



UUCEF, LLC Investor Call

November 20, 2017

3pm Eastern

Presenters:

Tim Brennan, UUA Treasurer and CFO

Kathleen Gaffney, Chair, UUA Investment Committee

Kathy Mulvey, Co-chair UUA Socially Responsible Investment Committee

**David Stewart, Co-chair, UUA Socially Responsible Investment Committee
and Member of the Investment Committee**

Call 800-617-4268 (US toll free)

Passcode: 73886534#

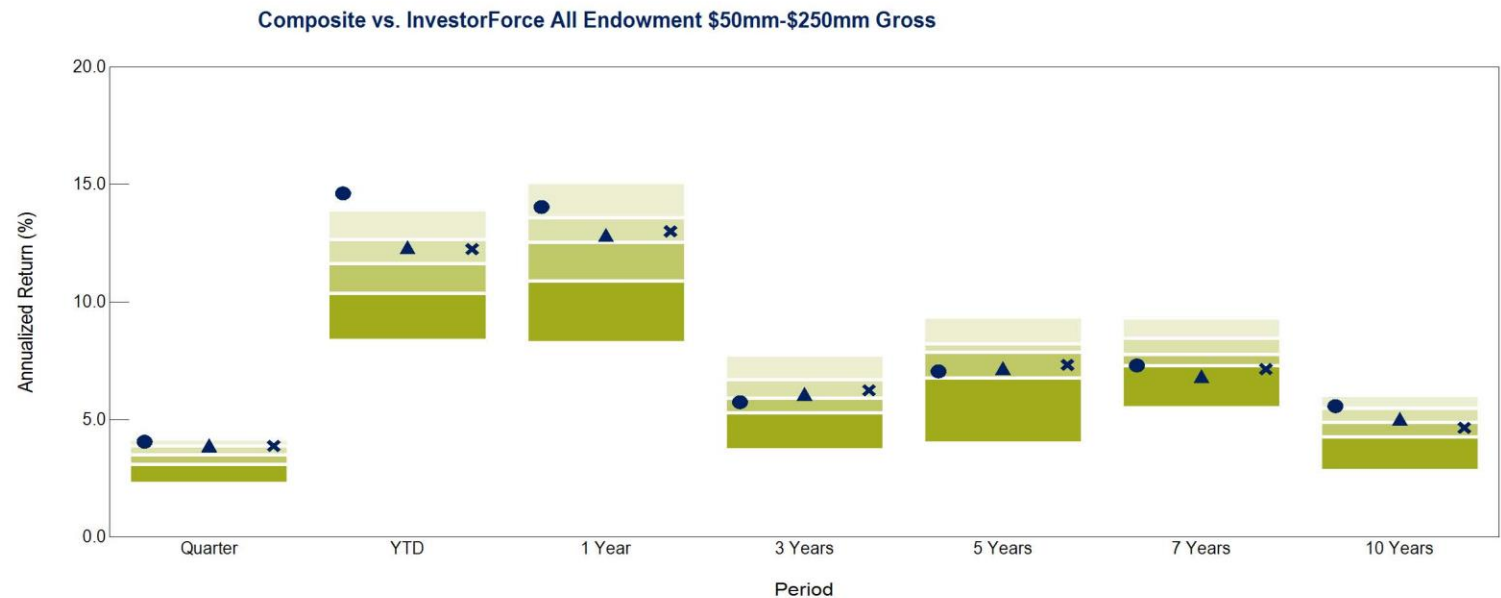
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Agenda

- Performance Review
- November 9th Investment Committee meeting review
- Questions and Answers

Total Fund Return Summary vs. Peer Universe (Gross of Fees)



		Return (Rank)													
5th Percentile		4.2		13.9		15.1		7.7		9.4		9.3		6.0	
25th Percentile		3.9		12.7		13.6		6.7		8.2		8.5		5.5	
Median		3.5		11.6		12.6		5.9		7.9		7.8		4.9	
75th Percentile		3.1		10.4		10.9		5.3		6.8		7.3		4.3	
95th Percentile		2.3		8.4		8.3		3.7		4.0		5.5		2.8	
# of Portfolios		72		71		70		63		53		51		48	
●	Composite	4.1	(13)	14.6	(1)	14.0	(16)	5.7	(57)	7.1	(72)	7.3	(76)	5.6	(22)
▲	Allocation Index	3.9	(24)	12.3	(33)	12.9	(43)	6.1	(46)	7.2	(71)	6.8	(82)	5.0	(45)
×	Policy Index	3.9	(29)	12.2	(35)	13.0	(40)	6.2	(38)	7.3	(66)	7.1	(78)	4.7	(58)

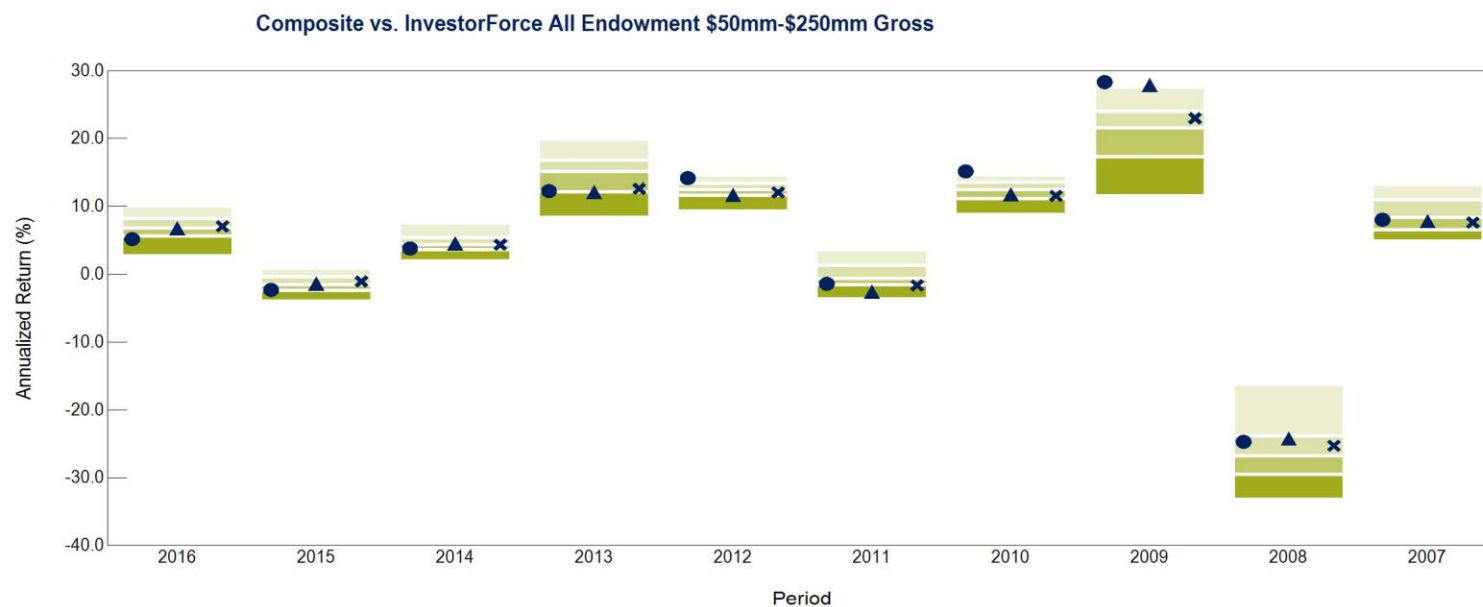


NEPC, LLC

September 30, 2017

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Return Summary vs. Peer Universe (Gross of Fees)



	Return (Rank)									
5th Percentile	10.1	0.9	7.5	19.9	14.6	3.6	14.6	27.6	-16.3	13.2
25th Percentile	8.3	-0.3	5.5	16.9	13.4	1.3	13.7	24.1	-23.8	11.0
Median	6.9	-1.5	4.4	15.2	12.5	-0.6	12.5	21.6	-26.7	8.4
75th Percentile	5.7	-2.3	3.6	12.2	11.7	-1.5	11.2	17.3	-29.4	6.6
95th Percentile	2.8	-3.9	2.0	8.4	9.4	-3.6	8.8	11.6	-33.1	4.9
# of Portfolios	79	80	90	81	83	82	77	75	71	68
● Composite	5.2 (83)	-2.3 (76)	3.8 (74)	12.3 (74)	14.2 (11)	-1.4 (73)	15.2 (3)	28.3 (5)	-24.7 (31)	8.0 (56)
▲ Allocation Index	6.8 (54)	-1.4 (49)	4.5 (46)	12.1 (76)	11.7 (74)	-2.6 (88)	11.8 (65)	27.9 (5)	-24.2 (27)	7.8 (59)
× Policy Index	7.0 (48)	-1.1 (41)	4.4 (52)	12.6 (70)	12.1 (66)	-1.6 (79)	11.6 (67)	23.0 (36)	-25.3 (37)	7.6 (60)



NEPC, LLC

December 31, 2016

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Composite	184,438,417	100.0	100.0	4.1	14.6	14.0	5.7	7.1	7.3	5.6	7.3	Jul-02
Allocation Index				3.9	12.3	12.9	6.1	7.2	6.8	5.0	6.9	Jul-02
Policy Index				3.9	12.2	13.0	6.2	7.3	7.1	4.7	--	Jul-02
Domestic Equity Composite	55,861,901	30.3	29.0	5.4	17.4	18.2	9.9	14.3	15.0	9.6	10.6	Jul-02
Russell 3000				4.6	13.9	18.7	10.7	14.2	14.3	7.6	8.8	Jul-02
Rhumblin	19,183,988	10.4	10.5	3.8	8.9	15.1	9.3	13.6	13.1	6.5	7.4	Aug-05
Russell 1000 Value				3.1	7.9	15.1	8.5	13.2	13.2	5.9	7.3	Aug-05
Sands	19,877,058	10.8	10.5	6.9	31.9	21.8	10.1	15.1	17.3	12.3	12.2	Dec-03
Russell 1000 Growth				5.9	20.7	21.9	12.7	15.3	15.4	9.1	9.2	Dec-03
Pier Capital	9,053,261	4.9	4.0	8.2	22.1	20.5	12.2	14.8	14.2	10.3	11.0	Apr-07
Russell 2000 Growth				6.2	16.8	21.0	12.2	14.3	14.2	8.5	8.7	Apr-07
Wellington SMID	7,747,594	4.2	4.0	2.5	0.8	11.9	--	--	--	--	12.2	Apr-16
Russell 2500 Value				3.8	5.9	15.7	9.9	13.3	13.0	7.6	18.0	Apr-16
International Equity Composite	52,948,708	28.7	25.0	5.6	24.4	20.0	5.5	7.1	5.1	0.9	7.1	Jul-02
MSCI ACWI ex USA				6.2	21.1	19.6	4.7	7.0	5.2	1.3	7.2	Jul-02
MFS International Concentrated	15,391,247	8.3	7.0	4.3	24.5	23.3	7.8	--	--	--	7.7	Apr-13
MSCI EAFE				5.4	20.0	19.1	5.0	8.4	6.4	1.3	6.6	Apr-13
Boston Common	14,819,466	8.0	7.0	5.3	22.9	18.6	6.3	8.5	7.3	--	7.0	May-10
MSCI EAFE				5.4	20.0	19.1	5.0	8.4	6.4	1.3	6.3	May-10
Baxter Street	10,185,084	5.5	5.0	6.1	23.5	19.7	--	--	--	--	18.1	Apr-16
MSCI ACWI ex USA				6.2	21.1	19.6	4.7	7.0	5.2	1.3	17.3	Apr-16
RBC Global Emerging Equity	12,552,911	6.8	6.0	6.9	26.6	17.4	--	--	--	--	18.2	Jul-16
MSCI Emerging Markets				7.9	27.8	22.5	4.9	4.0	2.5	1.3	26.0	Jul-16



NEPC, LLC

September 30, 2017

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Fixed Income Composite	41,919,168	22.7	20.0	1.8	5.2	4.6	3.3	3.3	4.5	5.8	5.1	Jul-02
BBgBarc US Aggregate TR				0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5	Jul-02
Brandywine Global Opportunistic	9,787,985	5.3	5.0	3.4	--	--	--	--	--	--	9.5	Mar-17
Citi WGBI				1.8	6.4	-2.7	0.9	-0.4	0.8	3.0	4.9	Mar-17
Loomis Multi Sector	9,451,697	5.1	5.0	2.3	--	--	--	--	--	--	5.0	Mar-17
BBgBarc US Govt/Credit TR				0.8	3.5	0.0	2.8	2.1	3.0	4.3	2.4	Mar-17
Franklin Templeton GMS	5,638,846	3.1	3.0	1.2	--	--	--	--	--	--	2.8	Mar-17
BBgBarc Multiverse				1.9	6.6	-0.6	1.6	0.8	1.9	3.5	4.7	Mar-17
Breckinridge - Corporate	9,823,472	5.3	5.0	0.6	2.4	0.3	--	--	--	--	2.3	Nov-14
BBgBarc US Govt/Credit Int TR				0.6	2.3	0.2	2.1	1.6	2.3	3.6	1.9	Nov-14
Breckinridge-Treasury	3,724,281	2.0	2.0	0.6	--	--	--	--	--	--	4.3	Mar-17
BBgBarc Treasury Long Term				0.6	6.0	-6.4	4.9	2.8	5.3	6.9	4.0	Mar-17
Loomis Sayles Strategic Alpha	3,492,887	1.9	0.0	1.6	2.9	4.2	2.7	--	--	--	2.7	Aug-14
BBgBarc US Aggregate TR				0.8	3.1	0.1	2.7	2.1	3.0	4.3	2.7	Aug-14
3-Month LIBOR + 3%				1.1	3.2	4.2	3.7	3.5	3.5	3.9	3.7	Aug-14
Opportunistic Investments	26,972,503	14.6	20.0	1.8	9.5	10.3	3.2	4.6	--	--	--	Jan-08
Opportunistic Benchmark				2.9	8.6	9.7	--	--	--	--	--	Jan-08
CPI + 5% (Unadjusted)				2.0	6.0	7.3	6.3	6.4	6.8	6.8	6.7	Jan-08
GMO Benchmark Free Allocation Fund	20,051,355	10.9	10.0	2.4	10.5	9.3	3.1	4.8	5.6	--	4.8	Jan-08
65% MSCI World (Net) /35% BBgBarc Aggregate				3.4	11.4	11.5	6.1	7.9	7.7	4.6	4.7	Jan-08
CPI + 5% (Unadjusted)				2.0	6.0	7.3	6.3	6.4	6.8	6.8	6.7	Jan-08
Cevian Capital II	6,123,810	3.3	3.0	0.4	12.0	19.9	--	--	--	--	6.0	Apr-15
HFRX Event Driven Index				1.9	6.6	10.5	1.4	4.0	2.8	0.9	3.4	Apr-15
MSCI EAFE				5.4	20.0	19.1	5.0	8.4	6.4	1.3	5.6	Apr-15
Entrust Class X	595,761	0.3	2.0	-1.1	-1.7	--	--	--	--	--	-1.7	Jan-17
Entrust Capital Diversified Fund Holdback	201,577	0.1	5.0									



NEPC, LLC

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Unitarian Universalist Common Endowment Fund, LLC

Total Fund Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Private Markets/Opportunistic	2,903,322	1.6	5.0	7.4	15.7	19.5	9.7	--	--	--	10.2	May-14
<i>Private Markets Custom Benchmark</i>				4.9	14.1	18.3	11.2	--	--	--	12.2	May-14
FEG Private Opportunities Fund	1,575,808	0.9										
<i>Private Equity Benchmark</i>												
Brockton Capital Fund III	1,121,344	0.6										
<i>NCREIF Property Index</i>												
SJF Ventures	206,170	0.1										
<i>Private Equity Benchmark</i>												
Community Development	1,572,584	0.9	1.0	0.1	0.9	1.1	1.0	1.1	1.3	1.7	1.7	Jul-07
<i>91 Day T-Bills</i>				0.3	0.6	0.7	0.3	0.2	0.2	0.4	0.5	Jul-07
Cash	2,260,232	1.2	0.0									

Fiscal Year End: 6/30

GMO Benchmark Free Allocation Fund from May 2013, returns are for the GMO Global Balanced Fund.

Private Markets Custom Benchmark consists of Cambridge Associates US Private Equity Index prior to 4/1/2015 and Cambridge Associates Global All Private Equity Vintage Year 2013+ 1 Qtr Lag benchmark post 4/1/2015.

Year 2013+ 1 Qtr Lag benchmark post 4/1/2015.

SJF Ventures will be benchmarked to it's own return within the allocation index from 11/1/2016 to 10/31/2018.

Cash market Value includes \$605,172.01 adjustment for pending capital additions into the UUA Endowment Fund.



NEPC, LLC

September 30, 2017

Fund Commentary

- The endowment returned 3.9% (net of fees) during Q3 of 2017, ranking 13th in the endowment universe, outperforming the allocation and policy indices.
- Over the trailing one-year period, the endowment returned 13.0% (net of fees), ranking in the 16th in the peer endowment universe, outperforming the allocation and policy indices.
- Over the ten-year time period, performance ranked in the top quartile of the peer universe returning 4.5% (net of fees).

Investment Committee Highlights

- Continued to work toward the integration of the Investment Committee and Socially Responsible Investment Committee
 - Defining UU Values across Policy and Guidelines
 - Procedures and Responsibilities
- Reviewed Private Equity Allocation

New Investments

- OCP Asia –
 - A private debt fund focusing on companies in Asia. \$2 million
- Kennedy Capital Management –
 - Will replace Pier Capital as manager of US small cap equity allocation. Transfer of assets will be completed by the end of November.
- Subscription agreements and other documentation has been reviewed by legal counsel and signed by the UUA.

Supplemental Information

Fund Oversight

- UUA Board of Trustees – ultimate fiduciaries
- Investment Committee – includes investment professionals
- Socially Responsible Investing Committee
- UUA Treasurer – management, rebalancing
- Investment consultant – NEPC
- SRI analyst – Sustainalytics
- Specialized investment managers
- Custodian – US Bank
- Reporting – HWA International
- Auditors – CBIZ Tofias/Mayer, Hoffman, McCann

Investment Objective

- With the guiding lens of Unitarian Universalist values and principles, strive to achieve consistent returns within a moderate risk tolerance over the long term, sufficient to allow Congregations to take regular distributions and maintain the value of principal after adjustment for inflation and after all expenses.

UU Common Endowment Fund

Key Characteristics

- Long-term investment fund
- Diversified portfolio
- Managed by specialist professional investment managers
- Managed to reflect UU values while achieving financial goals – “Risk, Return, Justice”
- Open to congregations, districts, and other UU organizations

Portfolio Diversification

- Across Asset Classes:
 - Domestic equities: large cap, small cap, growth, value
 - International equities: developed, emerging
 - Fixed income: treasuries, core bonds, multi-sector, opportunistic
 - Opportunistic investments: hedge funds, global asset allocation
 - Private markets
- See <http://uucef.org/files/2017/06/UUA-Manager-Summary.pdf> for information on the investment managers.

Asset Allocation Targets

Asset Class	Target Allocation
Domestic Equity	29%
International Equity	25%
Fixed Income	20%
Opportunistic	20%
Private Markets	5%
Community Investments	1%
Cash	0%

Responsible Committees

Investment Committee

- Kathleen Gaffney, Chair
- John LaPann
- Brian Lasher
- David Stewart
- Tim Brennan, Treasurer
- Lucia Santini, Financial Advisor

SRI Committee

- David Stewart, Co-Chair
- Kathy Mulvey, Co-Chair
- Vonda Brunsting
- Kristin Faust
- Julie Skye
- Tim Brennan, Treasurer
- Lucia Santini, Financial Advisor

Glossary:

SRI – Socially Responsible Investing

- Socially responsible investing, or SRI, is ensuring that our investments are aligned with our values. For more information on the UUA's approach to SRI, see: <http://uucef.org/socially-responsible-investing/about-sri/>.

ESG – Environmental, Social, Governance

- Incorporating ESG factors into the investment process takes investors beyond purely financial analysis and provides added insight into the quality of a company's management, culture, risk profile and other characteristics. For further details, you can review ESG definitions here: <http://www.investopedia.com/terms/e/environmental-social-and-governance-esg-criteria.asp>

Glossary:

UN PRI – United Nation Principles for Responsible Investment

- The PRI is the world's leading proponent of responsible investment. It supports its international network of investor signatories, now with \$59 trillion in assets, in incorporating ESG factors into their investment and ownership decisions. For more information see: <https://www.unpri.org/about>
- **Benchmark** – For each asset class, the appropriate index return against which a particular strategy can be evaluated. For example, a benchmark for large US companies is the S&P 500.
- **Allocation Index** – The average benchmark return for all of the asset classes in the portfolio weighted according to the *actual* weights of the assets in the portfolio at a given time. This measures the effect of actual allocation decisions.
= ACTUAL ASSET WEIGHTS X INDEX RETURNS

Glossary:

- **Policy Index** – The average of the benchmark returns for all of the asset classes in the portfolio weighted according to the *target* weights of the assets in the portfolio at a given time. Measures policy allocation decisions.
= TARGET ASSET WEIGHTS X INDEX RETURNS
- **Composite Return** – The total, blended return for the portfolio. Measures actual performance.
= ACTUAL ASSET WEIGHTS X ACTUAL RETURNS

Contact information

For specific questions about the UUCEF please contact:

- Susan Helbert, Assistant to the Treasurer

617-948-4306

shelbert@uua.org

- Tim Brennan, Treasurer and CFO

617-948-4305

tbrennan@uua.org