

INVESTED FUNDS COMMITTEE
ANNUAL REPORT FOR JUNE 2020

Current Members: Joan Connacher, Chair; Kathy Grossman, June Haskell, Steve Hedges, Jon Lasselle, Chip McGee, Harry Purkhiser, Bob Sampson and Kevin Murray, Cemetery Treasurer

Attending most meetings: Allison Palm, Minister; Lindsey Hedrick, Church Treasurer; Carol Houde, Board of Trustees President

The committee added three new members this year, Steve Hedges, Chip McGee and Harry Purkhiser. They are eligible for three 3-year terms which could extend until 2028. The other members terms extend to 2026 to 2028. This adds stability to the committee. The chairperson will be leaving in June after being a member since 2010. We meet quarterly with representatives of the Bank of America who are custodians of our largest fund and as needed when circumstances demand. We are also in contact via email and will be meeting virtually in the immediate future.

Until the past few months, it had been a good year for our endowment with a stock market which had been rising for the past 10 years. As with everything in our world, things are changing and no one knows what will happen in the next year and beyond.

The following phrase 'doing well comes from doing good', guides our search for socially responsible investments. Currently we have more than 64% of the equity and fixed income investments with the Bank of America account in ESG (Environmental, Social and Governance) defined investments. The rest of the investments have not been defined as ESG. We continue to look for more opportunities in socially responsible investments while keeping performance in mind.

One ESG example is the New Hampshire Community Loan Fund (CLF) bonds in which we have increased our investment over the past 10+ years. The fund helps finance low- and moderate-income New Hampshire residents in many ways as well as providing financial education. One example, close to home, is a trailer park in Milford in the 1980s. The park owner planned to sell the land to a developer, forcing the residents out of their homes. The CLF loaned the residents the money to buy the park and also provided financial education to them. The residents were able to buy the property, save their homes and pay back the loans. The CLF has repeated this all over New Hampshire over the years. They have also helped day care centers and small business owners especially those who have difficulty borrowing from banks. Since their founding in 1983, the CLF has not failed to return principle or interest to investors.

As you can see from the table on the next page, our investments have decreased by 13.9% compared with the same time last year. Keep in mind that this is only a snapshot and we expect the numbers to fluctuate. This past year we took 4.5% from the main portfolio using 7 years average returns. We recommended that same percentage for the coming fiscal year. Our plan had been to decrease the percentage in light of lower expected future market returns. That plan is on hold because of the pandemic and the uncertain economic conditions.

We think the diversification of our portfolio and continued focus on socially responsible investments will stand us in good stead in an investment market that is in turmoil. We do expect wide fluctuations in the

immediate future. The past 10 years have seen a continual rise in the stock market prices and a decrease in interest from the fixed income market. Thus, our allocation has been more heavily weighted on equities to maintain and grow the portfolio. We will adjust as needed but remain focused on the long term.

CUSTODIAN	MARCH 2018	MARCH 2019	MARCH 2020	% CHANGE 2019-2020
Bank of America Main Restricted Funds	\$3,791,028 79,985	\$3,804,373 81,142	\$3,251,596 71,475	(14.5%)
TOTAL	3,871,013	3,885,515	3,323,071	
TD Bank Balcolm Trust*	262,462	245,637	232,189	(5.5%)
UUA Boutwell Funds	31,502	31,179	27,721	(11.1%)
TOTAL	\$4,084,992	4,162,331	3,582,981	(13.9)

*IRS rules require that 5% be taken annually because this was set up as a trust

Respectfully submitted,

Joan Connacher, Chair