



CHRISTIAN

UNITARIAN UNIVERSALIST ASSOCIATION

The Unitarian Universalist Association has funds of \$552 million including an endowment of \$182 million, a retirement plan fund of \$337 million and outside trusts of \$33 million. It invests 1% in community investments and will allocate up to 10% of the portfolio to private capital investments. Currently it is invested in two impact investments with commitments of \$5 million.

Exclusions include tobacco and weapons. UUA avoids investing in companies in the lowest 5% on an Environmental, social and governance (ESG) analysis, and companies with serious controversies, as identified by Sustainalytics.

UUA favours companies with good ESG performance based on a semi-annual analysis from Sustainalytics.

How UUA invests

We contract with Sustainalytics to do an ESG analysis of the 1,000 largest US companies. We exclude the bottom 5% of scores and also exclude companies with serious ESG controversies. This comes to about 18% of the index by market cap. In our index strategy, we weight the portfolio towards the higher ESG scoring companies.

The above guides our direct investment in securities covering about 25% of the portfolio. In addition, when searching for outside managers, we seek those who incorporate ESG principles into their strategies and practice. Currently about 82% of the portfolio incorporates ESG.

The UUA is guided by our seven principles and by resolutions passed by our General Assembly. This is an annual assembly of delegates representing our congregations. They pass resolutions that guide the association. Those with the highest level of authority are called Statements of Conscience. In recent years the General Assembly has passed Statements of Conscience on climate change, ethical eating, and wealth inequality.

We are currently seeking investment opportunities in climate change solutions and access to energy.

In the future

We could be more explicit about criteria for impact investing and deciding what areas or themes have the highest priority. We could ask ourselves what is our risk tolerance for these investments and is it different from the rest of the portfolio? More specific guidelines would be helpful.

Sharing specific opportunities with other faith-based investors would be helpful. Perhaps new funds could be created for collaboration.

The full version of these responses has been approved by the UUA Investment Committee and UUA Socially Responsible Investing Committee.