



NEW COVENANT
MUTUAL FUNDS

Proxy Voting Policies and Procedures

Background

The New Covenant Funds have authorized One Compass Advisors (the Adviser) to vote proxies in its absolute discretion after taking into consideration the best interests of the shareholders of New Covenant Funds and New Covenant Funds themselves within a socially responsible framework.

General Proxy Voting Statement

New Covenant Funds maintains a policy of voting proxies in a way that, in New Covenant Funds' opinion, best serves the interest of its clients in their capacity as shareholders of a mutual fund, and properly deals with potential conflicts of interest arising from proxy proposals being voted upon. New Covenant Funds believes that this is consistent with the US Securities & Exchange Commission (SEC) and US Department of Labor guidelines, which state that an Adviser's primary responsibility as a fiduciary is to vote its funds' shares so as to promote the alignment of the interests of corporate management with the interests of its shareholders, to improve the accountability of corporate management to its shareholders, to reward good performance by management, and to approve proposals that the Adviser believes will result in financial rewards for its clients as determined to be consistent with the socially responsible framework established by the Presbyterian Church (USA) and the Presbyterian Foundation.

These Proxy Voting Policies & Procedures are designed to ensure that proxies are voted in an appropriate manner and complement the Adviser's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies that are issuers of securities held in managed accounts.

Proxy Voting Policy

The Adviser shall consider only those factors that relate to the shareholder's investment including how its vote will economically and socially responsibly impact and affect the value of the client's investment, mindful that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the client.

Proxy votes generally will be cast in favor of proposals that:

- 1) maintain or strengthen the shared interests of shareholders and management;
- 2) increase shareholder value;
- 3) maintain or increase shareholder influence over the issuer's board of directors and management;
- 4) maintain or increase the rights of shareholders;
- 5) are consistent with the social responsibility policies of the Presbyterian Church (USA); and

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- 6) maintain or enhance the integrity and oversight of the corporation and its public reporting.

Proxy votes generally will be cast against proposals having the opposite effect. From time-to-time, the Adviser will abstain or provide a no vote in situations where the Adviser determines that the matter is too costly to research thoroughly.

In voting on each and every issue, the Adviser and its employees shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot.

Potential Conflict of Interest

In exercising its voting discretion, the Adviser and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. The Adviser will notify the New Covenant Funds Trustees if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to the Adviser or any affiliate of the Adviser. For purposes of these Proxy Voting Policies & Procedures, an affiliate (as an “interested person”) means:

- 1) any person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with the Adviser;
- 2) any officer, director, principal, partner, employer, or direct or indirect beneficial owner of any 10% or greater equity or voting interest of the Adviser;
- 3) or any other person for which a person described in item 2 who acts in any such capacity;
- 4) any issuer of a security for which the Adviser (or any affiliate of the Adviser) acts as a sponsor, advisor, manager, custodian, distributor, underwriter, broker, or other similar capacity;

The Adviser will take other appropriate action as required under these Proxy Voting Policies & Procedures, as provided below.

Proxy Voting Procedures

- 1) The Adviser, in its sole discretion, will determine how to vote all proxies;
- 2) All proxies and ballots will be logged and recorded upon receipt by either the Adviser or a third-party appointed by the Adviser;
- 3) Prior to voting, the Adviser will verify whether an actual or potential conflict of interest with the Adviser or any Interested Person exists in connection with the subject proposal(s) to be voted upon. The determination regarding the presence or absence of any actual or potential conflict of interest shall be adequately documented by the Adviser (i.e., comparing the apparent parties affected by the proxy proposal being voted upon against the Adviser’s internal list of Interested Persons and, for any matches found, describing the process taken to determine the anticipated magnitude and possible probability of any conflict of interest being present), which shall be reviewed and signed off on by the Adviser’s senior management;
- 4) If an actual or potential conflict is found to exist, notification of the conflict (the “Conflict Notice”) shall, before voting the proxy, be given to the New Covenant Funds Trustees, for the Trustee’s consent, and to the Chief Compliance Officer.

Specifically, the Conflict Notice describes:

- the proposal to be voted upon;
- the actual or potential conflict of interest involved;
- the Adviser's vote recommendation (with a summary of material factors supporting the recommended vote); and
- if applicable, the relationship between the Adviser and any Interested Person.

5) The Adviser will promptly vote proxies received in a manner consistent with the Proxy Voting Policies & Procedures stated above.

6) In accordance with SEC Rule 204-2(c)(2), as amended, the Adviser shall retain the following:

- A copy of the proxy statement received (which may be retained by a third party for the benefit of the Adviser);
- A record of the vote cast (this record may be retained by a third party for the benefit of the Adviser and the third party is able to promptly provide the Adviser with a copy of the voting record upon its request);
- A record memorializing the basis for the vote cast;
- A copy of any document created by the Adviser or its employees that was material in making the decision on how to vote the subject proxy; and,
- A copy of any Conflict Notice, conflict consent or any other written communication (including emails or other electronic communications) to or from the shareholder regarding the subject proxy vote cast by, or the vote recommendation of, the Adviser.

The above copies and records shall be retained for a period of not less than five (5) years, and shall be maintained at the appropriate office of the Adviser or a duly-authorized third party.

Periodically, but no less than annually, the Adviser will:

- Verify that all annual proxies for the securities held in the fund have been received;
- Verify that each proxy received has been voted in a manner consistent with the Proxy Voting Policies & Procedures;
- Review the files to verify that records of the voting of the proxies have been properly maintained;
- Prepare a written report regarding compliance with the Proxy Voting Policies and Procedures; and
- Maintain an internal list of Interested Persons.

How to obtain New Covenant Funds Proxy Voting Procedures

Effective August 31, 2004, information regarding how One Compass Advisors, on behalf of the New Covenant Funds, voted proxies relating to the New Covenant Funds' portfolio securities for the twelve months ended June 30, 2004, is available on the New Covenant Funds website at www.newcovenantfunds.com and on the SEC's website at <http://www.sec.gov>. This information is updated annually.