

MEETING MATERIALS

UNITARIAN UNIVERSALIST ASSOCIATION OF CONGREGATIONS

May 16, 2019



Krissy Pelletier, Partner

Asher Watson, Consultant

Lily Fayerweather, Consulting Analyst



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ADMINISTRATIVE

NEPC, LLC

SRIC/IC Meeting—Agenda
May 16, 2019
9:00am-2:00pm

9:00am – 9:45am SRIC

9:00am Sustainalytics Risk Report

9:30am Consideration of Community Investment Opportunities

- Boston Impact Fund (\$50,000)

9:45am – 12:45pm Joint IC/SRIC

9:45am Consideration of Community Investment Opportunities

- Ujima Project (\$25,000)
- Boston Impact Fund (\$50,000) – *report back from SRIC*

10:00am Statement of Investment Beliefs

- Brainstorm and next steps

10:30am Screening Criteria Process Review

- Report from screening subcommittee

11:00am Review Updated SRI Policy

11:45am Break

12:00pm Working Lunch

- Meeting structure review – open discussion
 - Is the joint meeting structure meeting expectations?
 - Are we allocating time appropriately?
 - Should we adjust anything for the second half of the year?

12:45pm Performance Update

1:00pm – 2:00pm IC

1:00pm Implementation Work Plan

- Planning to get to strategic targets

1:30pm Emerging Market Equity Manager Search

2:00pm Adjourn meeting

UUA Investment Committee – Minutes - DRAFT

24 Farnsworth Street, Room 210

Boston, MA 02210

February 22, 2019

Members present: Kathleen Gaffney, Chair, Tim Brennan, John LaPann, Brian Lasher, Ken Redd and Lucia Santini-Field

Members absent: None

Staff: Susan Helbert

Guests: Elandria Williams, Co-Moderator, UUA Board

NEPC: Lily Fayerweather, Scott Perry, Asher Watson

SRI Committee: Vonda Brunsting, Kathy Mulvey, Julie Skye, Pat Tomaino

1. Minutes from November 20, 2018 - Gaffney

Motion 1: To approve minutes from the November 20, 2018 meeting. Moved: LaPann, seconded: Santini-Field all approved.

2. Discuss Essential Partners Training – all members

- As part of the training, opportunities were created to ask questions, listen, reflect, and speak intentionally.
- Each member introduced themselves and identified why they came to the UUA.
 - Identified were:
 - a) Valuing human dignity
 - b) Support for questioning and searching for the truth
 - c) Being in a community where you can be authentic and have meaningful relationships.
- Members were then asked to share the values they bring to the work:
 - Searching for the truth; question the narratives you're given, ask big "why" questions, look at both numbers and impact and, make sure reason is informed by fact.
 - Commitment to justice; balance risk, return, and justice, living theology out loud and, act and organize for justice.
 - Accountability/responsibility; to those aren't in the room, sacrifice economic well-being for the betterment of others and, leverage our collective power.

- Next, discussed how those values show up in the work and where questions come up.
 - Questions included:
 - a) Accountability/responsibility to whom? To what values or systems?
 - b) How is risk defined and who does that definition protect/prioritize?
 - c) What assumptions are being made about the best way to do financial investing?
 - d) How much lower of a financial return is acceptable to live out our values?
- Traditional risk tools are insufficient, need to identify new risks and how they interact with/enhance traditional tools.
- Discussed the need to identify new risks and incorporate them into our screening criteria.
- Statement of Investment Beliefs should capture the broader concept of risk.
- Discussed hiring a firm to help us incorporate those investment beliefs into a set of tools to be used to be to craft a questionnaire to send to our existing managers and any new managers going forward.
- Discussed asking the group of foundations interested in the intersection of racial justice and finance for a grant to cover the consultant, staff, meetings and travel.
- Getting communications on board to distribute our value-based success stories is critical.

Action item 1: Brunsting to contact Rob Lake of PRI regarding development of a manager questionnaire based on our Statement of Beliefs.

Action item 2: Tomaino to reach out to Jasmine Richards regarding development of a manager questionnaire based on our Statement of Beliefs.

Action item 3: LaPann to reach out to Impact Finance Center to ask about them serving as a consultant to help develop a Statement of Beliefs.

Action item 4: Brunsting, Brennan and Williams to reach out to the foundations group about applying for a grant.

Action item 5: Brennan to talk with Communications and UU World regarding our need to distribute our value-based success stories.

3. Screening Criteria –

- Report from screening subcommittee
 - Sustainability risk based rating system and accompanying thresholds
 - a) Over the next year all clients will be moved to the new system.

- b) Need to discuss the screening criteria we currently use and where we set the bar.
- c) Requested a full work up on a company to see the materiality.
- d) Does leave room to put our own imprint on it.

Action item 6: Brennan to share a new Sustainalytics company report with full committee.

Action item 7: Brennan to instruct Sustainalytics to run the next reporting based on the new risk-based model.

4. Fossil Fuel Company Divestment – all members

- Decision around maintaining or selling positions
 - Reviewed the remaining CU200 holdings.
 - Discussed the few companies that we're not engaged with and why.
 - Consensus of the committee is to sell the CU200 companies we're not engaged with and to clean up all holdings in the Advocacy account where we're below the threshold to file a proposal.
 - Consensus is to sell Hess Corporation if there's no potential for engagement.

Action item 8: Brennan to find out who the lead filer is for Hess Corporation and see if there's any potential for engagement.

Action item 9: Lasher and Skye to continue work on screening criteria review and coordination between the committees.

5. Intersection of Capital and Racial Justice - Brunsting and Tomaino

- Transform Finance, funded by The Rockefeller Foundation, Ford Foundation and Edward H. Hazen Foundation, convened about a year ago with stakeholder community organizations interested in racial equity to get their expectations.
- A second meeting was held for investors to get feedback and develop investor strategies and next steps.
- As UUA representatives, will bring back the work of the group and feed our process into the larger group to possibly have more influence.
- Building on long standing practice of investors engaging on shareholder issues as well as how to bring more women and minority owned firms into their portfolio.
- The framing is to look at six themes, work, wealth, health, place, justice and education.
- A couple of needs identified were a set of actions that can be applied across a portfolio and a range of asset class and having the ability to share experience.

Action item 10: Brunsting to distribute link to website.

Action item 11: Tomaino to share article that came out.

6. Working lunch – all members

- Plans for GA 2019
 - Report on Business Resolution will include the holdings we've sold and what we're engaging on.
 - This year's report will be a video report; a workshop has also been scheduled.
 - In past years, reports haven't been presented in general session, need to express our advocacy work as one of the prongs of how we live our faith out loud; the focus of general session.

Action item 12: Brennan and Santini-Field to follow-up with Williams on how to get the information presented during general session.

- UUCEF Portfolio and Performance Update
 - The Endowment returned -8.6% gross of fees during the fourth quarter of 2018, ranking 68th in the universe, outperforming the allocation index but underperforming the policy index.
 - Over the trailing one-year period, the Endowment returned -4.0% gross of fees, ranking 27th in the universe and outperforming both the allocation and policy indices.
 - Over the ten-year period, performance ranked in the second quartile of the peer universe.

7. NEPC 2019 Investment Outlook – NEPC

- Key Market Themes and Current Opportunities
 - Key market themes discussed were late cycle dynamics, tightening global liquidity, China transitions and globalization backlash.
 - No manager changes were recommended but a few changes to allocation were.
 - Have a more favorable view of US and less view of international developed markets.
 - Should raise safe-haven fixed income exposure, reduce lower quality credit exposure and, maintain overweight to emerging market equities.

8. UUCEF Asset Allocation Review and Recommendations – NEPC

- In reviewing the NEPC proposed policy allocation, committee was concerned about the private markets allocation of 10% which would take many years to realize.
- NEPC recommended shifting equity allocation to 12% emerging markets, 34% non-US developed and 54% to US equity and adding a dedicated exposure to short duration government/credit.

Action item 13: NEPC to provide a new proposed rebalancing spreadsheet for committee review.

**Next Meeting Date
May 16, 2019**

UUA Manager Summary

Manager: Rhumblin Custom Screened Russell 1000 Value

Benchmark: Russell 1000 Value

Asset Class: Large cap domestic equity - value

Role in Portfolio: Growth Assets

Description: The manager optimizes a portfolio of large cap value equities based on their Environmental, Social and Governance ("ESG") ratings. The fund should have relatively low tracking error or variance from the benchmark as it is a largely passive investment.

Manager: Sands Select Growth Equity

Benchmark: Russell 1000 Growth

Asset Class: Large cap domestic equity - growth

Role in Portfolio: Growth Assets

Description: The manager uses a fundamental, bottom up research approach to stock investing. Their investment process produces a concentrated portfolio, aggressively seeking equities with high growth opportunities. The manager is currently restricted from investing in certain sectors and industries, including defense, fire arms, tobacco, and nuclear weapons. Also the manager cannot invest in companies that engage in predatory lending practices, have poor environmental practices, and companies that have questionable employment practices and possible human rights offenses.

Manager: Wellington SMID Cap Value

Benchmark: Russell 2500 Value

Asset Class: SMID cap domestic equity - value

Role in Portfolio: Growth Assets

Description: Wellington has a bottom-up investment philosophy, believing that individual stock selection is the most predictable way to generate strong returns. The team has a contrarian value investment philosophy, seeking to buy high-quality companies at a discount. The portfolio holds 60-90 names and positions, which typically are initiated at 80 bps and range from 50 bps to 3.5%, depending on the team's conviction.

Manager: WCM Small Cap Growth

Benchmark: Russell 2000 Growth

Asset Class: Small cap domestic equity - growth

Role in Portfolio: Growth Assets

Description: WCM utilizes a fundamental, bottom-up research process that relies on internal sources to generate potential buy candidates. They do this through the ongoing review of news and results across the investable universe on an industry-by-industry, analyst-by-analyst basis and the continual monitoring of trends and factors that would impact company fundamentals. WCM's emphasis is on understanding the drivers of returns on invested capital, the opportunities available to companies to deploy additional capital at attractive rates of return, and the ability of management teams to capitalize on those opportunities.

Manager: MFS International Concentrated Equity

Benchmark: MSCI EAFE

Asset Class: Developed international equity - core

Role in Portfolio: Growth Assets

Description: The manager focuses on identifying companies with sustainable above-average growth and purchasing those companies at attractive valuations. The manager is a United Nations Principles for Responsible Investment (UNPRI) signatory and integrates their evaluation of a company's key ESG risks and opportunities into their overall security analysis to the extent they believe that such factors are material to and have an economic impact on shareholder value. The manager will invest between 5-10% in emerging markets.

Manager: Boston Common International Equity

Benchmark: MSCI EAFE

Asset Class: Developed international equity - core

Role in Portfolio: Growth Assets

Description: The fund seeks to outperform broad international equity markets while employing ESG screens. The fund employs positive ESG screens rather than negative screens and looks to identify progressive companies rather than defensive companies.

Manager: SEG Baxter Street Fund

Benchmark: MSCI ACWI ex USA

Asset Class: Developed international equity (mid/small cap focus)

Role in Portfolio: Growth Assets

Description: The Baxter Street Strategy is an international long only strategy that invests in companies across the market cap spectrum. The portfolio is benchmark agnostic and highly concentrated, with roughly 45 names in the portfolio, 15 of which will comprise almost 50% of the portfolio. SEG seeks to identify businesses with steady predictable growth, high returns on capital and well established barriers to competition. SEG does have the ability to opportunistically hedge currency exposure.

Manager: RBC Emerging Market Equity

Benchmark: MSCI Emerging Markets index

Asset Class: Emerging market equity

Role in Portfolio: Growth Assets

Description: RBC utilizes top down thematic thinking to influence the stock selection process into more attractive areas of the market. The strategy seeks to identify growth themes within country, industry, or region and will invest in those companies with high cash flow and industry dominance. The process utilizes both bottom up and top down research to lead to a competitive advantage. The strategy is focused on identifying strong company managements especially those that have delivered in the past. Attractive companies are those that have strong franchises and a real sustainable competitive edge.

Manager: Breckinridge Capital Advisors Sustainable Fixed Income & Treasury

Benchmark: Barclays Gov't/Credit Intermediate

Asset Class: Domestic Fixed Income

Role in Portfolio: Deflation hedging assets

Description: Sustainable fixed income is a high quality, intermediate term fixed income strategy that incorporates both fundamental credit analysis as well as ESG analysis into the decision making process. The strategy will invest across the corporate, taxable municipal, US gov't/agency and supranational sectors. Breckinridge will analyze ESG data in an effort to identify investments they feel are well suited to meet future obstacles. Additionally, the strategy will adhere to specific sector and security restrictions set forth by UUA in an effort to align the portfolios strategy with the mission and values of the organization.

Manager: Loomis Sayles Strategic Alpha Trust

Benchmark: Barclays Aggregate

Asset Class: Unconstrained Bonds

Role in Portfolio: Absolute Return

Description: Strategic Alpha is an opportunistic global fixed income strategy with flexible guidelines that invests across multiple fixed income sectors. The strategy seeks to take advantage of short-term tactical opportunities and longer-term structural opportunities within the broad fixed income market. The Loomis Sayles Strategic Alpha Trust strategy takes on active long/short exposures to global yield curves, credit, and currencies with extensive tail-risk hedges. The strategy also has the ability to shift duration, ranging from -2 years to +5 years.

Manager: Franklin Templeton Global Multi Sector

Benchmark: Barclays US Govt/Credit

Asset Class: Opportunistic Fixed Income

Role in Portfolio: Absolute Return

Description: The global bond team employs a bottom-up, research-driven investment process characterized by fundamental research of investment opportunities. The strategy is formulated by combining qualitative macroeconomic analysis with quantitative tools to determine the most attractive opportunities across duration, currency, and credit. The team applies an active, benchmark-agnostic style, pursuing absolute returns over a one- to three-year time horizon. While securitized bonds are included in the opportunity set, they have not been a large component of the strategy historically.

Manager: Brandywine Global Opportunistic Fixed Income

Benchmark: CITI WGBI

Asset Class: Global Multi Sector

Role in Portfolio: Growth Assets

Description: Brandywine undertakes a macro-economic analysis on a country-by-country basis in order to rank opportunities according to real interest rate levels. Inflation trends, political risks, monetary trends, business cycle, and liquidity measures are all considered. Further analysis is centered on those countries that exhibit the highest real interest rates with sustainable economic conditions. Currency valuations are then examined relative to historical averages and differentials in an effort to determine if that valuation supports an investment. The majority of investments are allocated to sovereign government debt. When credit spreads are perceived to be a compelling value, however, Brandywine may allocate to spread sectors such as mortgage-backed securities and corporate bonds. Duration is determined at the country level, although adjustments may be made at the portfolio level according to the overall outlook.

Manager: Loomis Sayles Multi Sector Full Discretion

Benchmark: Barclays US Govt/Credit

Asset Class: Global Multi Sector

Role in Portfolio: Growth Assets

Description: The Multisector Full Discretion strategy seeks to exploit the complete range of global fixed income insights generated by the Loomis Sayles Fixed Income organization with return maximization as the primary objective. Benchmarks do not play a significant role in constructing the portfolios. Guidelines are very flexible providing the opportunity to pursue investment ideas in a wide range of global fixed income sectors. Investment flexibility authorizes significant non-dollar, emerging markets and convertible debt investments. Opportunistic investments in these non-benchmark sectors are incorporated to manage portfolio credit quality and for total return contribution.

Manager: GMO Benchmark Free Allocation Fund

Benchmark: 65% MSCI World and 35% BC Aggregate

Asset Class: Global asset allocation

Role in Portfolio: Growth assets (with some inflation & deflation hedging assets)

Description: The manager has the ability to invest in both equities and fixed income, and tactically shift allocations as opportunities present themselves. The fund is managed by a team, where quantitative forecasts identify opportunities for high real returns across capital markets. Overweight's to attractive asset classes and underweights to less attractive asset classes are driven entirely by the judgment of the asset allocation team with positions generally scaled to reflect the magnitude of mispricing.

Manager: Entrust Capital Diversified Fund

Benchmark: HFRI Fund of Funds Composite index

Asset Class: Hedge funds

Role in Portfolio: Growth assets

Description: The manager invests primarily in event-driven, directional-credit, activist, and equity long/short strategies in blue chip, brand name hedge managers while providing investors with a high amount of transparency into the underlying investments.

Manager: Cevian Capital II

Benchmark: HFRX Event Driven Index

Asset Class: Hedge funds

Role in Portfolio: Growth assets

Description: Cevian Capital II is a concentrated activist hedge fund that hedges currency exposure and will invests in mid to large cap companies listed in the Nordic region [Sweden, Finland, Denmark, and Norway], UK, and other western parts of Europe. Their strategy is to target undervalued companies, where the perceived undervaluation stems from mis-managed operations, inefficient capital structure, and/or poor corporate governance structure. Cevian quantifies 'value' in terms of the company's enterprise value, operating margins, corporate governance, or equity value. The fund tries to improve this value by targeting those specific areas of weaknesses.

Manager: Orchard Landmark

Benchmark: JP Morgan Corporate EMBI

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: Orchard Landmark structures private credit transactions for family-owned businesses in Asia Pacific, leveraging long-standing local teams with investment and legal talent, established deal structuring track-records; and established borrower relationships. They play off the demand-supply imbalance in Asia Pacific capital markets for short-term credit to both small-to-medium enterprises and corporations looking for growth capital. As such, Asian private credit affords a potential return premium for illiquidity, higher inflation, and emerging market risk.

Manager: FEG Private Opportunities Fund

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: FEG Private Opportunities Fund is a fund of funds with the flexibility to invest globally across private equity, special situations, and private real assets.

Manager: Brockton Capital Fund III

Benchmark: NCREIF Property Index

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: Brockton Capital Fund III will follow a value-add/opportunistic strategy of buying distressed or neglected assets, repositioning them and, once stabilized, selling them in the institutional market. They will invest across various asset types, including office, residential, industrial, retail, mixed use, and other specialty real estate (for example, senior housing). Brockton invests across the United Kingdom although, due to the dominant market size of the South East, has a focus on Greater London and the surrounding areas.

Manager: SJF Ventures

Benchmark: US Private Equity

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: SJF will pursue a fundamental investment strategy that will look to invest in companies in the expansion stage business in the clean energy and efficiency, asset recovery and recycling, food and sustainable agriculture, education, health and wellness, and workforce development/software industries. SJF primarily focuses on companies with innovative social and environmental solutions embedded within their business models. The firm seeks values-driven entrepreneurial teams and looks for positive impact business models that can simultaneously scale impact and financial results, most often seen in impactful product and service delivery.

Manager: Canvas Distressed Fund

Benchmark: HFRI Event Driven: Distressed/Restructuring Index

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: Canvas Distressed Fund will invest in Brazil-focused single name distressed corporate debt and judicial claims (federal claims and quasi-government claims). The Fund intends to buy single name corporate debt at steep discounts. Canvas does not attempt to restructure distressed companies; it will instead sell or auction the debt's collateral assets to recover value. The Fund will also invest in federal claims, which are referred to as Precatorio, and quasi-government and private claims against entities such as the state-owned utility companies. This strategy benefits from several key macro factors in Brazil: High interest rates, shrinking credit facilities, lack of large investment management competitors post 2008-09, a drastic increase in corporate bankruptcies, and reduced foreign direct investment following the 2015 Brazilian debt downgrade.

Manager: Generation IM Sustainable Solutions Fund III

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Generation believes that we are in the early stages of a systemic, secular, multidecade transition to a sustainable economy, and will use their unique deep-dive sector roadmaps to identify investment opportunities to assist with the transition. They will focus on private growth stage opportunities with broad sustainable solution themes, which they define as providing goods and services for a low-carbon, prosperous, equitable, healthy and safe society. The Fund will invest across sectors including transportation, agriculture, energy, industrials and consumer, and will invest primarily in North America and Europe. Their typical role will be an active minority investor, providing growth capital and market insight to help accelerate market adoption. In their underwriting, Generation looks to target high-quality businesses and high quality management, focusing on businesses run by trusted, talented, mission-driven management teams.

NEPC UPDATES

NEPC, LLC

HIGHLIGHTS OF 2019 FIRST QUARTER HAPPENINGS AT NEPC

NEPC INSIGHTS

- Taking Stock: Munis Offer Sweet Spot and Flattening Yield Curve
- NEPC's 2019 Asset Allocation Letter: Winter is Coming, But When?
- Private Wealth Investment Policy Statements: A Roadmap for Uncertain Times
- 2018 Fourth Quarter Market Thoughts
- 2019 Investment Outlook: Q4 Market Thoughts, Webinar Replay & AA Letter
- Corporate Pension Plans: NEPC's Key Themes for 2019
- Taking Stock: The Importance of De-Risking Pension Plans and Q4 Liability Performance
- Taking Stock: Should Corporate Pensions Go on the Defense?
- Direct Investments (Part I): Trends and Motivations
- Taking Stock: A is for Access, MSCI Ups Local China Shares in Indexes
- Register Now: NEPC's 24th Annual Investment Conference
- Taking Stock: What is the Yield Curve Signaling?
- Taking Stock: Picking the Right Interest Credit Option for Your Cash Balance Plan

WEBINAR REPLAYS

- NEPC's 2019 Market Outlook Webinar

To download NEPC's recent insights and webinar replays, visit: www.NEPC.com/insights



IN MEMORY OF ROB FISHMAN

On March 10, 2019 we tragically lost a friend, colleague and leader at NEPC, Rob Fishman. Rob passed away quietly in his sleep with no known illnesses. He is survived by his wife of 19 years, Lisa, son Daniel (15), daughter Sarah (12) and the newest addition to their family, Mookie, a dog they rescued in October. Rob was just 46 years old.

Rob left behind a close-knit community of current and former NEPC co-workers, long-time clients and industry colleagues who are profoundly grateful that they had the opportunity to know Rob. Below is a celebration of his life and career.

Rob was an amazingly positive person, with a warm smile and kind words for everyone. He was witty, smart, quick to laugh and had a very dry sense of humor that we all loved. He was a brilliant fantasy football player, an okay golfer, a connoisseur of local micro-brews and really disliked long meetings. Every office has a “go-to person” that people seek for advice. That was Rob. He was loaded with random yet pertinent knowledge and you could bet that he’d seen it, done it, or was willing to learn about it.

Rob began his investment career in 1995 and joined NEPC in 1999. He took great pride in working his way from analyst to Partner in under eight years. This June would have marked his 20th anniversary with the company, a milestone we would have recognized at our annual January offsite.

Rob was a great consultant and decisive investor. During his tenure at NEPC Rob touched the lives of hundreds of thousands of beneficiaries through his roles on the Defined Contribution and Discretionary Teams. He designed and monitored participants’ retirement investment options on an advisory basis, and managed investment portfolios on a discretionary basis. Rob also managed our own retirement plans at NEPC, which we are very thankful for. It saddens us greatly that he did not get to enjoy the secure retirement that he worked so hard to provide for us.

Rob loved everything about NEPC, but most of all, the people; his wife communicated that to us. As heart-warming as that was to hear, we will never be able to express to Rob just how much we appreciated him and everything he did for us over the years. A hallmark of NEPC is our values and culture. Rob embodied those traits and we will honor his memory by continuing to live those values in support of each other and our clients.

[For more details, view the obituary here.](#)



MARKET ENVIRONMENT & OUTLOOK

NEPC, LLC

CALENDAR YEAR INDEX PERFORMANCE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Jan	Feb	Mar	Q1	YTD
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	8.0%	3.2%	1.9%	13.6%	13.6%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	-4.8%	8.4%	3.4%	1.7%	14.0%	14.0%
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	-11.0%	11.2%	5.2%	-2.1%	14.6%	14.6%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-10.0%	11.5%	4.7%	-0.8%	15.8%	15.8%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	6.6%	2.5%	0.6%	10.0%	10.0%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	-14.6%	8.8%	0.2%	0.8%	9.9%	9.9%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	7.9%	2.7%	1.3%	12.2%	12.2%
Private Equity*	13.7%	19.7%	7.9%	12.5%	20.6%	12.7%	9.6%	8.3%	13.7%	-	-	-	-	-	-
BC TIPS	11.4%	6.3%	13.6%	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-1.3%	1.3%	0.0%	1.8%	3.2%	3.2%
BC Municipal Bond	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	0.2%	5.4%	1.3%	0.8%	0.5%	1.6%	2.9%	2.9%
BC Muni High Yield	32.7%	7.8%	9.2%	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	4.8%	0.7%	0.5%	2.6%	3.8%	3.8%
BC US Corp High Yield	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-2.1%	4.5%	1.7%	0.9%	7.3%	7.3%
BC US Aggregate	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	0.0%	1.1%	-0.1%	1.9%	2.9%	2.9%
BC Global Aggregate	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-3.6%	1.6%	7.5%	-1.2%	1.5%	-0.6%	1.3%	2.2%	2.2%
BC Long Treasuries	-12.9%	9.4%	29.9%	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-1.8%	0.7%	-1.2%	5.3%	4.7%	4.7%
BC US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	10.2%	12.2%	-6.8%	3.5%	-0.1%	4.3%	7.9%	7.9%
BC US STRIPS 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.1%	0.6%	-1.9%	7.7%	6.3%	6.3%
JPM GBI-EM Glob Div	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	-6.2%	5.5%	-1.1%	-1.3%	2.9%	2.9%
JPM EMBI Glob Div	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	10.2%	10.1%	-4.3%	4.4%	1.0%	1.4%	7.0%	7.0%
CS Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	9.9%	4.2%	1.1%	2.3%	1.6%	-0.1%	3.8%	3.8%
CS Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	-3.2%	1.8%	1.1%	-	-	2.9%
BBG Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-11.2%	5.4%	1.0%	-0.2%	6.3%	6.3%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	18.3%	-6.5%	-12.4%	12.6%	0.3%	3.4%	16.8%	16.8%
FTSE NAREIT Eqty REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	8.5%	5.2%	-4.6%	11.7%	0.7%	3.3%	16.3%	16.3%













Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One

*Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag



PERFORMANCE OVERVIEW

Q1 Market Summary

Macro			Equity			Credit			Real Assets		
US Dollar	VIX	US 10-Yr	S&P 500	MSCI EAFE	MSCI EM	US Agg.	High Yield	Dollar EMD	Oil	Gold	REITS
											
1.2%	-11.7	-27 bps	13.6%	10.0%	9.9%	2.9%	7.3%	7.0%	33.3%	0.8%	16.7%

Global equities rallied during the quarter as sentiment improved from easing US-China trade tensions and a dovish pivot by the Fed

The spread between the 10-year Treasury Note and 3-month Treasury Bill temporarily inverted after the Fed held interest rates constant and announced adjustments to their balance sheet normalization process

Spot crude oil prices rose significantly due to geopolitical concerns in major oil-producing regions

Market segment (index representation) as follows: US Dollar (DXY Index), VIX (CBOE Volatility Index), US 10-Year (US 10-Year Treasury Yield), S&P 500 (US Equity), MSCI EAFE Index (International Developed Equity), MSCI Emerging Markets (Emerging Markets Equity), US Agg (Barclays US Aggregate Bond Index), High Yield (Barclays US High Yield Index), Dollar EMD (JPM EMBI Global Diversified Index), Crude Oil (WTI Crude Oil Spot), Gold (Gold Price Spot), and REITs (NAREIT Composite Index).



MACRO PERFORMANCE OVERVIEW

Q1 Macro Market Summary

The global growth outlook was revised downward – reflecting slowing growth in most major developed economies

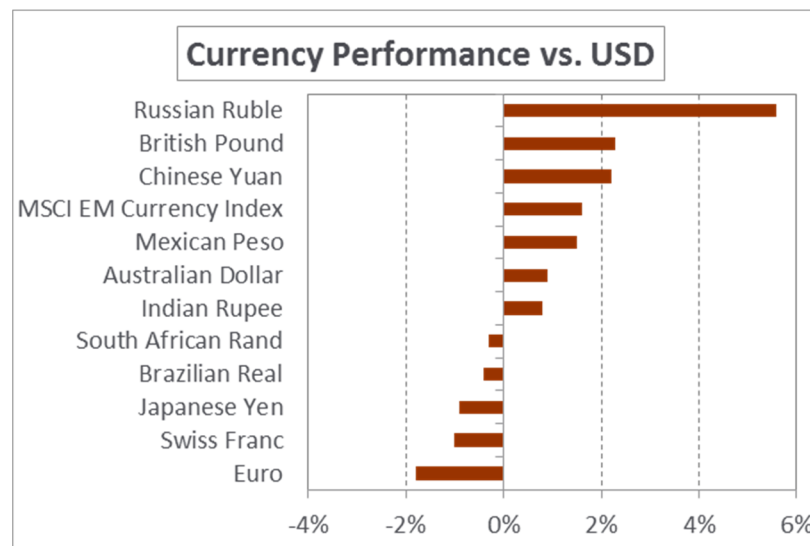
The Fed pivoted toward a more dovish policy stance signaling no additional rate hikes this year

Global bond yields declined with the 10-year German and Japanese yields ending in negative territory

Central Banks	Current Rate	CPI YOY	Notes from the Quarter
Federal Reserve	2.25% - 2.50%	2.2%	The Fed held its benchmark interest rate at 2.25% - 2.50% in March and signaled no additional rate hikes are likely in 2019
European Central Bank	0.0%	1.4%	The ECB maintained its current benchmark interest rate and announced plans to boost commercial lending
Bank of Japan	-0.1%	0.8%	The BoJ will continue its ultra-easy QE program with inflation remaining well below target

	Yield 12/31/18	Yield 3/31/19	Δ
US 10-Yr	2.68%	2.42%	-0.27%
US 30-Yr	3.01%	2.82%	-0.19%
US Real 10-Yr	0.97%	0.53%	-0.44%
German 10-Yr	0.24%	-0.07%	-0.31%
Japan 10-Yr	-0.01%	-0.09%	-0.09%
China 10-Yr	3.31%	3.07%	-0.24%
EM Local Debt	6.46%	6.16%	-0.30%

Source: Bloomberg



Source: Bloomberg



EQUITY PERFORMANCE OVERVIEW

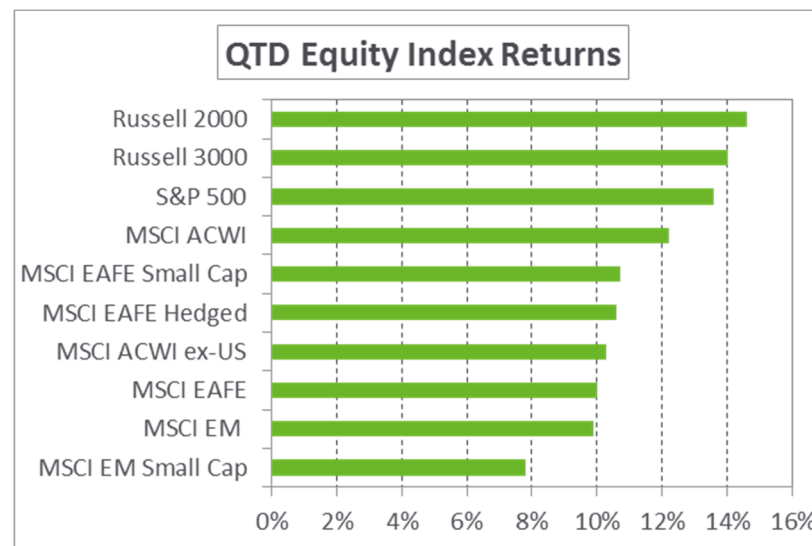
Q1 Equity Market Summary

Global equities made a strong comeback this quarter following a dovish pivot from the Fed

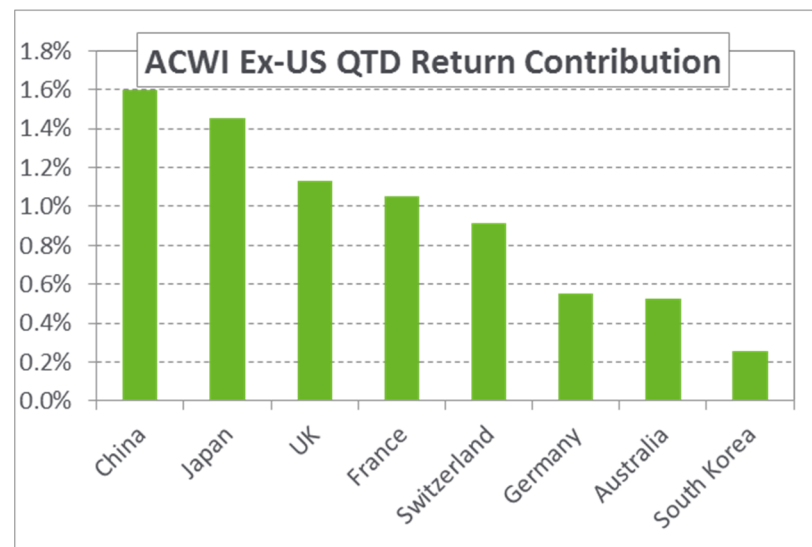
US and Chinese equities led the way as hopes for a trade deal provided a tailwind for local equity markets

Russell 3000 QTD Sector Return Contribution	
Information Technology	3.6%
Consumer Discretionary	2.6%
Financials	1.6%
Industrials	0.8%
Consumer Staples	1.1%
Energy	0.7%
Materials	0.4%
Health Care	1.3%
Real Estate	0.6%
Communication Services	1.9%
Utilities	0.3%

Source: Russell, Bloomberg



Source: MSCI, Russell, S&P, Bloomberg



Source: MSCI, Bloomberg. QTD top country contributors to index return



CREDIT PERFORMANCE OVERVIEW

Q1 Credit Market Summary

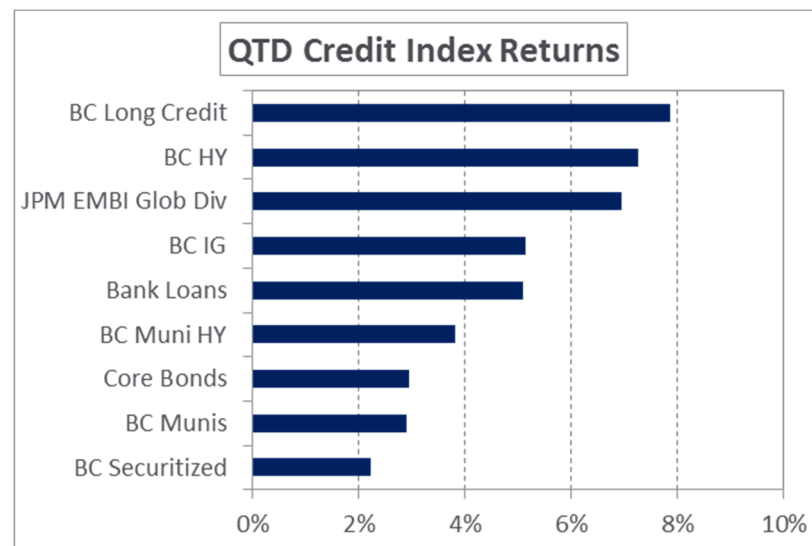
Global yields declined significantly – reflecting concerns over the global growth outlook

Credit spreads broadly declined off of highs at the end of 2018

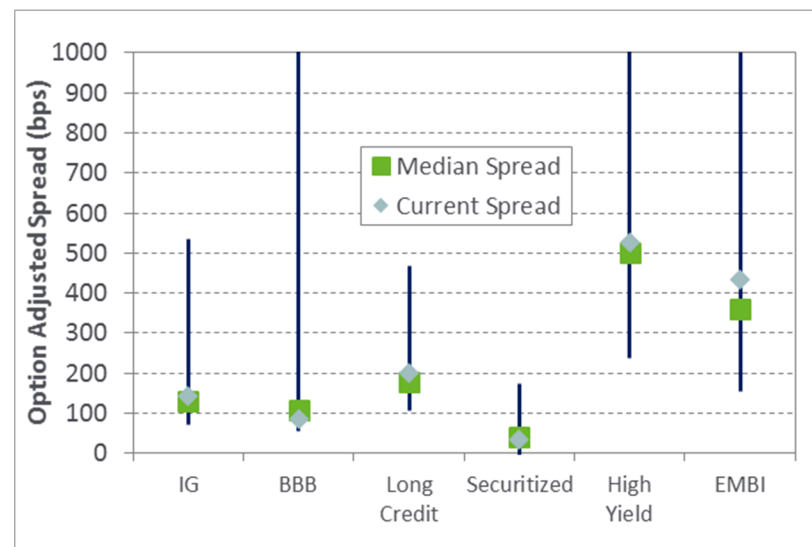
US high yield spreads experienced one of the largest movements – falling 135 basis points, supporting a return of 7.3%

Credit Spread (Basis Points)	12/31/18	3/31/19	Δ
BC IG Credit	153	119	-34
BC Long Credit	200	172	-28
BC Securitized	35	35	0
BC High Yield	526	391	-135
Muni HY	236	230	-6
JPM EMBI	435	373	-62
Bank Loans - Libor	414	354	-60

Source: Barclays, Merrill Lynch, JPM, Bloomberg, NEPC



Source: Barclays, JPM, S&P, Bloomberg



Source: Barclays, JPM, S&P, Bloomberg; as of 01/31/2000



REAL ASSETS PERFORMANCE OVERVIEW

Q1 Real Assets Market Summary

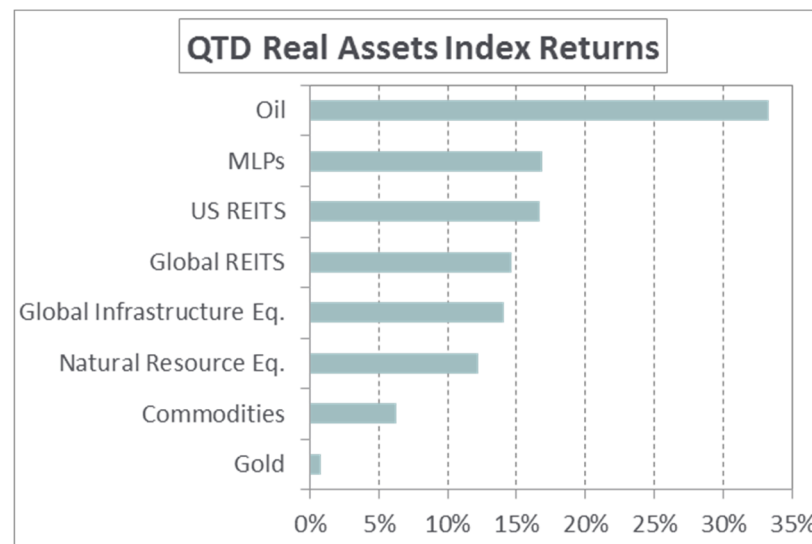
WTI crude oil increased 33.3% as a result of OPEC production cuts and concerns surrounding Venezuela

Midstream energy increased 22.2% following strong earnings and a tailwind from higher oil prices

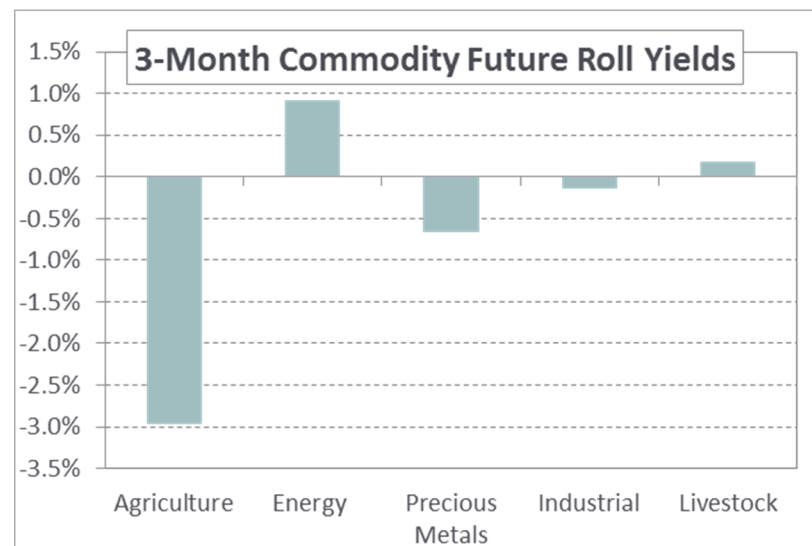
US REITs increased 16.3% during the quarter with the Fed signaling a pause to monetary policy

Real Asset Yields	12/31/18	3/31/19
MLPs	8.9%	8.0%
Core Real Estate	4.5%	4.5%
US REITs	4.6%	4.1%
Global REITs	3.9%	3.4%
Global Infrastructure Equities	4.6%	4.4%
Natural Resource Equities	4.5%	4.2%
US 10-Yr Breakeven Inflation	1.7%	1.9%
Commodity Index Roll Yield	-2.7%	-2.7%

Source: NCREIF, Alerian, NAREIT, S&P, Bloomberg



Source: S&P, NAREIT, Alerian, Bloomberg



Source: Bloomberg, NEPC Calculated as of 09/28/2018



KEY MARKET THEMES

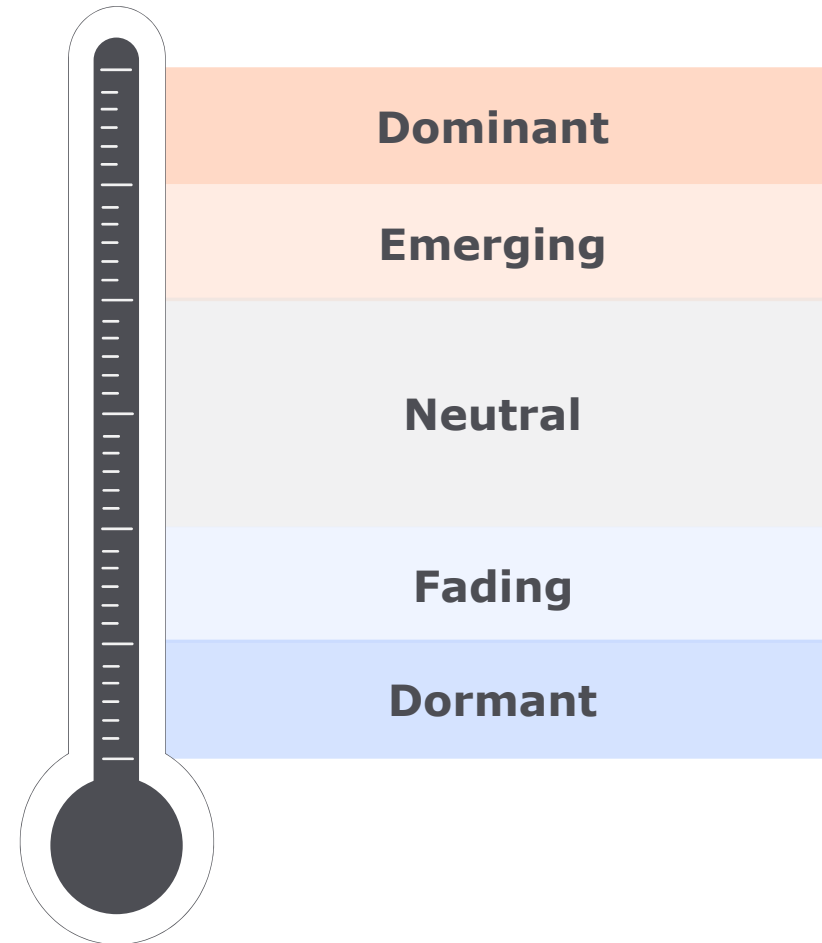
NEPC, LLC

KEY MARKET THEMES OVERVIEW

Thermometer

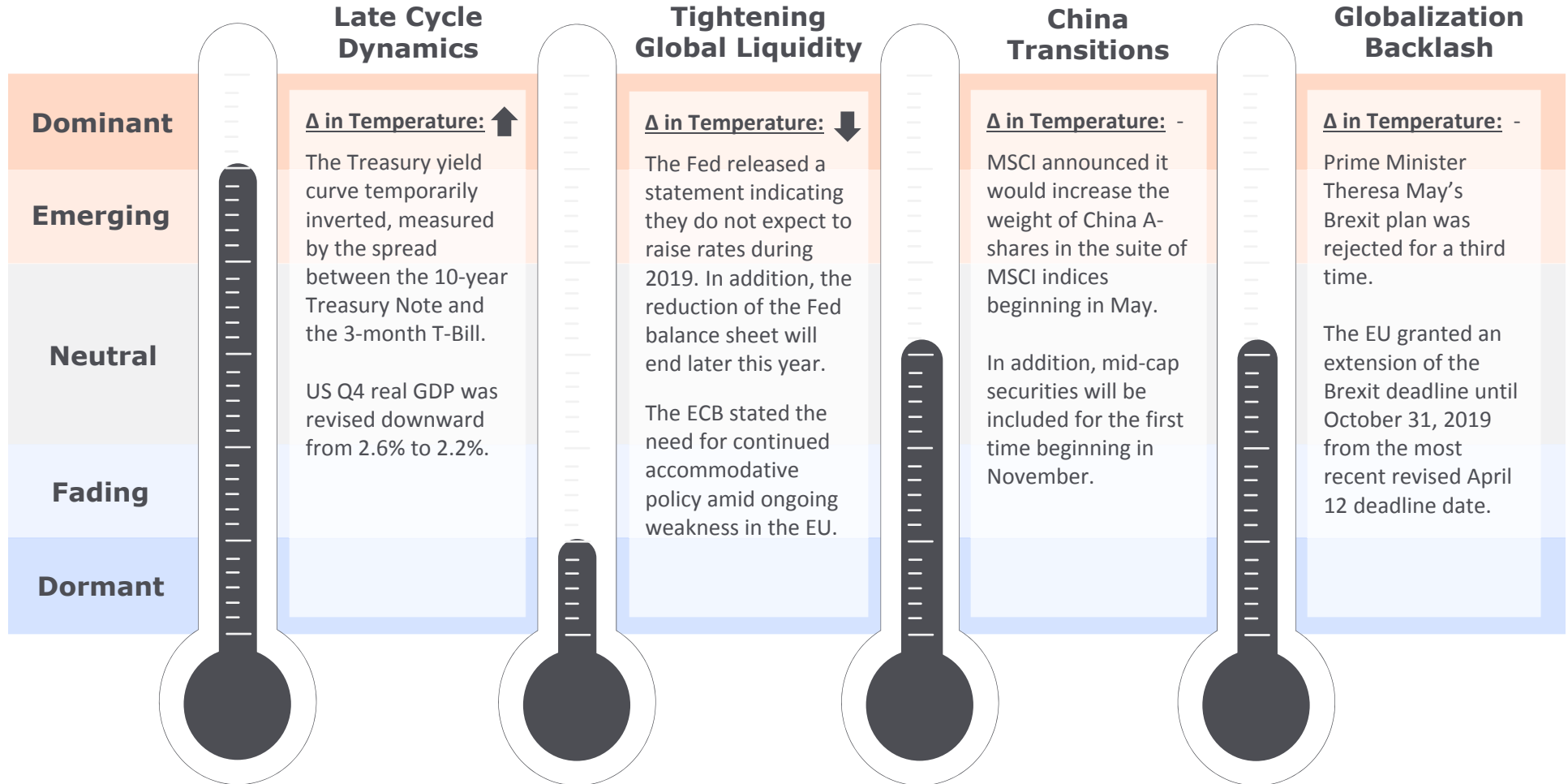
Each Key Market Theme is represented by a thermometer used to assess the current “temperature” of a theme. Themes may trend hotter or colder as market dynamics and underlying conditions change.

We expect temperatures to fluctuate as the theme’s activity level and influence on the market environment and asset pricing varies throughout its lifespan. Our intent is to use this as a communication tool, providing greater clarity on ongoing changes to the themes.



ASSESSING THE KEY MARKET THEMES

Current Temperature

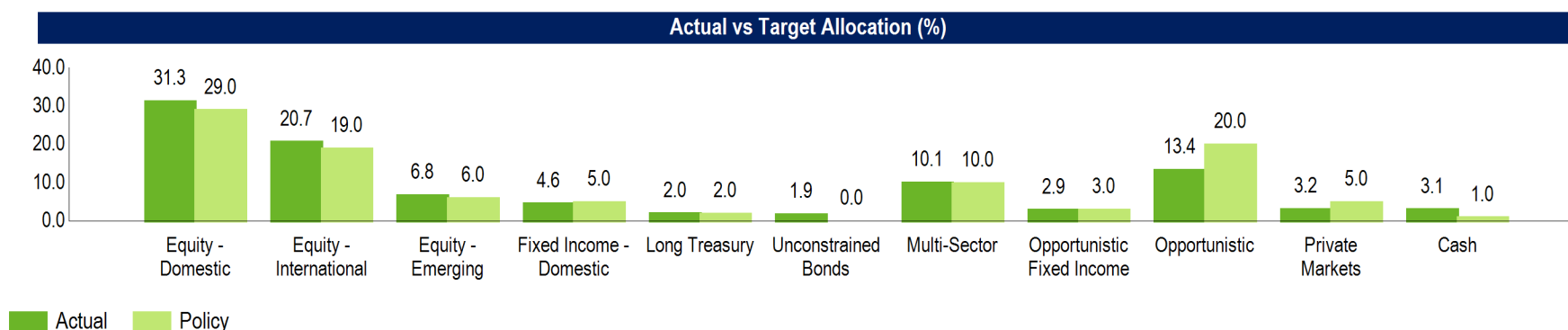


INVESTMENT PROGRAM REVIEW

NEPC, LLC

TOTAL FUND PERFORMANCE SUMMARY - GROSS

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank
Composite	\$193,123,977	9.7%	10	3.1%	32	4.2%	20	9.5%	14	5.5%	52	6.6%	65	10.0%	38
<i>Allocation Index</i>		8.7%	34	1.5%	86	1.8%	90	7.7%	80	5.1%	68	6.1%	80	8.9%	74
<i>Policy Index</i>		8.6%	35	2.0%	69	2.8%	69	8.2%	61	5.4%	57	6.4%	71	9.2%	62
<i>InvestorForce All Endowment \$50mm-\$250mm Gross Median</i>		8.2%		2.5%		3.3%		8.5%		5.5%		7.0%		9.6%	



Total Fund Performance

- The Endowment returned 9.7% (gross of fees) during Q1 of 2019, ranking in the 10th percentile of the universe, outperforming both the allocation and the policy index
- Over the trailing one-year period, the Endowment returned 4.2% (gross of fees), ranking in the 20th percentile of the universe and outperforming both the allocation and policy index
- Over the one- and three-year time period, portfolio performance has ranked in the top quartile among peers

Recent Decisions & Action Items

- Adopted updated asset allocation

Fiscal Year End: 6/30



GOALS & OBJECTIVES

Investment Return Objective

- “The overall investment objective of the UUA, as manager of the UUCEF, is to increase the UUCEF’s asset value in order to maintain real purchasing power while allowing for regular endowment distributions. With the guiding lens of Unitarian Universalist values and principles, the Fund seeks to achieve consistent returns within a moderate risk tolerance over the long term, sufficient to allow UU Congregations to take regular distributions and maintain the value of principal after adjustment for inflation and after all expenses.”

Risk Tolerance

Spending Draw	4.50%
Inflation	2.25%
Total Return Goal	6.75%

- **Time Horizon:** The time horizon of the portfolio is perpetuity and therefore we seek to balance continued growth with a moderate risk tolerance.
- **Liquidity Needs:** The cash flow needs of the portfolio are often known in advance and are managed throughout the year. The portfolio can withstand some illiquidity risk.
- **Capital Preservation:** While the portfolio can withstand drawdowns, a primary objective is to maintain real purchasing power while allowing for regular distributions.
- **Other Considerations:** The UUCEF shall be managed in a manner consistent with UU values as well as the achievement of return and risk objectives. The UUA is committed to an investment program which utilizes tools of socially responsible investment (SRI) to optimize the alignment of its financial assets with its values.



DUE DILIGENCE MONITOR

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Investment Options	Manager Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations
There were no due diligence updates during the quarter		



DUE DILIGENCE MONITOR

NEPC Due Diligence Status Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

NEPC Due Diligence Rating Key	
1	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
2	NEPC has a positive view of the strategy. Strategy has a compelling and sound investment thesis. The manager is sufficiently resourced and incented to execute on the thesis. Strengths outweigh the weaknesses, but the strategy does not meet all requirements for a 1 rating.
3	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager's viability.
4	The strategy may have an unclear or ambiguous investment thesis or the manager may lack the ability to execute on the stated thesis. The strategy likely has strengths and weaknesses and the weaknesses may outweigh the strengths.
5	A strategy that lacks an investment thesis or NEPC has no confidence in the manager's ability to execute on the thesis, and/or the investment firm may not be viable. Serious issues have been identified with an investment manager or product. This rating aligns with a Terminate Due Diligence status for client-owned products.
NR	Due diligence has not been sufficiently completed on the product or manager.



TOTAL FUND SUMMARY

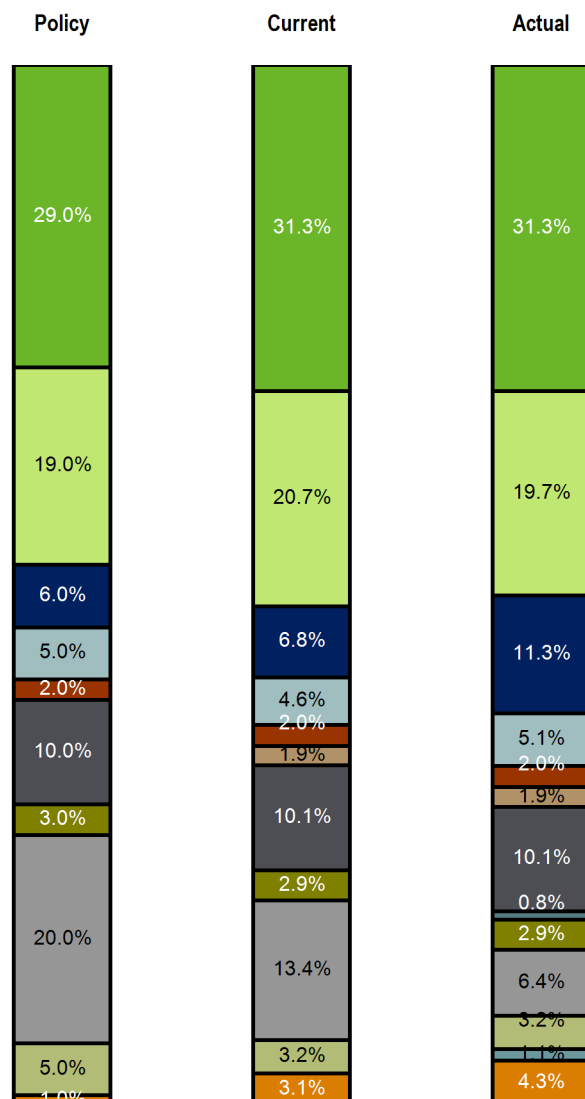
NEPC, LLC

TOTAL FUND ASSET GROWTH SUMMARY

	Quarter Ending March 31, 2019					Ending Market Value
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	
Baxter Street	\$9,539,077	\$0	\$0	\$0	\$1,523,659	\$11,062,736
Boston Common	\$13,280,212	\$0	-\$2,187	-\$2,187	\$1,280,196	\$14,558,221
Brandywine Global Opportunistic	\$9,286,855	\$0	\$0	\$0	\$305,645	\$9,592,501
Breckinridge - Corporate	\$9,929,361	\$0	-\$1,300,570	-\$1,300,570	\$248,892	\$8,877,683
Breckinridge-Treasury	\$3,741,704	\$0	-\$222	-\$222	\$173,556	\$3,915,038
Brockton Capital Fund III	\$737,042	\$0	-\$8,393	-\$8,393	\$76,455	\$805,104
Canvas Distressed Credit Fund	\$545,189	\$0	\$0	\$0	\$12,770	\$557,958
Cash Account	\$1,859,819	\$6,101,818	-\$3,793,979	\$2,307,839	\$39,117	\$4,206,776
Cevian Capital II	\$5,461,115	\$0	\$0	\$0	\$336,177	\$5,797,292
Community Development	\$1,790,135	\$0	-\$19,332	-\$19,332	\$11,299	\$1,782,102
Entrust Class X	\$568,686	\$0	\$0	\$0	-\$14,631	\$554,055
FEG Private Opportunities Fund	\$1,623,364	\$0	-\$60,000	-\$60,000	\$0	\$1,563,364
Franklin Templeton GMS	\$5,566,019	\$0	\$0	\$0	\$95,779	\$5,661,798
GMO Benchmark Free Allocation Fund	\$18,537,020	\$0	\$0	\$0	\$1,021,609	\$19,558,629
HCAP Partners IV LP	--	\$254,544	\$0	\$254,544	\$0	\$254,544
Kennedy Capital	\$7,668,648	\$0	-\$8,648,113	-\$8,648,113	\$979,465	--
Loomis Multi Sector	\$9,442,521	\$0	\$0	\$0	\$422,115	\$9,864,636
Loomis Sayles Strategic Alpha	\$3,526,994	\$0	-\$5,379	-\$5,379	\$74,403	\$3,596,018
MFS International Concentrated	\$12,930,682	\$0	\$0	\$0	\$1,449,306	\$14,379,988
OCP Orchard Landmark	\$2,240,503	\$0	\$0	\$0	\$47,070	\$2,287,573
RBC Global Emerging Equity	\$12,029,256	\$0	\$0	\$0	\$1,127,948	\$13,157,204
Rhumblin	\$18,809,896	\$0	-\$1,198	-\$1,198	\$2,343,543	\$21,152,240
Sands	\$18,038,846	\$0	-\$1,209	-\$1,209	\$4,029,704	\$22,067,341
SJF Ventures	\$650,347	\$0	-\$2,956	-\$2,956	\$42,685	\$690,076
WCM Investment Management	--	\$8,647,958	-\$353	\$8,647,605	\$347,884	\$8,995,489
Wellington SMID	\$7,345,065	\$0	\$0	\$0	\$840,546	\$8,185,611
Total	\$175,148,355	\$15,004,320	-\$13,843,891	\$1,160,430	\$16,815,193	\$193,123,977



TOTAL FUND ASSET ALLOCATION VS. POLICY



Asset Allocation vs. Target						
	Current	Policy	Current	Policy Range	Within Range	Actual
Equity - Domestic	\$60,400,681	29.0%	31.3%	22.0% - 36.0%	Yes	31.3%
Equity - International	\$40,000,945	19.0%	20.7%	14.0% - 24.0%	Yes	19.7%
Equity - Emerging	\$13,157,204	6.0%	6.8%	3.0% - 9.0%	Yes	11.3%
Fixed Income - Domestic	\$8,877,683	5.0%	4.6%	0.0% - 15.0%	Yes	5.1%
Long Treasury	\$3,915,038	2.0%	2.0%	0.0% - 10.0%	Yes	2.0%
Unconstrained Bonds	\$3,596,018	--	1.9%			1.9%
Multi-Sector	\$19,457,136	10.0%	10.1%	0.0% - 15.0%	Yes	10.1%
Emerging Market Debt	--	--	--			0.8%
Opportunistic Fixed Income	\$5,661,798	3.0%	2.9%	0.0% - 10.0%	Yes	2.9%
Opportunistic	\$25,909,976	20.0%	13.4%	10.0% - 30.0%	Yes	6.4%
Private Markets	\$6,158,619	5.0%	3.2%	0.0% - 10.0%	Yes	3.2%
Real Assets	--	--	--			1.1%
Cash	\$5,988,879	1.0%	3.1%	0.0% - 10.0%	Yes	4.3%
Total	\$193,123,977	100.0%	100.0%			100.0%

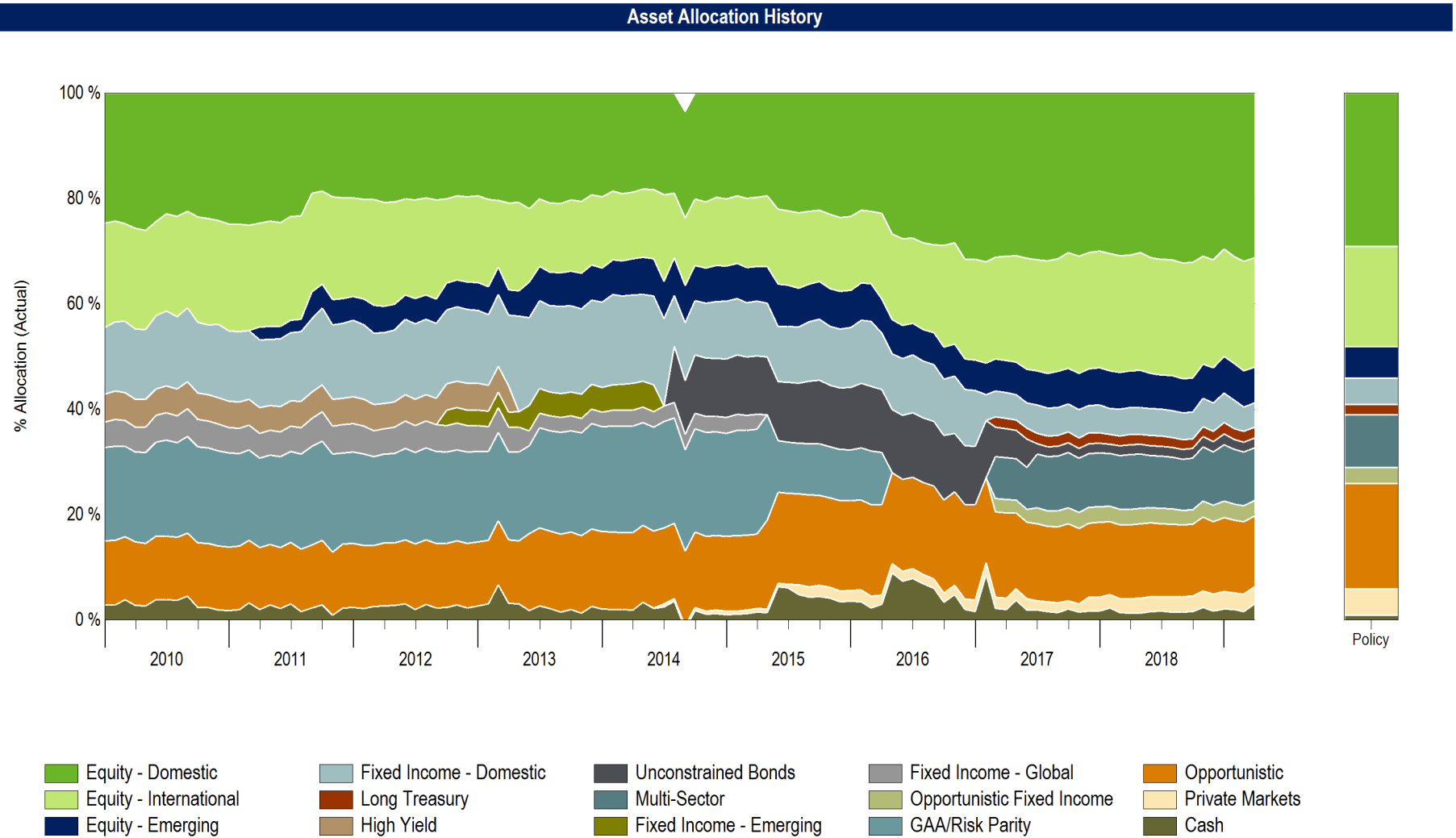
Cash allocation includes community development.

- On a look through basis, Domestic Equity is 31.3% of the fund, International Equity is 19.7% of the fund, and Emerging Market Equity is 11.3% of the fund.

- Within the Opportunistic allocation, dedicated Hedge Fund exposure is 3.3%, GMO has an Absolute Return allocation in their fund, increasing hedge fund exposure to 6.4%.

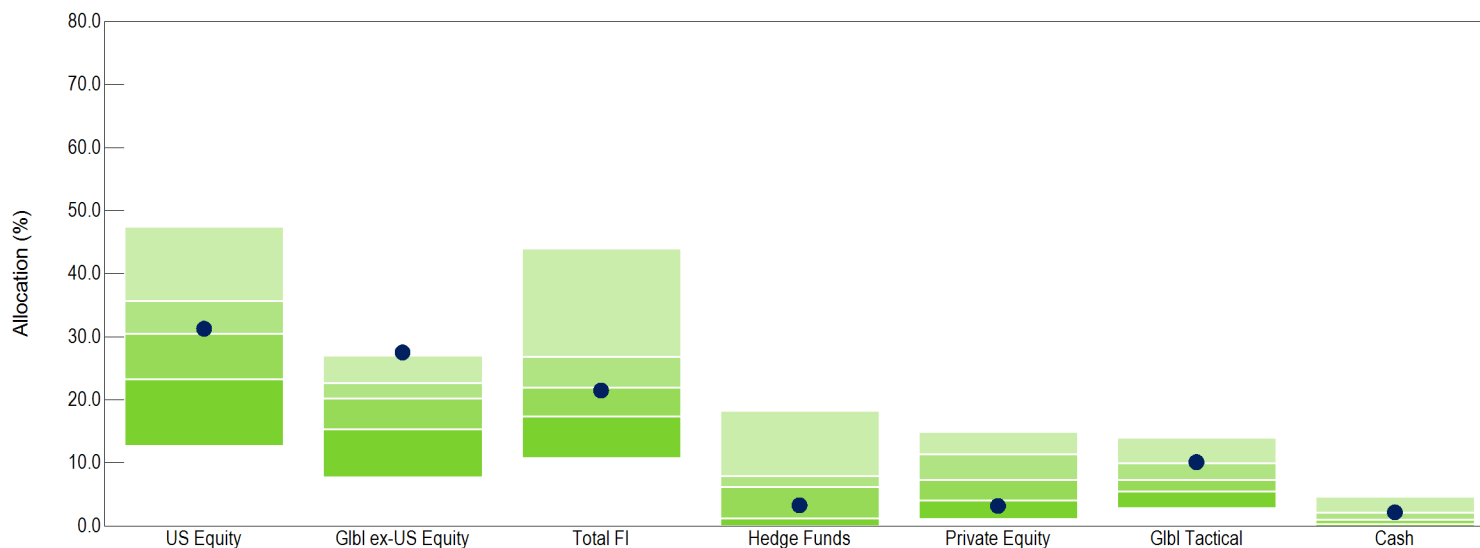
- Overall Fixed Income exposure is 22.8%

TOTAL FUND ASSET ALLOCATION HISTORY



TOTAL FUND ALLOCATIONS VS. PEER UNIVERSE

Total Plan Allocation vs. InvestorForce All Endowment \$50mm-\$250mm Gross



	Allocation (Rank)											
5th Percentile	47.5		27.0		44.0		18.2		14.9		14.0	
25th Percentile	35.8		22.7		26.9		8.0		11.5		10.0	
Median	30.6		20.4		22.0		6.3		7.4		7.4	
75th Percentile	23.3		15.4		17.5		1.3		4.2		5.6	
95th Percentile	12.8		7.8		10.9		0.1		1.2		2.9	
# of Portfolios	46		56		63		37		36		20	
• Composite	31.3	(49)	27.5	(4)	21.5	(52)	3.3	(74)	3.2	(84)	10.1	(22)

UUA Net Asset Allocation	31.3	31.0	22.8	6.4	3.2	1.1	4.3
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Above analytic does not include Community Development, whereas UUA Net Asset Allocation does. Real Assets are not shown in the above analytic, as UUA does not have any dedicated exposure.



TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Composite	193,123,977	100.0	100.0	9.4	2.3	3.0	8.2	4.4	5.5	8.9	6.0	Jul-02
Allocation Index				8.7	1.5	1.8	7.7	5.1	6.1	8.9	6.6	Jul-02
Policy Index				8.6	2.0	2.8	8.2	5.4	6.4	9.2	--	Jul-02
Domestic Equity Composite	60,400,681	31.3	29.0	16.3	4.3	10.7	15.7	9.9	12.6	18.7	10.4	Jul-02
Russell 3000				14.0	4.7	8.8	13.5	10.4	12.6	16.0	8.9	Jul-02
Rhumblin	21,152,240	11.0	10.5	12.4	6.3	7.7	12.2	9.1	11.6	15.5	7.4	Aug-05
Russell 1000 Value				11.9	4.4	5.7	10.5	7.7	11.1	14.5	7.1	Aug-05
Sands	22,067,341	11.4	10.5	22.1	7.5	18.8	21.7	12.9	14.8	21.7	12.4	Dec-03
Russell 1000 Growth				16.1	6.6	12.7	16.5	13.5	14.3	17.5	9.8	Dec-03
Wellington SMID	8,185,611	4.2	4.0	11.2	-3.9	3.6	6.9	--	--	--	6.9	Apr-16
Russell 2500 Value				13.1	-3.7	1.8	9.9	6.0	10.2	15.0	9.9	Apr-16
WCM Investment Management	8,995,489	4.7	4.0	--	--	--	--	--	--	--	4.0	Feb-19
Russell 2000 Growth				17.1	-3.2	3.9	14.9	8.4	11.8	16.5	5.0	Feb-19
International Equity Composite	53,158,149	27.5	25.0	11.2	1.7	0.2	8.9	3.2	4.5	7.7	5.8	Jul-02
MSCI ACWI ex USA				10.3	-1.6	-4.2	8.1	2.6	4.7	8.8	6.5	Jul-02
MFS International Concentrated	14,379,988	7.4	7.0	11.0	0.6	2.4	10.3	4.7	--	--	6.1	Apr-13
MSCI EAFE				10.0	-2.5	-3.7	7.3	2.3	5.6	9.0	4.7	Apr-13
Boston Common	14,558,221	7.5	7.0	9.6	-3.6	-5.2	7.0	2.4	5.1	--	5.0	May-10
MSCI EAFE				10.0	-2.5	-3.7	7.3	2.3	5.6	9.0	5.1	May-10
Baxter Street	11,062,736	5.7	5.0	16.0	5.8	5.6	11.2	--	--	--	11.2	Apr-16
MSCI ACWI ex USA				10.3	-1.6	-4.2	8.1	2.6	4.7	8.8	8.1	Apr-16
RBC Global Emerging Equity	13,157,204	6.8	6.0	9.4	6.0	-0.8	--	--	--	--	9.4	Jul-16
MSCI Emerging Markets				9.9	0.6	-7.4	10.7	3.7	2.7	8.9	11.4	Jul-16

TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Fixed Income Composite	41,507,673	21.5	20.0	3.1	3.4	0.9	2.9	2.5	3.1	5.8	4.3	Jul-02
BBgBarc US Aggregate TR				2.9	4.6	4.5	2.0	2.7	2.5	3.8	4.3	Jul-02
Brandywine Global Opportunistic FTSE WGBI TR	9,592,501	5.0	5.0	3.2	1.0	-5.8	--	--	--	--	3.0	Mar-17
Loomis Multi Sector	9,864,636	5.1	5.0	1.7	1.8	-1.6	1.0	0.6	0.5	2.2	3.3	Mar-17
BBgBarc US Govt/Credit TR				4.3	4.5	3.3	--	--	--	--	3.9	Mar-17
Franklin Templeton GMS	5,661,798	2.9	3.0	3.3	4.8	4.5	2.1	2.8	2.6	3.9	2.8	Mar-17
BBgBarc Multiverse				1.6	3.8	-0.9	--	--	--	--	0.9	Mar-17
Breckinridge - Corporate	8,877,683	4.6	5.0	2.4	2.6	-0.3	1.8	1.2	1.4	3.3	3.3	Mar-17
BBgBarc US Govt/Credit Int TR				2.7	4.5	4.6	1.7	--	--	--	2.3	Nov-14
Breckinridge-Treasury	3,915,038	2.0	2.0	2.3	4.2	4.2	1.7	2.1	2.0	3.1	2.0	Nov-14
BBgBarc US Treasury Long TR				4.6	5.8	6.0	--	--	--	--	3.8	Mar-17
Loomis Sayles Strategic Alpha	3,596,018	1.9	0.0	4.7	5.9	6.2	1.5	5.4	4.3	5.1	4.4	Mar-17
BBgBarc US Aggregate TR				2.0	1.5	1.4	3.4	--	--	--	2.0	Aug-14
3-Month LIBOR + 3%				2.9	4.6	4.5	2.0	2.7	2.5	3.8	2.5	Aug-14
Opportunistic Investments	25,909,976	13.4	20.0	1.4	4.3	5.6	4.7	4.1	3.9	3.8	4.2	Aug-14
CPI + 5% (Unadjusted)				5.5	-1.0	-1.7	4.9	1.8	3.4	--	--	Jan-08
GMO Benchmark Free Allocation Fund	19,558,629	10.1	10.0	2.4	4.6	6.9	7.3	6.5	6.5	6.9	6.8	Jan-08
65% MSCI ACWI (Net) / 35% BBgBarc Aggregate				5.5	1.5	-0.9	5.2	2.2	3.7	6.7	3.9	Jan-08
CPI + 5% (Unadjusted)				8.9	3.2	3.5	7.7	5.3	6.5	9.3	4.4	Jan-08
Cevian Capital II	5,797,292	3.0	3.0	2.4	4.6	6.9	7.3	6.5	6.5	6.9	6.8	Jan-08
HFRX Event Driven Index				6.2	-8.1	-4.1	7.6	--	--	--	1.3	Apr-15
MSCI EAFE				0.8	-6.8	-6.5	2.2	-1.8	1.0	2.3	-0.9	Apr-15
Entrust Class X	554,055	0.3	2.0	10.0	-2.5	-3.7	7.3	2.3	5.6	9.0	3.2	Apr-15
				-2.6	-4.1	-5.1	--	--	--	--	-4.3	Jan-17



TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Markets	6,158,619	3.2	5.0	3.1	5.2	10.1	9.6	--	--	--	8.5	May-14
Private Markets Custom Benchmark				0.9	1.6	5.2	13.2	--	--	--	11.9	May-14
OCP Orchard Landmark	2,287,573	1.2		2.1	5.7	10.0	--	--	--	--	9.9	Nov-17
JP Morgan Corporate EMBI Broad TR USD				5.2	6.9	5.0	6.0	4.9	5.0	8.4	2.9	Nov-17
FEG Private Opportunities Fund	1,563,364	0.8										
Brockton Capital Fund III	805,104	0.4										
SJF Ventures	690,076	0.4										
Canvas Distressed Credit Fund	557,958	0.3										
HCAP Partners IV LP	254,544	0.1										
Community Development	1,782,102	0.9	1.0	0.6	1.1	1.4	1.2	1.2	1.3	1.5	1.6	Jul-07
91 Day T-Bills				0.6	1.7	2.1	1.2	0.8	0.6	0.4	0.6	Jul-07
Cash	4,206,776	2.2	0.0									

- Fiscal Year End: 6/30

- GMO Benchmark Free Allocation Fund from May 2013 onwards; prior to May 2013, returns are for the GMO Global Balanced Fund.

- Private Markets Custom Benchmark consists of 75% Cambridge Associates US Private Equity Index & 25% Credit Suisse Leveraged Loan Index as of 9/1/2018. The benchmark consisted of Cambridge Associates Global All Private Equity Vintage Year 2013+ 1 Qtr Lag benchmark prior to 9/1/2018 and Cambridge Associates US Private Equity Index prior to 4/1/2015.

- SJF Ventures is benchmarked to its own return within the allocation index from 11/1/2016 to 10/31/2018.

- Cash market Value includes \$3,467,354.73 adjustment for pending capital additions into the UUA Endowment Fund.

- Net returns for the UUCEF Composite incorporate both investment management fees and UUA administrative fees/expenses.



Unitarian Universalist Common Endowment Fund, LLC

ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid In Capital	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	IRR
Private Debt												
Canvas Distressed Credit Fund, L.P.	2018	\$2,000,000	\$1,444,163	\$555,837	\$17,561	\$0	\$543,119	\$543,119	-\$30,279	0.00	0.95	-5.82%
Total Private Debt		\$2,000,000	\$1,444,163	\$555,837	\$17,561	\$0	\$543,119	\$543,119	-\$30,279	0.00	0.95	-5.82%
Private Equity												
FEG Private Opportunities Fund, L.P.	2012	\$2,000,000	\$103,000	\$1,897,000	\$2,707	\$972,647	\$1,605,840	\$2,578,487	\$678,780	0.51	1.36	8.71%
SJF Ventures IV, L.P.	2016	\$2,500,000	\$1,750,000	\$750,000	\$0	\$0	\$690,076	\$690,076	-\$59,924	0.00	0.92	-7.82%
Total Private Equity		\$4,500,000	\$1,853,000	\$2,647,000	\$2,707	\$972,647	\$2,295,916	\$3,268,563	\$618,856	0.37	1.23	7.40%
Real Estate												
Brockton Capital Fund III, L.P.	2015	\$4,423,540	\$1,492,891	\$2,930,648	\$16,095	\$2,542,949	\$800,327	\$3,343,277	\$396,533	0.86	1.13	7.60%
Total Real Estate		\$4,423,540	\$1,492,891	\$2,930,648	\$16,095	\$2,542,949	\$800,327	\$3,343,277	\$396,533	0.86	1.13	7.60%
Total		\$10,923,540	\$4,790,054	\$6,133,485	\$36,363	\$3,515,596	\$3,639,362	\$7,154,959	\$985,110	0.57	1.16	7.16%

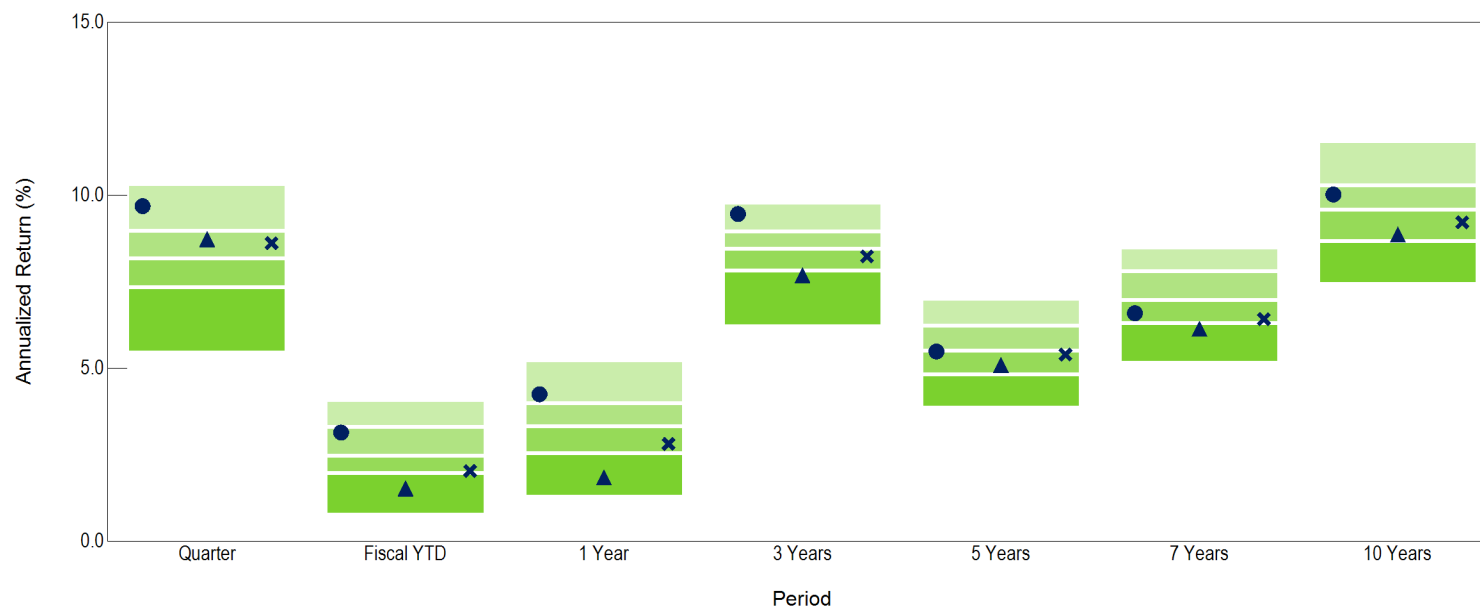
UUA recently approved \$2M commitments to HCAP Partners IV and Generation Sustainable Solutions III

- **Commitment Amount** – The amount an investor has committed to invest with the General Partner
- **Unfunded Commitment** – The remaining amount an investor contractually has left to fund its commitment
- **Paid In Capital** – The amount an investor has contributed for investments and management fee
- **Additional Fees** – Fees that are outside the capital commitment, also includes interest paid/received due from subsequent closings of the fund
- **Cumulative Distributions** – The amount an investor has received from realized and partially realized investment
- **Valuation** – Sum of the fair market value of all investments plus cash
- **Total Value** – Calculated by adding Amount Distributed and Reported Value. Represents the total amount an investor should expect to receive from their investments
- **Net Benefit** – Calculated by subtracting Total Value by Capital to be Funded plus Additional Fee
- **DPI Ratio** - Calculated by dividing Amount Distributed by Amount Funded
- **Total Value to Paid In Capital Ratio** – Calculated by dividing Total Value by Amount Funded. Represents the multiple of the overall cash invested that an investor is expected to receive
- **IRR** - The calculation of the IRR (Internal Rate of Return) takes into consideration the timing of cash contributions and distributions to and from the partnerships, the length of time the investments have been held and the sum of the Reported Value



TOTAL FUND RETURN VS PEER UNIVERSE - GROSS

Composite vs. InvestorForce All Endowment \$50mm-\$250mm Gross



		Return (Rank)													
5th Percentile		10.3		4.1		5.2		9.8		7.0		8.5		11.6	
25th Percentile		9.0		3.3		4.0		9.0		6.2		7.8		10.3	
Median		8.2		2.5		3.3		8.5		5.5		7.0		9.6	
75th Percentile		7.4		2.0		2.6		7.8		4.8		6.3		8.7	
95th Percentile		5.5		0.8		1.3		6.2		3.9		5.2		7.4	
# of Portfolios		78		78		78		74		67		55		52	
●	Composite	9.7	(10)	3.1	(32)	4.2	(20)	9.5	(14)	5.5	(52)	6.6	(65)	10.0	(38)
▲	Allocation Index	8.7	(34)	1.5	(86)	1.8	(90)	7.7	(80)	5.1	(68)	6.1	(80)	8.9	(74)
×	Policy Index	8.6	(35)	2.0	(69)	2.8	(69)	8.2	(61)	5.4	(57)	6.4	(71)	9.2	(62)

TOTAL FUND RETURN VS PEER UNIVERSE - GROSS

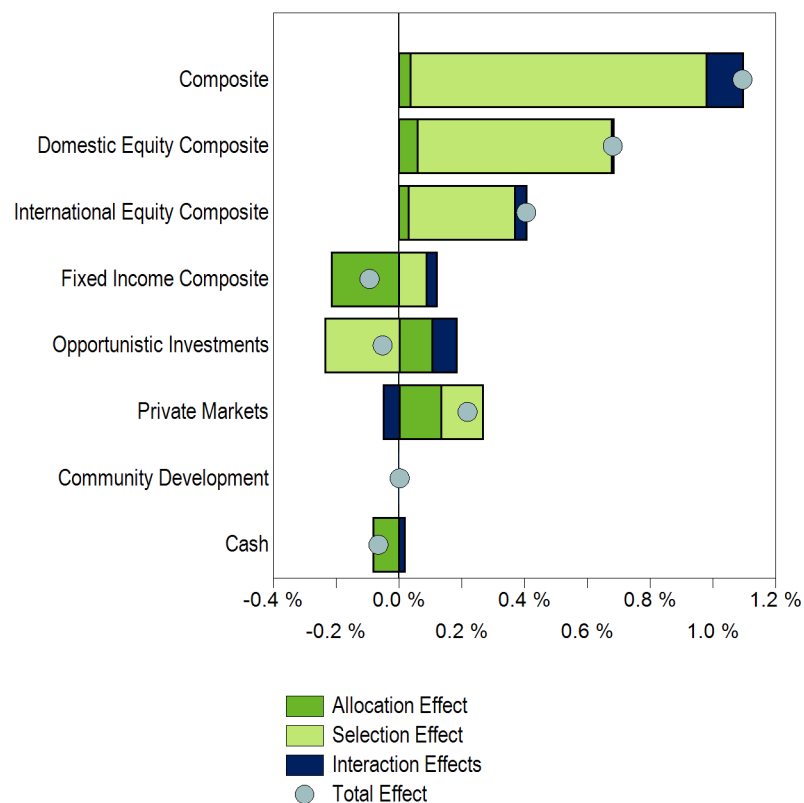
Composite vs. InvestorForce All Endowment \$50mm-\$250mm Gross



	Return (Rank)									
5th Percentile	-1.3	18.4	10.1	0.9	7.5	19.9	14.6	3.6	14.6	27.6
25th Percentile	-3.9	17.0	8.3	-0.3	5.5	16.9	13.4	1.3	13.7	24.1
Median	-4.9	15.3	6.9	-1.5	4.4	15.2	12.5	-0.6	12.5	21.6
75th Percentile	-6.2	14.2	5.7	-2.3	3.6	12.2	11.7	-1.5	11.2	17.3
95th Percentile	-7.1	11.9	2.8	-3.9	2.0	8.4	9.4	-3.6	8.8	11.6
# of Portfolios	108	76	79	80	90	81	83	82	77	75
● Composite	-4.0 (27)	18.5 (5)	5.1 (85)	-2.4 (80)	3.7 (74)	12.2 (75)	14.1 (12)	-1.4 (73)	15.2 (3)	28.3 (5)
▲ Allocation Index	-7.0 (94)	16.8 (27)	6.8 (54)	-1.4 (49)	4.5 (46)	12.1 (76)	11.7 (74)	-2.6 (88)	11.8 (65)	27.9 (5)
× Policy Index	-5.7 (66)	16.6 (32)	7.0 (48)	-1.1 (41)	4.4 (52)	12.6 (70)	12.1 (66)	-1.6 (79)	11.6 (67)	23.0 (36)

TOTAL FUND ATTRIBUTION ANALYSIS - GROSS

Attribution Effects
3 Months Ending March 31, 2019

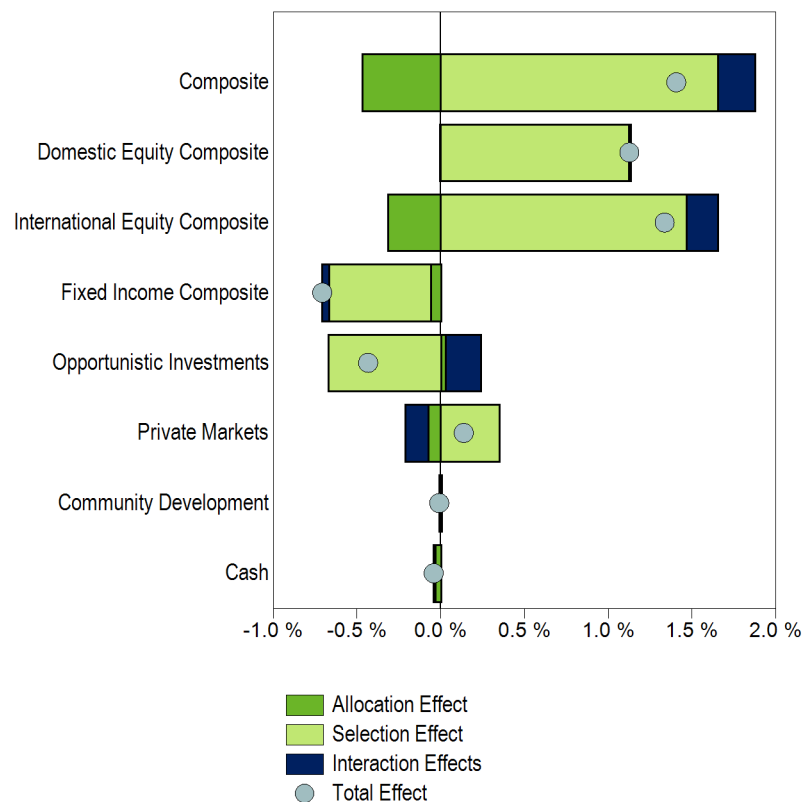


Attribution Summary
3 Months Ending March 31, 2019

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	29.0%	16.5%	14.3%	2.1%	0.6%	0.1%	0.0%	0.7%
International Equity Composite	25.0%	11.5%	10.0%	1.4%	0.3%	0.0%	0.0%	0.4%
Fixed Income Composite	20.0%	3.2%	2.8%	0.5%	0.1%	-0.2%	0.0%	-0.1%
Opportunistic Investments	20.0%	5.7%	6.8%	-1.2%	-0.2%	0.1%	0.1%	0.0%
Private Markets	5.0%	3.4%	0.9%	2.5%	0.1%	0.1%	0.0%	0.2%
Community Development	1.0%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	2.0%	0.6%	1.4%	0.0%	-0.1%	0.0%	-0.1%
Total	100.0%	9.7%	8.6%	1.1%	0.9%	0.0%	0.1%	1.1%

TOTAL FUND ATTRIBUTION ANALYSIS - GROSS

Attribution Effects
1 Year Ending March 31, 2019



Attribution Summary
1 Year Ending March 31, 2019

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	29.0%	11.4%	7.5%	3.9%	1.1%	0.0%	0.0%	1.1%
International Equity Composite	25.0%	1.0%	-4.7%	5.7%	1.5%	-0.3%	0.2%	1.3%
Fixed Income Composite	20.0%	1.5%	4.4%	-3.0%	-0.6%	-0.1%	0.0%	-0.7%
Opportunistic Investments	20.0%	-1.0%	2.3%	-3.3%	-0.7%	0.0%	0.2%	-0.4%
Private Markets	5.0%	12.8%	5.2%	7.6%	0.3%	-0.1%	-0.1%	0.1%
Community Development	1.0%	1.4%	2.1%	-0.8%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.8%	2.1%	-1.3%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	4.2%	2.8%	1.4%	1.7%	-0.4%	0.2%	1.4%

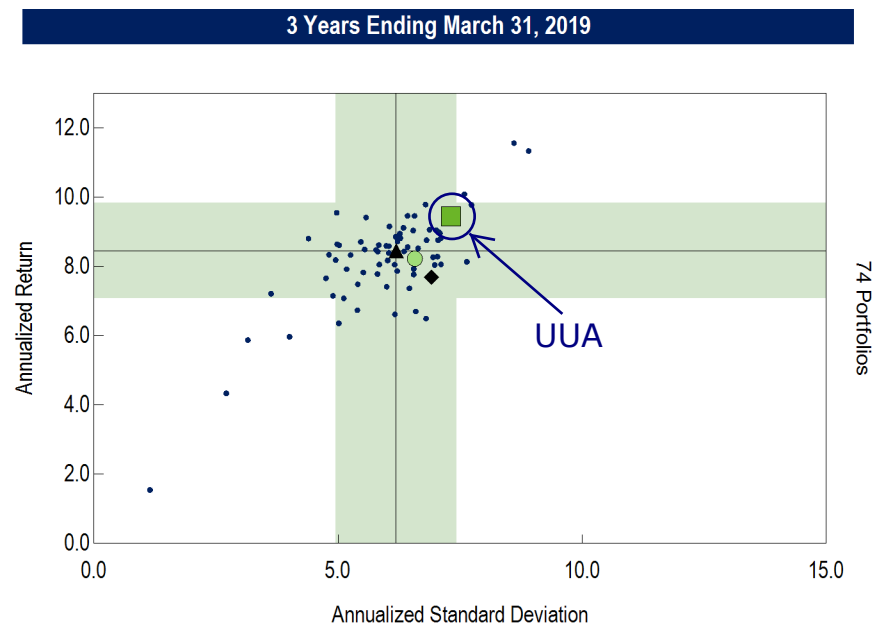
TOTAL FUND RISK STATISTICS

3 Years Ending March 31, 2019									
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	100.00%	9.46%	14	7.32%	94	1.12	67	1.20	13
Allocation Index	--	7.69%	80	6.92%	78	0.93	94	--	--
Domestic Equity Composite	31.28%	16.36%	18	12.83%	52	1.18	20	0.73	12
Russell 3000	--	13.48%	38	11.09%	26	1.11	30	--	--
International Equity Composite	27.53%	9.77%	30	10.04%	9	0.85	15	0.66	16
MSCI ACWI ex USA	--	8.09%	60	10.56%	23	0.65	48	--	--
Fixed Income Composite	21.49%	3.41%	50	2.60%	21	0.84	44	0.52	48
BBgBarc US Aggregate TR	--	2.03%	72	2.97%	27	0.27	66	--	--
Opportunistic Investments	13.42%	5.73%	--	5.99%	--	0.75	--	-0.26	--

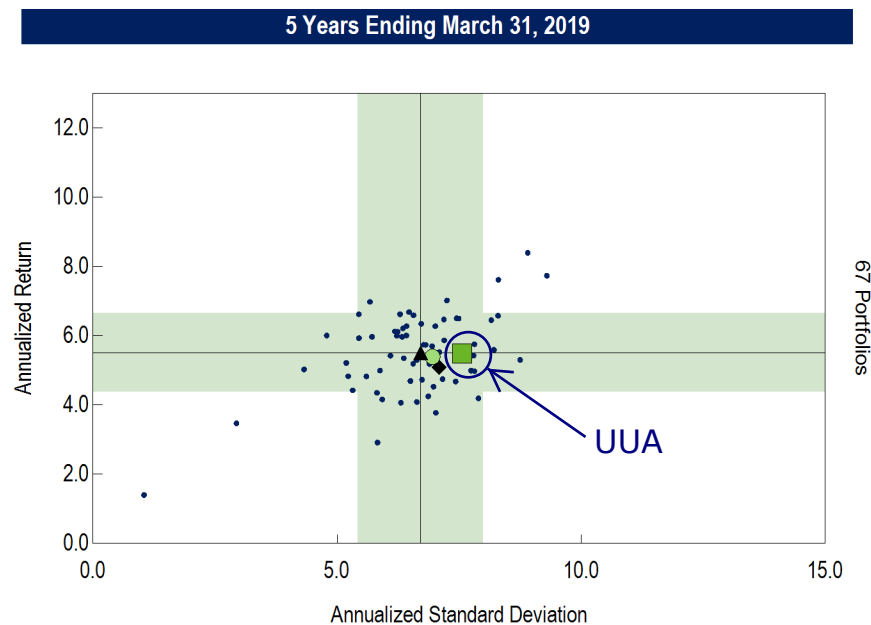
5 Years Ending March 31, 2019									
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	100.00%	5.48%	52	7.56%	83	0.62	72	0.29	45
Allocation Index	--	5.09%	68	7.09%	69	0.61	75	--	--
Domestic Equity Composite	31.28%	10.56%	31	13.23%	54	0.74	40	0.05	31
Russell 3000	--	10.35%	34	11.50%	26	0.83	28	--	--
International Equity Composite	27.53%	4.04%	47	11.67%	23	0.28	43	0.62	28
MSCI ACWI ex USA	--	2.57%	80	12.01%	41	0.15	79	--	--
Fixed Income Composite	21.49%	2.99%	45	2.45%	13	0.91	30	0.11	43
BBgBarc US Aggregate TR	--	2.74%	49	2.86%	20	0.69	40	--	--
Opportunistic Investments	13.42%	2.60%	--	6.58%	--	0.28	--	-0.61	--



TOTAL FUND RISK/RETURN - GROSS



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

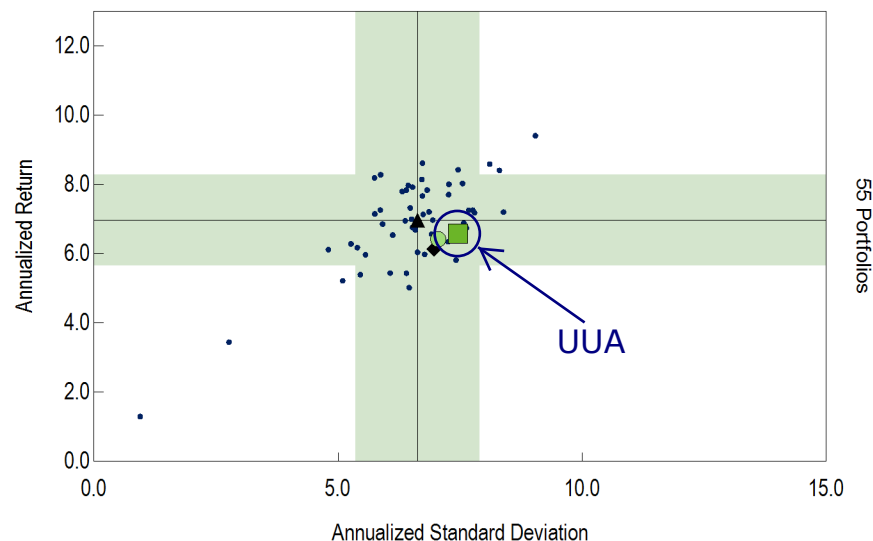
3 Years Ending March 31, 2019								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	9.46%	14	7.32%	94	1.12	67	1.20	13
Allocation Index	7.69%	80	6.92%	78	0.93	94	--	--
Policy Index	8.23%	61	6.57%	69	1.07	80	0.89	23
InvestorForce All Endowment \$50mm-\$250mm Gross Median	8.46%	--	6.19%	--	1.16	--	0.58	--

5 Years Ending March 31, 2019								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	5.48%	52	7.56%	83	0.62	72	0.29	45
Allocation Index	5.09%	68	7.09%	69	0.61	75	--	--
Policy Index	5.39%	57	6.96%	63	0.67	66	0.60	18
InvestorForce All Endowment \$50mm-\$250mm Gross Median	5.51%	--	6.71%	--	0.72	--	0.20	--



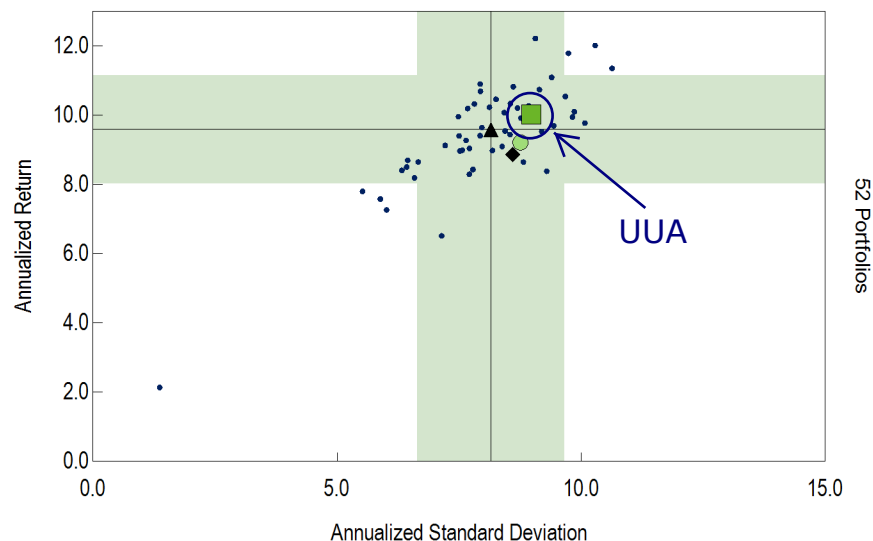
TOTAL FUND RISK/RETURN - GROSS

7 Years Ending March 31, 2019



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

10 Years Ending March 31, 2019



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

7 Years Ending March 31, 2019								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	6.59%	65	7.46%	82	0.81	85	0.35	38
Allocation Index	6.14%	80	6.97%	68	0.80	88	--	--
Policy Index	6.42%	71	7.05%	69	0.83	77	0.49	24
InvestorForce All Endowment \$50mm-\$250mm Gross Median	6.97%	--	6.63%	--	0.98	--	0.18	--

10 Years Ending March 31, 2019								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	10.02%	38	8.98%	76	1.07	72	0.85	12
Allocation Index	8.87%	74	8.60%	65	0.98	89	--	--
Policy Index	9.22%	62	8.76%	69	1.00	86	0.55	24
InvestorForce All Endowment \$50mm-\$250mm Gross Median	9.60%	--	8.15%	--	1.14	--	0.06	--



IMPLEMENTATION WORK PLAN

NEPC, LLC

OVERVIEW

- **At the May call, NEPC presented an updated strategic asset allocation**
 - The updated allocation eliminates the 20% target to Opportunistic, increases the Public Equity allocation from 54% to 62% and increased the Fixed Income allocation from 20% to 32%, while keeping Private Markets at a 5% target allocation
 - Private markets pacing will continue to use a 10% long term target
 - The Committee approved the recommendation with one minor change, adding an allocation of 1% to cash from fixed income allocation
- **The approved allocation is shown on the following page**
- **At this meeting, we will discuss the work plan to bring the portfolio to the new targets**



PORTFOLIO REVIEW

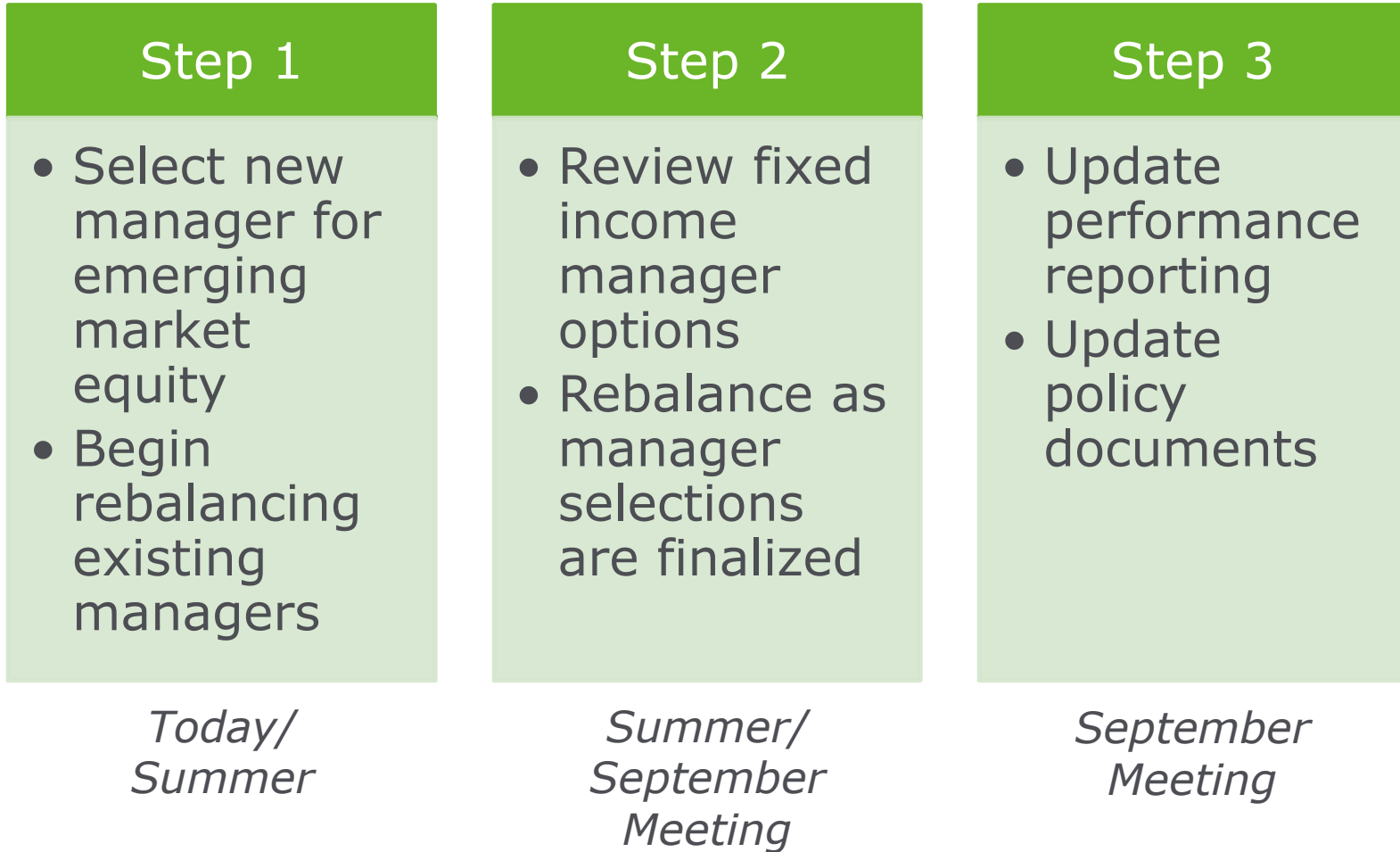
Old Policy Targets

Domestic Equity Composite	29.0%
<i>Large Cap Equity</i>	21.0%
<i>Small/Mid Cap Equity</i>	8.0%
International Equity Composite	25.0%
<i>International Equity</i>	19.0%
<i>Emerging Market Equity</i>	6.0%
Fixed Income Composite	20.0%
Opportunistic Investments	20.0%
Private Markets	5.0%
Community Development	1.0%
Cash	0.0%

New Policy Targets

Domestic Equity Composite	32.0%
<i>Large Cap Equity</i>	22.0%
<i>Small/Mid Cap Equity</i>	10.0%
International Equity Composite	30.0%
<i>International Equity</i>	21.0%
<i>Emerging Market Equity</i>	9.0%
Fixed Income Composite	31.0%
<i>High Quality Fixed Income</i>	14.0%
<i>Flexible Fixed Income</i>	17.0%
Opportunistic Investments	0.0%
Private Markets	5.0%
Community Development	1.0%
Cash	1.0%

IMPLEMENTATION OVERVIEW



MANAGER SHIFTS

Old Policy Targets

Domestic Equity Composite	29.0%
Large Cap Equity	21.0%
Rhumblin	
Sands	
Small/Mid Cap Equity	8.0%
Wellington SMID	
WCM Investment Management	
International Equity Composite	25.0%
International Equity	19.0%
MFS International Concentrated	
Boston Common	
Baxter Street	
Emerging Market Equity	6.0%
RBC Global Emerging Equity	
Fixed Income Composite	20.0%
Brandywine Global Opportunistic	
Loomis Multi Sector	
Franklin Templeton GMS	
Breckinridge - Corporate	
Breckinridge-Treasury	
Loomis Sayles Strategic Alpha	
Opportunistic Investments	20.0%
GMO	
Cevian Capital II	
Entrust	
Private Markets	5.0%
Community Development	1.0%
Cash	0.0%

New Policy Targets

Domestic Equity Composite	32.0%
Large Cap Equity	22.0%
Rhumblin	
Sands	
Small/Mid Cap Equity	10.0%
Wellington SMID	
WCM Investment Management	
International Equity Composite	30.0%
International Equity	21.0%
MFS International Concentrated	
Boston Common	
Baxter Street	
<i>Cevian Capital II - moved from Opp.</i>	
Emerging Market Equity	9.0%
RBC Global Emerging Equity	
<i>Manager TBD</i>	
Fixed Income Composite	31.0%
High Quality Fixed Income	14.0%
Breckinridge - Corporate	
Breckinridge-Treasury	
<i>Manager TBD</i>	
Flexible Fixed Income	17.0%
Brandywine Global Opportunistic	
Loomis Multi Sector	
Franklin Templeton GMS	
<i>Loomis Sayles Strategic Alpha – possible terminate</i>	
Opportunistic Investments	0.0%
<i>GMO - to be terminated over time</i>	
Entrust	
Private Markets	5.0%
Community Development	1.0%
Cash	1.0%



NEAR TERM REBALANCING/EME SELECTION

Unitarian Universalist Common Endowment Fund, LLC - Proposed Rebalance						
Manager	3/31/2019 Market Values	% of Portfolio	New Policy Targets	Near Term Rebalancing	Ending Market Value	% of Portfolio
Composite	193,123,977	100.0%	100%	\$0	193,123,977	100.0%
Public Equity	119,356,122	61.8%	62.0%	\$2,000,000	121,356,122	62.8%
Domestic Equity	60,400,681	31.3%	32.0%	\$0	60,400,681	31.3%
Large Cap Equity		22.4%	22.0%			22.4%
Rhumblin	21,152,240	11.0%			21,152,240	11.0%
Sands	22,067,341	11.4%			22,067,341	11.4%
Small/Mid Cap Equity		8.9%	10.0%			8.9%
Wellington SMID	8,185,611	4.2%			8,185,611	4.2%
WCM Capital	8,995,489	4.7%			8,995,489	4.7%
International Equity	58,955,441	30.5%	30.0%	\$2,000,000	60,955,441	31.6%
International Developed Equity		23.7%	21.0%			22.4%
MFS International Concentrated	14,379,988	7.4%		-\$1,000,000	13,379,988	6.9%
Boston Common	14,558,221	7.5%		-\$1,500,000	13,058,221	6.8%
Baxter Street	11,062,736	5.7%			11,062,736	5.7%
Cevian International Equity	5,797,292	3.0%			5,797,292	3.0%
Emerging Market Equity		6.8%	9.0%			9.1%
RBC Emerging Equity	13,157,204	6.8%		-\$3,500,000	9,657,204	5.0%
Emerging Market Manager TBD	-	0.0%		\$8,000,000	8,000,000	4.1%
Fixed Income	41,507,674	21.5%	31.0%	\$0	41,507,674	21.5%
High Quality Fixed Income	12,792,721	6.6%	14.0%	\$0	12,792,721	6.6%
Breckinridge - Corp Credit	8,877,683	4.6%			8,877,683	4.6%
Breckinridge - Treasury	3,915,038	2.0%			3,915,038	2.0%
Short Duration Manager TBD	-	0.0%			-	0.0%
Flexible Fixed Income	28,714,953	14.9%	17.0%	\$0	28,714,953	14.9%
Loomis Sayles Strategic Alpha	3,596,018	1.9%			3,596,018	1.9%
Franklin Templeton GMS	5,661,798	2.9%			5,661,798	2.9%
Brandywine Global Opportunistic	9,592,501	5.0%			9,592,501	5.0%
Loomis Multi Sector	9,864,636	5.1%			9,864,636	5.1%
Opportunistic Investment	20,112,684	10.4%	0.0%	-\$2,000,000	18,112,684	9.4%
Entrust Class X	554,055	0.3%			554,055	0.3%
GMO Benchmark Free Allocation Fund	19,558,629	10.1%		-\$2,000,000	17,558,629	9.1%
Private Markets/Opportunistic	6,158,619	3.2%	5.0%	\$0	6,158,619	3.2%
OCP Orchard Landmark	2,287,573	1.2%			2,287,573	1.2%
FEG Private Opportunities	1,563,364	0.8%			1,563,364	0.8%
Brockton Capital Fund III	805,104	0.4%			805,104	0.4%
SJF Ventures	690,076	0.4%			690,076	0.4%
Canvas Distressed Credit	557,958	0.3%			557,958	0.3%
HCAP Partners IV LP	254,544	0.1%			254,544	0.1%
Cash	4,206,776	2.2%	1.0%		4,206,776	2.2%
Community Development	1,782,102	0.9%	1.0%		1,782,102	0.9%



APPENDIX

NEPC, LLC

GLOSSARY OF TERMS

The calculation methodology for each measure of performance is outlined below.

Measurement	Description	Equation
Policy Target	Measures policy allocation decisions.	= TARGET ASSET WEIGHTS X INDEX RETURNS
Allocation Index	Measures actual allocation decisions. Deviations from the policy target can be derived. (Allocation Index – Policy Index)	= ACTUAL ASSET WEIGHTS X INDEX RETURNS
Composite (Total Return)	Measures actual performance and can derive active management decisions. (Composite – Allocation Index)	= ACTUAL ASSET WEIGHTS X ACTUAL RETURNS

The calculation methodology for each measure of attribution is outlined below.

Measurement	Description	Equation
Allocation Effect	Measure the effects of overweighting or underweighting managers and asset classes.	= (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT) X POLICY INDEX RETURN
Selection Effect	Measures the managers' ability to add excess return relative to the policy index.	= (ACTUAL MANAGER RETURN – INDEX RETURN) X POLICY TARGET WEIGHT
Interaction Effect	Measures the cross correlation of both selection and allocation effects and is often referred to as an "error term".	= (ACTUAL MANAGER RETURN X (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT)) – ((MANAGER WEIGHT – POLICY TARGET WEIGHT) X INDEX RETURN)

GLOSSARY OF TERMS

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:

(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:

*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)*

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:

(Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:

*Tracking Error = Standard Deviation (X-Y) * $\sqrt{(\# \text{ of periods per year})}$
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4*

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:

(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark < 0

Data Source: InvestorForce



Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
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Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.



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ALTERNATIVE INVESTMENT DISCLAIMER

It is important to note the following characteristics of many non-traditional investment strategies including hedge funds and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment.
2. Leverage and other speculative practices may increase the risk of loss.
3. Past performance may be revised due to the revaluation of investments .
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms.
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value.
6. These funds are not subject to the same regulatory requirements as registered investment vehicles.
7. Managers are not required to provide periodic pricing or valuation information to investors.
8. These funds may have complex tax structures and delays in distributing important tax information.
9. These funds often charge high fees.
10. Limited partnership agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy.

