



## **INVESTMENT POLICY**

Date of Origin: July 1, 2015  
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Plan Name: United Cerebral Palsy of Northeastern Maine  
Plan Sponsor: Employer – United Cerebral Palsy of Northeastern Maine  
Plan Adoption Date: July 1, 2008  
Effective Date of Reinstatement: July 1, 2015  
Fiscal year-end date: June 30<sup>th</sup>  
Trustees: Capital Bank and Trust Company

The Plan Sponsor sponsors the Plan for the benefit of its employees. The Plan is designed to provide eligible employees with the ability to save for retirement over the long-term through a combination of employee [and employer] contributions to individual participant accounts and the earnings thereon.

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan's participants and beneficiaries may have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of investment results from the options and assets mixes that they select.

The Plan Sponsor has entered in to an agreement with Barresi Financial, Inc. to provide assistance with selecting and monitoring the investment options available within the Plan. Barresi Financial, Inc. agrees to act as investment fiduciary as defined under Section 3(21) (a) (ii) of ERISA. As a 3(21) fiduciary, Barresi Financial assists the Plan Sponsor in determining what investments are available to Plan participants.

### **Purpose of the Investment Policy Statement**

The Investment Policy Statement ("IPS") is based upon a set of factors which have widely accepted theoretical basis and is intended to:

1. Set the objective for the retirement savings program that is suitable for the long term goals and risk tolerances of Plan participants. Investment strategies

- will focus on processes which do not incorporate market timing activity.
2. Communicate the policies for selecting the appropriate asset categories and investment options used to construct the Plan.
  3. Describe the ongoing monitoring and review of performance of the investment options.

### **Purpose of the Plan**

UCP of Maine's 401(k) plan was established to provide a retirement savings program for Plan Sponsor's employees. The Plan is maintained for the exclusive purpose of benefiting the Plan participants and their beneficiaries. The Plan is intended to operate in accordance with all applicable state and federal laws and regulations, and the provisions of Department of Labor regulations issued pursuant to ERISA Section 404(c).

The Plan provides a framework for the Plan Sponsor's employees to establish a savings and investment program for their retirement. While Plan participants are ultimately responsible for their own investment decisions, the Plan Sponsor will strive to provide an appropriate range of investment options, allowing participants to invest in accordance with their own retirement, saving and investing goals, as well as investment knowledge.

The Plan Sponsor has the responsibility for recommending, monitoring and replacing the investment options in the Plan and has retained Barresi Financial as a non-discretionary investment advisor to provide advice and guidance in these areas.

### **Investment Objectives**

The Plan has the following goals:

- Promote retirement saving with the intent to maximize return within reasonable and prudent levels of risk.
- Provide Plan participants with a broad range of investment alternatives to provide participants with a reasonable opportunity to meet their retirement goals and investment objectives.
- Obtain plan investment options at reasonable cost.

### **Participant Characteristics**

Participants have different individual circumstances including but not limited to goals, time horizons and tolerance for risk. To meet participants' varied needs, the Plan Sponsor will offer basic asset classes as well as some options that give investors with higher risk tolerances the ability to pursue higher return opportunities.

### **Selection of Investments**

The selection of investment options offered under the Plan is among the Plan Sponsor's most important responsibilities. Set forth below are the considerations and guidelines employed by the Plan Sponsor to fulfill their fiduciary responsibilities.

The Plan includes a range of investment options that span the risk/return spectrum. Additionally, the Plan investment options will allow Plan participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk.

The following major asset classes to be offered may include, but are not limited to:

- Domestic stock
- International stock
- Intermediate, high-quality fixed income
- Short term, high quality fixed income

It is the Plan Sponsor's responsibility to ensure the Plan offers a diversified list of asset classes. In Barresi Financials' monitoring of investment options, Barresi Financial applies certain minimum criteria. The manager of each underlying investment option must meet the following minimum criteria:

1. Either a bank or insurance company, or an investment adviser registered under the Investment Advisers Act of 1940, as amended.
2. Operating in good standing with regulators, with no material pending or adversely concluded regulatory actions, as determined based on the manager's Form ADV (if available) and other information available to the Plan Sponsor.
3. Has provided detailed additional information on the history of the firm, its investment philosophy and approach, and its principals, clients, locations, fee schedules and other relevant information.

Assuming the minimum criteria are met, the particular investment option under consideration should meet the following standards for selection:

1. Competitive performance relative to a style-specific benchmark over various time periods.
2. Risk and risk-adjusted return measures should be established and agreed to by Plan Sponsor and be within a reasonable range relative to an appropriate, style-specific benchmark and peer group.
3. It should demonstrate adherence to the stated investment objective.
4. Fees should be competitive compared to similar investments.
5. The investment manager should be able to provide all performance, holdings, and other relevant information in a timely fashion, with specified frequency.

### **Ongoing Monitoring**

Investment options are monitored on an ongoing basis using a defined process. This process is the mechanism for revisiting the investment option selections and confirming that the criteria originally satisfied remain so and that an investment option continues to be a valid offering.

While frequent change of investment options is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-

going process. Monitoring should occur on a regular basis (e.g., quarterly) and utilize the same criteria that were the basis of the investment selection decision.

A formal review of each investment option is conducted annually. Further, manager or underlying managers are required to communicate to Barresi Financial unusual, notable or extraordinary events. Examples of such events may include:

- Portfolio manager or team departures.
- Violation of investment guidelines.
- Material litigation against the firm.
- Material changes in firm ownership structure or announcements thereof.

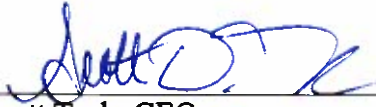
### **Replacement of an Investment Option**

An investment option will be replaced when the Plan Sponsor has lost confidence in the underlying manager's ability to:

- Achieve performance and risk objectives.
- Comply with investment guidelines.
- Comply with reporting requirements.
- Maintain a stable organization and retain key relevant investment professionals.

There are no hard and fast rules for investment option removal or replacement. However, if the investment option has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the underlying investment manager, within a reasonable time, shall be grounds for removal of that investment manager.

The Investment Policy Statement shall supersede any previously executed investment policy statement for the Plan and remain in effect until revised or amended by Plan Sponsor.

  
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Scott Tash, CEO

  
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Date