

## UUA Investment Committee – Minutes

**Final**

**Zoom --- September 4, 2025**

Investment Committee Members Present: Asha Mehta - Chair, Pam Sparr, David Stewart, Randy Webb, Lee Meinicke, Didier Dumerjean, Amrita Sankar, Laura Payne, Nick Sambuco, Savannah Johnson

NEPC: Krissy Pelletier, Alix Stewart

Staff: Carey McDonald, Dave Valentine, Mathew Jensen, Maame Ofori-Kwafo

### Overview

The investment Committee meeting began with introductions and discussions about investment trends and priorities, followed by a review of portfolio performance and manager changes. The Committee evaluated potential investments in private market funds and discussed proxy voting analysis, while also addressing concerns about AI investments and climate justice lending programs. The conversation ended with updates on community investment portfolios and plans for future meetings, with the Committee acknowledging areas for improvement in decision-making processes and transparency.

### Summary

#### Committee Priorities and Agenda Updates

The Committee meeting began with Asha chairing the session and welcoming new members Laura and Savannah. Asha then provided remarks on the Committee's priorities, emphasizing their focus on investments, sustainability, and stewardship. The meeting continued with Krissy and Alex from NEPC presenting the consent agenda, which included updates on manager lineup changes and diversity metrics. The agenda was reordered to cover performance, small cap review, and private market review, with the hope that Nick and Amrita would join for the private market discussion.

#### Portfolio Performance Review

The meeting focused on the performance review of the UUCEF portfolio, which achieved a 7.3% return for the quarter but lagged behind policy benchmarks. NEPC's Alix highlighted the portfolio's strong absolute returns and growth, noting that recent manager changes and disciplined rebalancing have improved performance. The Committee discussed the termination of managers Ownership and WCM. Krissy emphasized the importance of active management in certain market conditions and the portfolio's focus on mission alignment. The conversation ended with a detailed comparison of Axiom and Granahan as potential

replacements for WCM, with Axiom being preferred due to its better fit with the portfolio's strategy and risk profile.

### **Investment Strategy and Values Transition**

The Faith-Based Investing Subcommittee provided an update on their ongoing research with nine religious investment organizations, including plans to interview CIOs and understand their investment offerings, with results expected by early next year. The Committee also discussed the potential for their research to influence other UUA investments, with an invitation for others to join the Subcommittee's work.

### **Private Market Fund Investment Review**

The meeting focused on reviewing two potential private market fund investments. NEPC's Krissy presented a proposal to commit \$2.5 million to both Avance Partners II and Obvious Ventures V, noting that UUA's current private market allocation is below its 10% target. The team discussed Avance's focus on Hispanic market investments and their track record, with Amrita emphasizing their rigorous ESG approach and engagement with LPs. David raised concerns about buyout fund practices and their impact on companies, which Krissy addressed by highlighting Avance's focus on smaller companies and their stage framework approach, while acknowledging concerns raised by Pamela about potential risks from the current political climate affecting Latinx businesses. Krissy also presented Obvious Ventures, emphasizing their strong track record, impact reporting, and alignment with mission pillars. The Committee considered a \$2.5 million commitment to Obvious Ventures, noting its similarity to an existing portfolio company but with more direct venture exposure. Amrita and Nick, members of the new Subcommittee on Private Investments contributed extensively to the discussion.

### **Approval and Next Steps**

The Committee approved a \$2.5 million investment commitment to both Avance and Obvious Ventures, with all members voting in favor. After the vote, Amrita suggested following up with management on a few remaining questions, and Krissy agreed to coordinate this offline. The Committee also discussed the possibility of sharing impact reports for Obvious Ventures through the client hub.

### **AI Investments and Proxy Voting**

The meeting focused on two main topics: AI investments and proxy voting analysis. Pamela raised concerns about AI investments, highlighting the need for thoughtful consideration due to AI's impact on employment and energy use, while Amrita and Asha discussed the implications for capital markets and responsible AI policies. The group agreed to further discuss AI investments in an upcoming forum. Maame presented a detailed analysis of the UUCEF's proxy voting activity over the past two years, noting strong alignment with policy and a consistent approach to governance and ESG issues. She recommended tracking

divergences from management and ISS votes, creating simplified dashboards for oversight, and standardizing reporting to the Investment Committee.

David and Didier inquired about consistent themes in proxy voting divergence, with Maame noting it was more random but agreeing to investigate further. Mathew proposed forming a Values Investing Subcommittee to review proxy voting templates, improve reporting, and determine priorities for the upcoming proxy voting season. Mathew also provided updates on the President's Climate Justice Working Group, and efforts to scope and fund development of a passive version of the CEF.

### **UUA-Cornerstone Climate Loan Partnership**

The meeting discussed a partnership between the UUA and Cornerstone to transfer the UUA's building loan program and launch a climate justice lending program for UU congregations. Carey explained that while the UUA currently provides low-cost loans to congregations, Cornerstone, a United Church of Christ sponsored organization, could offer better service and streamline the process. The UUA plans to provide capital for the climate resilience loans at a discounted rate, potentially funded by investments from the UUCEF. The Investment Committee expressed concerns about self-dealing and the independence of the Fund's decision-making. The Committee also discussed the duration of the notes, with Carey noting that a 5-year term was initially proposed by Cornerstone. Lee raised questions about how the investment would fit into the overall portfolio and its potential impact on meeting community investment targets. The group agreed to further discuss the proposal and potentially design the notes to address some of the concerns raised.

### **Community Investments**

Mathew provided an update on the community investment portfolio, highlighting gaps in record-keeping and the ongoing search for a consultant to assist with deal sourcing, evaluation, and impact reporting. The Community Investment Subcommittee members noted an expectation to bring a proposal for a community investment portfolio advisor to the full Investment Committee in October. Mathew shared that staff was embarking on an "audit" of the portfolio to confirm holdings and contacts, expected to be completed for the November Investment Committee.

### **Investment Committee Meeting Updates**

The Committee agreed to meet in person for the next meeting in Boston, with Mathew and Nick volunteering to host the September Quarterly Investor Call, and Mathew and Didier hosting November. Didier further raised questions about the process for integrating new Committee members, and making decisions, particularly around the new Subcommittees, which the Committee acknowledged as an area for improvement.