INVESTMENT POLICY STATEMENT

I. Introduction

The Maine Conference of the United Church of Christ Consolidated Trust Fund (hereafter referred to as the "Fund") was created to provide a means for congregations to pool endowments and other long term funds thereby providing access to professionally managed, diversified investments. The purpose of this Investment Policy Statement is to establish guidelines for the Fund's investment portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Fund and its beneficiaries.

II. Role of the Board of Trustees

The Board of Trustees (the "Board") is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Maine Conference UCC for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Board and any other parties to whom the Board has delegated investment management responsibility for Portfolio assets.

B. The investment policies for the Fund contained herein have been formulated consistent with the Participants' anticipated financial needs and in consideration of the Participants' tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Board.

C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Fund. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Participants.

D. The Board will review this Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of the Board, and written confirmation of the changes will be provided to all Board members and to any other parties hired on behalf of the Portfolio as soon thereafter as is practical.

III. Investment objective and spending policy

A. The Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Participants.

B. For the purpose of making distributions, the Fund shall make use of a total-return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

C. The distribution of Fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the Fund's real assets over time. The Board will seek to reduce the variability of annual Fund distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Board will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Fund's spending policy, its target asset allocation, or both.

D. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the asset allocation policy at Section IV. A. herein.

IV. Portfolio investment policies

A. Asset allocation policy

1. The Board recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset and sub asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.

2. The Board expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Board wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Fund, to the assumptions underlying Fund spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.

3. Fund assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of Fund equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate

current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of Portfolio equity investments.

4. Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Fund liquidity needs or to facilitate a planned program of dollar cost averaging into investments in either or both of the equity and fixed income asset classes.

5. Outlined below are the long-term strategic asset allocation guidelines, determined by the Board to be the most appropriate, given the Fund's long-term objectives and short-term constraints. Portfolio assets will, under normal circumstances, be allocated across broad asset and sub asset classes in accordance with the following guidelines:

Asset class Sub-asset class	Target allocation
Equity	55% to 75%
Fixed income[1]	25% to 45%
Cash	0% to 5%

6. To the extent the Portfolio holds investments in nontraditional, illiquid, and/or nonmarketable securities including (but not limited to) venture capital, hedge funds, and real estate investments, these assets will be treated collectively as alternative investments for purposes of measuring the Portfolio's asset allocation. While not specifically considered within this policy, alternative investments may comprise no more than 15% of total Portfolio assets and, to the extent they are owned, will proportionately reduce target allocations to the three primary asset classes itemized above.

B. Diversification policy

1. Diversification across and within asset classes is the primary means by which the Board expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Board will take reasonable precautions to avoid excessive investment concentrations.

Specifically, the following guidelines will be in place:

a) With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.

b) With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.

c) With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

C. Rebalancing

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The Portfolio will be rebalanced to its target normal asset allocation under the following procedures:

1. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio to realign the current weightings closer to the target weightings for the Portfolio.

2. The investment manager will review the Portfolio semiannually (June 30 and December 31) to determine the deviation from target weightings. During each semiannual review, the following parameters will be applied:

a) If any asset class (equity or fixed income) within the Portfolio is +/–5 percentage points from its target weighting, the Portfolio will be rebalanced.

[1] The proportion of fixed income investments shall be guided by cash needs for a future period of 5-7 years.

b) If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.

3. The investment manager may provide a rebalancing recommendation at any time.

4. The investment manager shall act within a reasonable period of time to evaluate deviation from these ranges.

D. Socially Responsible Investing

Socially responsible investment, or 'sustainable investment,' isn't just one strategy, but a cluster of different strategies with a cumulative impact on our world. Staying ahead of this changing environment is part of our strategy for constructive change and transformational ministry.

1. In its selection process, any Investment Manager responsible for decisions resulting in direct ownership of securities should avoid securities of companies which derive a significant portion (as defined in the table below) of their revenues from the manufacture, sale or distribution of alcohol, gambling, tobacco or fossil fuels associated with climate change.

Alcohol 10%

Gambling 10%

Tobacco 1%

Fossil fuels 10%

Regarding fossil fuels, the fund has eliminated holdings in the coal producing companies. As appropriate opportunities present themselves all fossil fuel companies will be eliminated from the portfolio over the next five years with the intention to minimize losses.

At the end of each financial year of the Consolidated Trust, each of the above noted Investment Managers shall certify that these restrictions have been adhered to, or alternatively explain any deviations and the steps taken to redress the situation as well as to ensure compliance in future. These certifications and explanations shall be presented to the Board of Trustees by the Investment Advisor.

These restrictions apply only to the Consolidated Trust Fund's Active Strategy Investment component. When the Consolidated Trust Fund utilizes a Passive Strategy Investment component, those indexed funds are not subject to the constraints of the Socially Responsible Investing policy. The Trustees will make a good-faith effort to ensure that the spirit of the Socially Responsible Investing policy is applied to Passive Strategy Investment.

2. The Board of Trustees seeks, subject to availability of suitable investments, to invest 1% of current assets in companies and organizations which provide access to credit, equity, capital or basic banking products to communities which would otherwise lack such access. Such investments will be selected by the Board.

3. In keeping with A Resolution to Address Climate Change through Investments in Renewable and Clean Energy Sources, Energy Conservation, and Energy Efficiency in Order to Reduce Dependence on Fossil Fuels, enacted by the 84th Annual Meeting of the Maine Conference, United Church of Christ, the Trustees will seek to analyze and, where appropriate, make investments in companies focused on alternative energy industry. Such investments will be made in accordance with the current investment guidelines.

E. Other investment policies

Unless expressly authorized by the Board, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.

2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

3. Purchasing or selling derivative securities for speculation or leverage.

4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

V. Monitoring portfolio investments and performance

The Board will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At a frequency to be decided by the Board, it will formally assess the Portfolio and the performance of its underlying investments as follows:

A. The Portfolio's composite investment performance (net of fees) will be judged against the following standards:

1. The Portfolio's absolute long-term real return objective.

2. A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated by the Portfolio's investment guidelines.

a) U.S. Equity: Wilshire 5000 Total Market Index

b) Non-U.S. Equity: MSCI EAFE +EM Index

c) Investment Grade Fixed Income: Barclays Capital U.S. Aggregate Bond Index

d) Non-Investment Grade Fixed Income: Barclays Capital U.S. Corporate High Yield Bond Index

e) Cash: Citigroup 3-Month T-Bill Index

B. The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:

1. A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.

2. The performance of other investment managers having similar investment objectives.

C. In keeping with the Portfolio's overall long-term financial objective, the Board will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.

D. Investment reports shall be provided by the investment manager(s) on a (calendar) quarterly basis or as more frequently requested by the Board. Each investment manager is expected to be available to meet with the Board of Trustees once per year.

Today the Board of Trustees adopts this STATEMENT OF INVESTMENT POLICY as its current STATEMENT OF INVESTMENT POLICY.

Jeffrey M. McConnell

Attest:______________________________, Chair of the Board of Trustees, On Behalf of the Board of Trustees and its Direction on. November 21, 2013. Revised October 27, 2016. **Revised July 23, 2020**