

# **Investment Committee Meeting**

## **DRAFT Minutes**

November 15, 2007

UUA President's Office

Boston, Massachusetts

Members Present: Craig Scholl (Chair), Tim Brennan, Dan Brody, Katherine Dion, Jim Sherblom

Also Present: Cathy Konicki (NEPC), Kevin Kondry (NEPC), Scott Driscoll (NEPC), Jim Gunning (UUA CSRI), Rachel Daugherty (UUA staff)

### **1. Minutes Approved.**

**Motion 1:** Sherblom moved to approve the September 13, 2007 minutes with the addition of future meeting dates. Brody seconded. Motion passed.

### **2. Update on Investment Information Memorandum**

Brennan reported that the Investment Information Memorandum was nearing completion. After the board approves a new investment policy, it remains for the Investment Committee and Committee on Socially Responsible Investing to develop their respective Guidelines. Since many congregations have been requesting information on the GIF, this will be a welcome tool for providing a clear, complete presentation.

### **3. Revised investment policy**

Brody reported that the revised Investment Policy is being considered by members of the Investment Committee and the Committee on Socially Responsible Investing. The intent is to codify current practices in a much more succinct document than we have now. He expects that the committees will reach consensus on the wording of the new policy in time for the Board of Trustees to act on it at their January meeting. He encourages committee members to submit any comments asap.

### **4. GIF Performance Review- Third Quarter 07**

Kondry and Driscoll reported on fund performance. Results have been positive during an extremely volatile and unsettled period in the markets.

**Action Item 1:** NEPC will arrange a conference call with one of our fund managers to discuss recent performance.

### **5. US large cap equities: active vs. passive management**

The Committee discussed the advantages and disadvantages of active vs. passive management of large cap equities. It was noted that it is very difficult for managers in this space to add value.

### **6. Global Asset Allocation manager presentations**

Two companies offering Global Asset Allocation funds, Wellington and GMO, made presentations to the committee.

**7. Discussion of GAA managers**

**Motion 1:** Scholl moved to replace Alliance Bernstein with Rhumblin as the sole manager of the large cap value fund and to allocate 7.5% of the portfolio to them. Also, reduce Sands (Large cap growth) to 7.5% of portfolio. Motion passed.

**Motion 2:** Scholl moved to terminate Blackrock. Motion passed.

**Motion 3:** Scholl moved to change the asset allocation targets as follows: allocate 15% of total assets to Global Asset Allocation Funds with an allowable range of 10% to 20%. Funds will come from the funds managed by Blackrock (5%) and Alliance Bernstein (10%). To accomplish this, engage both of the GAA managers that presented to the committee – Grantham Mayo Otterloo and Wellington – at 7.5% each. Motion passed.

**8. Update on shareholder advocacy and SEC rulemaking**

Brennan reported that over 30,000 comments had been submitted to the SEC objecting to their proposed rule changes. The UUA submitted a comment letter explaining our objections to the rules. Chairman Cox has reported that the Commission will take some action in the next month and will revisit the issue in the Spring.

**9. Closing remarks**

Sherblom thanked Craig Scholl for his 8 years of service on the committee. He also suggested that the committee could benefit from including non-voting advisors in its meetings.

**10. Future Meeting Dates**

The meeting dates proposed for 2008 are:

- Wednesday February 13, 2008
- Thursday May 15, 2008
- Thursday September 11, 2008
- Thursday November 13, 2008