Market Value
Equities	55%	65%	75%
Domestic Large Cap	30%	40%	65%
Domestic Mid Cap	5%	10%	15%
Domestic Small Cap	0%	5%	10%
International	5%	10%	15%
Fixed Income	25%	35%	45%
Domestic Investment Grade	***15%***	***25%***	***45%***
High Yield	***0%***	***5%***	***10%***
International	***0%***	***5%***	***10%***
Short-term	0%	0%	10%

The market value of any individual equity or fixed income security held by the Fund shall not, at the time of purchase, be more than 10% of the market value of the total equity or fixed income allocation (respectively) of the Fund; provided that, obligations issued or guaranteed by the U.S. Government, its agencies, instrumentalities or sponsored enterprises and repurchase agreements collateralized by such obligations can be purchased without limit.

Eligible Investments -
Eligible fixed income investments include obligations issued or guaranteed by the U.S. government, its agencies, instrumentalities or sponsored enterprises and repurchase agreements collateralized by such obligations, domestic corporate and dollar denominated foreign corporate, foreign government and supranational debt obligations, mortgage-backed securities, including collateralized mortgage obligations and asset-backed securities, mortgage dollar rolls, investments in private placements of debt offerings including those pursuant to Rule 144A under the Securities Act, municipal securities, and preferred stocks and convertible securities. Except as provided below with respect to high yield fixed income securities, investments and reinvestments will be limited to obligations rated the equivalent of BBB- or higher at the time of purchase (based on the highest rating assigned to a security by the NRSROs which have assigned a rating to the security).

There is no minimum rating for a high yield security purchased or held, and the Manager may purchase securities that are in default. Although these investments will primarily be in lower quality fixed income securities, a portion may be invested in securities of higher quality. Eligible high yield fixed income securities shall, in addition to individual fixed

income securities, include shares in a high yield fixed income portfolio of The Northern Institutional Funds (or any other registered investment company including one for which the Manager or its affiliate acts as investment advisor).

Eligible international fixed income investments shall include shares in an international fixed income portfolio of The Northern Institutional Funds (or any other registered investment company including one for which the Manager or its affiliate acts as investment advisor).

Any unrated investment will be used only if, in the judgment of the Manager, it represents equal or superior credit quality to eligible rated investments.

Eligible investments with respect to each portion of the Fund shall also include any security that is at the time of purchase a component of the index against which such portion of the Fund is benchmarked. As constituents of such index change from time to time, so will the eligible investments in this category.

INVESTMENT OBJECTIVES
The following investment return objectives shall apply to the extent consistent with the above investment guidelines and asset allocation ranges. Performance of the total Fund and of each asset class shall be viewed long-term by reviewing results over an average market cycle.

1. The objective of the total Fund shall be to seek to exceed the return of a hypothetical composite index of the following market indices, weighted by the "normal" asset weights of each asset class as defined on page 1.
2. The objective of the domestic large capitalization equity portion of the Fund shall be to seek to exceed the return of the S&P 500 Composite Stock Index on a total return basis.
3. The objective of the domestic mid capitalization equity portion of the Fund shall be to seek to exceed the return of the S&P 400 Mid Cap Stock Index on a total return basis.
4. The objective of the domestic small capitalization equity portion of the Fund shall be to seek to exceed the return of the Russell 2000 Small Stock Index on a total return basis.
5. The objective of the international equity portion of the Fund shall be to seek to exceed the return of the Morgan Stanley Capital International Europe Australasia and Far East (EAFE) Index on a total return basis.
6. The objective of the domestic long bond portion of the Fund shall be to seek to exceed the return of the Lehman Brothers Aggregate Bond Index on a total return basis.
7. ***The objective of the high yield bond portion of the Fund shall be to seek to exceed the return of the Lehman Brothers High Yield Corporate Bond Index on a total return basis.***
8. ***The objective of the international bond portion of the Fund shall be to seek to exceed the return of the J.P. Morgan Non-U.S. Government Index on a total return basis.***
9. The objective of the short-term portion of the Fund shall be to seek to exceed the return of the 3-month Treasury Bill return.

ACCEPTED:

PRESBYTERY OF CHICAGO

BY: ________________________________

TITLE: ________________________________

DATE: ________________________________

THE NORTHERN TRUST COMPANY

BY: ________________________________

TITLE: ________________________________

DATE: ________________________________