

# Investment Committee Minutes

May 15, 2007 Meeting

Rice Room

Boston, Massachusetts

Members Present: Scholl (Chair), Ballester (via telephone), Brennan, Corkran (via telephone), Sherblom, Brody, Dion

Also Present: Konicki (NEPC), Kondry (NEPC), Driscoll (NEPC), Gladyszak-Underhill (UUA), Morris (UUA CSRI), Cudhea (UUA CSRI), Gunning (UUA CSRI), Steve Brayton (Reporter/consultant for upcoming UUA GIF newsletter)

**1. Minutes approved.**

**Motion 1:** Sherblom moved to approve the February 28, 2007 minutes. Scholl seconded. Motion passed.

**2. NEPC reviewed the March 2007 quarterly performance.**

**3. Fixed Income Global Opportunities Fund gave a presentation of the fund.**

**4. Alternative Asset strategies were reviewed and discussed. A presentation was given by NEPC.**

**Action Item 1:** NEPC will provide the research for a planned Conference call with the Committee on July 23, 2007. The purpose of the call will be to choose managers for presentation at the September Investment Committee meeting. The conference call agenda will include risk/return, allocation and manager options and the various trade-offs inherent in this asset class.

**5. Sudan Divestment Policy adopted.**

**Motion 2:** Brennan moved that the Committee adopt the policy as recommended by the Committee on Socially Responsible Investing as follows:

## **SUDAN DIVESTMENT POLICY**

### **CSRI Policy Recommendation**

Whereas, delegates at the 2005 UUA General Assembly pass the Action of Immediate Witness "End Crimes Against Humanity in Darfur, Sudan."

Whereas, The Sudan Divestment Task Force is an ally of the Save Darfur Coalition, of which the UUA and the UUSC are a part.

Whereas, the UUSC, who has human rights professional employees 'on the ground' in Africa, advocates for divestment. <http://www.uusc.org/news/alert020607.html>

Whereas, the analytical work of the Sudan Divestment Taskforce is done by Calvert, a leader in the field of Socially Responsible Investing.

Whereas, the Sudan Divestment Taskforce updates the targeted divestment list monthly, and it is important to have professionals following these corporate issues in detail

**CSRI recommends divestment of the UUA's direct stock holdings following the divestment recommendations of the Sudan Divestment Taskforce, to be overseen by the UUA Treasurer.**

## **Background**

The AllianceBernstein Large Value separately managed account for the UUA GIF holds Total SA, a giant French Integrated Oil Company. UU-United Nations Office, an investor in the GIF, contacted the UUA and inquired why Total SA is a holding, since it has oil drilling rights in Sudan (currently inactive).

*The Summary below is taken from information available through [sudandivestment.org](http://sudandivestment.org)*

While Total is not currently drilling in Sudan, it does own rights to an oil block in the country (currently in dispute with White Nile). The company has publicly stated that it intends to start drilling as soon as possible, but has also been willing to engage concerned pension funds like the California Public Employee Retirement System (CalPERS) on the issue. Since a company that expresses human rights concerns and is not currently drilling (but does own rights to a block) is much better than a company that is actively drilling and does not have a human rights policy, the Sudan Divestment Task Force's feeling is that Total should be engaged through letters (made publicly available) and proxy voting. This is the approach that CalPERS has taken with the company. **When and if Total's operations become active, fiduciaries should then consider whether to change their approach towards Total, including consideration of divestment.**

It was revealed in late 2006 that the cost for renewing Total's oil block rights is approximately \$1.5 million/year, paid to the government of Sudan. In November 2006, Total sponsored a conference in France with the French Ambassador to Sudan, Sudan's Minister of Energy and Oil, and Sudan's Minister of Investment to encourage French investment in Sudan. At that conference, Total's point person in Sudan met with Sudan's Minister of Energy and Oil and Sudan's Minister of Investment. News reports in late 2006 also suggest that Total might be losing the battle it is having with White Nile about ownership of block B.

Scholl seconded. Motion passed.

- 6. Jim Gunning (CSRI) gave a presentation/update on Proxy Voting and Shareholder Advocacy.**
- 7. GIF Marketing Plan update was given and a new name for the UUA GIF was selected.**  
**Motion 3:** Brennan moved that the Committee adopt "UU Common Endowment Fund" as the new name for the UUA General Investment Fund. Sherblom seconded. Motion passed.
- 8. Valuation of Alternative Investments.** A report was given on obtaining data and information on Alternative Investment managers to satisfy the auditors.