



MEETING MATERIALS

UNITARIAN UNIVERSALIST
ASSOCIATION OF CONGREGATIONS

NOVEMBER 3, 2021

Krissy Pelletier, Partner

Kelly Regan, Sr. Consultant

Lily Fayerweather, CFA, CAIA, Sr. Consulting Analyst



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SRIC/IC Meeting—Agenda
November 3, 2021—9am – 2pm EDT

9:00am-11:15am IC & SRIC with NEPC and observers

9:00am Welcome, Icebreaker, and Covenant

9:15am Agenda review

9:20am Approval of IC and SRIC minutes

9:25am Portfolio Review (NEPC)

- Performance update
- Summary of diverse manager allocation
- Annual screening review

10:20am Break

10:35am Fixed Income Allocation Review (NEPC)

11:15am Break

11:30am-2pm IC & SRIC with observers

11:30am Agenda review, Committee and leadership structure

12:00pm Screening updates re: business and responsive resolutions

12:20pm Break

12:35pm Next steps re: responsive resolution

- Background here and attached re: financing
- <https://www.ran.org/wp-content/uploads/2020/12/RAN-Briefing-Line3-KXL.pdf>
- Timeline and Action Plan

2:00pm Adjourn

SRIC/IC Meeting—Agenda
November 4, 2021—9am - 2pm EDT (possibly earlier)

9:00am Racial Justice RFI reviews, finalist presentations and selection

11:00am Break

11:15am Temperature check: mission alignment for all CEF investments?

12:00pm Sub-Committee updates, follow up

12:15pm Break

12:30pm Communications support for blogs, congregational communication, etc.

12:45pm Recruitment brainstorming, sources, contacts, etc.

1:00 pm Revisit Committee and Leadership structure after reflection

1:50pm Closure/check-out

2:00pm Adjourn

UUA Investment and Socially Responsible Investment Committee – Minutes **DRAFT**
Via Email
September 21, 2021

Investment Committee:

Investment Committee members present: Kathy Mulvey, Acting Chair, Brian Lasher, John Minahan, Andrew McGeorge, Ken Redd, Lucia Santini-Field

1. HCAP Fund V Motion and Vote:

Motion 1: To invest 2.5mm into HCAP Partners Fund V. Moved: Lasher, Seconded, Redd, all approved.

VOTED: That the Unitarian Universalist Common Endowment Fund, LLC, invest \$2.5 million dollars of the assets of the UUCEF, LLC into the HCAP Partners Fund V, (the “Investment Fund”), on the terms set forth in the subscription agreements and offering documentation therefore submitted by the Investment Fund to Andrew McGeorge, Treasurer of the Unitarian Universalist Association, subject to such changes and amendments therein as he may determine to be appropriate; and

VOTED: To authorize the Treasurer, Andrew McGeorge, and the Executive Vice President, Carey McDonald, each individually, acting singly or together, to execute and deliver documents to effect the foregoing, all with such terms and conditions as are approved by the signatory, with such officer’s signature being conclusive evidence of approval; and

VOTED: To ratify and approve all that the Treasurer, Andrew McGeorge, has done or may do in connection with said investments.

Next Meeting
November 3rd and 4th, 2021

UUA Investment and Socially Responsible Investment Committee – Minutes **DRAFT**
Via Zoom
August 18, 2021

Joint Investment Committee and Socially Responsible Investment Committee:

Investment Committee members present: Kathy Mulvey, Acting Chair, Brian Lasher, John Minahan, Andrew McGeorge, Ken Redd, Lucia Santini-Field

SRIC members present: Kathy Mulvey, Chair, Vanessa Lowe, Andrew McGeorge, Julie Skye, Lucia Santini-Field, Pat Tomaino

Member absent: None

Staff: Tim Brennan, Susan Frederick-Gray

Observers: Byrne Dallas Crandell, Bay Gaillard, Zoe Johnson, Rowan Pappenhagen, Alex Sherwood, Aly Tharp

NEPC: Lily Fayerweather, Krissy Pelletier, Jennifer Appel

1. Minutes from May 17th and 21st, 2021 – Mulvey

Motion 1: To approve the Investment Committee minutes from the May 17th meetings without amendment. Moved: Minahan, seconded Red, all approved.

Motion 2: To approve the Investment and Socially Responsible Investment Committee minutes from the May 21st meetings with minor amendments. Moved: Santini-Field, seconded Lasher, Tomaino abstained, all others approved.

2. IC/SRIC integration – Closed session

3. Market Review and Discussion – NEPC

- Inflation:

- In December 2020, began a deep dive on inflation review feeling that the market was pricing in a benign inflation environment over the long-term.
- Have been focusing on the fact that while their long-term view remains unchanged, the range of outcomes for inflation is wider than it has been in the past with a greater likelihood of higher inflation.
- As 2021 unfolded a real economic resurgence occurred in the U.S. powered by expansion in vaccination rates and continued stimulus, but it has been tempered by widespread inflation concerns.
- Have seen increases in market-based inflation expectations which more directly impacts asset pricing.
- In reviewing the Balanced Environment Mix it is noted that commodities and real assets are absent. There are three reasons behind that 1) real assets have the broadest and

highest inflation sensitivity, 2) real assets often are a small portion of a total portfolio and, while it can provide meaningful protection, the sizing may not be meaningful enough to have a material impact on portfolio level outcomes and, 3) have a negative strategic view of commodities futures given the negative role yield that persists in the space that detracts from total returns.

- Proposing a heavier investment to equities which still have a positive correlation to changes in inflation and have a more favorable return outlook. In theory, while equities do not have as high of an inflation beta as real assets, do believe they provide protection from inflationary shocks over the long-term.
- Recommend across their client base a 10% allocation to safe-haven fixed income, which provides down-side protection and liquidity. Also proposed a slightly higher allocation to private markets.

Action item 1: NEPC to provide managers who they are implementing the safe-haven investments through and information on any active TIPS managers they may have/know.

4. Private Markets Recommendation –

- HCAP V:
 - In 2019 a commitment of \$2mm was made to HCAP IV. NEPC is now recommending a \$2.5mm investment in fund V.
 - Classified as an impact fund, which fits with our mission alignment. With the addition of a partner, is now a diverse owned firm. Diverse owned defined as at least 50% owned by diverse groups and diverse led as between 33% and 50% ownership.
 - Expect a lot of demand in fund V; seeing an increase in interest to the themes that HACP leans into such as workforce development, quality jobs and, financial inclusion.
 - With both funds IV and V, they sought out an SBA license. To qualify for an SBA license, they had to demonstrate that their investments are benefitting society.
 - Before investing in a company, show them their gainful jobs plan for them and get a commitment that they will follow that plan.
 - Focus on investing in companies close to where the team is located. They act as a partner for the companies and often have Board seats or observer seats on the Board. This allows them to ensure their gainful jobs approach is being implemented.
 - They use a very hands-on approach with the companies they invest in and believe this justifies the higher fee of 2% for committed capital.
 - Some concern over investments such as Lonestar Analytics which has focus areas including military and intelligence, aerospace and defense, and oil and gas.

Action item 2: NEPC to provide diverse owned and diverse led data across the portfolio.

Action item 3: NEPC to do a deep dive on Lonestar Analytics and obtain HCAP's focus on various sectors they may be considering for Fund V. Coordinate a potential vote pending the outcome.

5. Portfolio Performance Review – NEPC

- Performance Review
 - The Endowment returned 5.1% (gross of fees) during Q2 of 2021, ranking in the 58th percentile of the universe, outperforming both the allocation and the policy index.
 - For the trailing 3- and 5-year periods, performance ranks in the top quartile relative to peers.
 - The allocation of 10% to Global Equity was fully funded with 5% invested in GQG and 5% to Lindsell Train.
 - In a review of the number of investment managers in the UUCEF compared to our peers, the 2020 NACUBO report shows we use fewer managers overall but have a higher number of public debt managers.

6. Screening – McGeorge

- Next steps re: responsive resolution:
 - Reviewed and discussed the responsive resolution received in response to the progress report, on last year's business resolution presented at GA21.
 - Resolution strongly expressed belief that engagement is not working regarding emergent climate issues and that we should move divestment.
 - The resolution is asking the UUCEF to create a transparent public process which encourages the participation of UU congregations, justice organizations and individuals in the review of the SRI Guidelines. While the guidelines have been worked on to a degree, it is time to revisit them with an eye toward more clear expression on human rights.
 - The UU young adults express a strong desire to participate in the review of the guidelines. Participation is welcomed once it can be determined how to implement it.
 - Resolution also requests that the UUCEF completely and immediately divest from banks funding the Line 3 pipeline which include Wells Fargo, Bank of America, Citigroup, JP Morgan Chase and RBC.
 - Have been encouraging participation by all groups and individuals, regardless of investment in the UUCEF, in the Quarterly Investor Call. Will be offering a deeper dive conversation about the responsive resolution.
 - Discussed obtaining a list from Sustainalytics on what banks are directly funding Line 3. Will be reviewing the advocacy plan for FY22 which also may impact our response.

Action item 4: McGeorge to contact Sustainalytics to obtain a report on the banks funding Line 3.

Action item 5: McGeorge to determine how exclusion of companies is implemented by Sands and Breckinridge.

- Progress and next steps in implementing Business Resolution

- The Investor Alliance for Human Rights has been consulted on the SRI Guidelines draft. Many of the comments received were on how human rights due diligence is conducted and how it could be reflected in our guidelines.

7. Community Investing

- Investment in Inclusiv: SRIC recommendation to IC
 - The SRIC proposes a \$1mm investment in the Inclusiv Racial Equity and Resilience Fund. Term would be 10 years with an interest rate of 1%.
 - The fund provides secondary capital to qualified community development credit unions across the US. Provided mostly to small credit unions in areas that have large minority populations which have been underserved by the general financial community.
 - Have had a long successful relationship with Inclusiv.
 - While the investment is larger than usual, getting specialists like Inclusiv, will assist in getting to the 5% allocation of the overall portfolio.

Action item 6: McGeorge to contact Inclusiv to negotiate minimum draw amount, principal payment size and timing, and reporting to mirror that described in Section 16 of the Guaranty.

Action item 7: McGeorge to have legal counsel review the Loan Agreement, Promissory Note, and the Guaranty.

Motion 3: For the SRIC to approve a recommendation to the Investment Committee to invest up to \$1mm in Inclusiv. The recommendation is made pursuant to the satisfactory conclusion of negotiations with Inclusiv and legal counsel review. Moved: Lowe, Seconded Skye, all approved.

Motion 4: Upon satisfactory conclusion of negotiations with Inclusiv and legal counsel review, to approve the SRIC recommendation of investing up to \$1mm into the Inclusiv Racial Equity and Resilience Fund. Moved: Lasher, Seconded, Santini-Field, all approved.

VOTED: That the Unitarian Universalist Common Endowment Fund, LLC, invest up to \$1 million dollars of the assets of the UUCEF, LLC into the Inclusiv Racial Equity and Resilience Fund, (the “Investment Fund”), on the terms set forth in the subscription agreements and offering documentation therefore submitted by the Investment Fund to Andrew McGeorge, Treasurer of the Unitarian Universalist Association, subject to such changes and amendments therein as he may determine to be appropriate; and

VOTED: To authorize the Treasurer, Andrew McGeorge, and the Executive Vice President, Carey McDonald, each individually, acting singly or together, to execute and deliver documents to effect the foregoing, all with such terms and conditions as are approved by the signatory, with such officer’s signature being conclusive evidence of approval; and

VOTED: To ratify and approve all that the Treasurer, Andrew McGeorge, has done or may do in connection with said investments.

- Consultant RFP: recruitment/decision-making process

- As a result of the increase in allocation to community investing (1% to 5%), the desire to strengthen out racial justice investing, additional guidance and training are needed.
- Reviewed the post that will be placed on the UUCEF website, and the RFP being used to search for a BIPOC Consultant for Racial Justice Training and Portfolio Consulting.
- Could be difficult to find one group who could do both the consulting and training. Anticipate holding a review or Q&A session for those who are interested in submitting an RFP. This type of forum could find two that may be interested in collaborating on a single proposal.

Action item 8: McGeorge to have the blog and RFP posted to the UUCEF website.

8. Shareholder advocacy - Brennan

- Approve proposed priorities for 2022:
 - Reviewed the proposed advocacy plan containing key themes, actions and issues.
 - Next step is to identify the companies to engage with.
 - With the failure of the Small Review Act to revert SEC filing rules, the ICCR, of which we are a member, is working to put together a fund between \$250k and \$300k for litigation. The UUA has contributed \$5,000.00 to the fund.
 - Need to have an ability and platform to share the story of our work with congregations.

Action item 9: Brennan to reach out through his networks to see if anyone may be interested in working as a consultant to write articles on the advocacy work.

Motion 5: To accept the shareholder advocacy plan and proposed. Moved: Kathy, Seconded, Skye, all present approved, Tomaino absent.

9. November retreat/meeting agenda

- Training with racial justice consultant.
- Further discussion on integration of committees and next steps.
- Discussion on implementation of business resolution.
- Action steps on responsive resolution.
- Customizing committee covenant.
- How to get our message out.
- Divestment as a strategy.
- Work plan for the year (NEPC)

Next Meeting
November 3rd and 4th, 2021

IMPACT SUMMARY

	Screened	NEPC ESG Rating	Impact	Diversity Characteristics
Rhumblin	X	4		Diverse Owned- Female
Sands	X	2		
Ownership Capital Global Equity (USD) Fund, L.P.		1		
Wellington SMID		2		
WCM Investment Management	X	2		
MFS International Concentrated		1		
Boston Common		1		Diverse Owned- Female
Baxter Street		3		
RBC Global Emerging Equity		1		
Acadian Emerging Markets Equity Fund		1		
GQG Partners Global Equity Fund		1		Diverse Owned- Asian/Pacific Islander
Lindsell Train Global Equity		4		
Breckinridge-Treasury		3		
Breckinridge - Corporate		1		
Stone Castle FICA for Impact			X	
Brandywine Global Opportunistic		1		
Loomis Multi Sector		2		
Franklin Templeton GMS		2		
HCAP Partners IV LP			X	Diverse Owned- Hispanic & Other
HCAP Partner V LP			X	Diverse Owned- Hispanic & Other
Generation IM SS Fund III		1	X	
SJF Ventures			X	
RRG Sustainable		1	X	
Brockton Capital Fund III			X	
Canvas Distressed Credit Fund				Diverse Owned- Hispanic/Latino
FEG Private Opportunities Fund				
OCP Orchard Landmark		1		
Grosvenor Advance Fund		1		Diverse Managed Strategy
Community Development			X	



*NEPC has not rated all strategies in which the UUA invests.



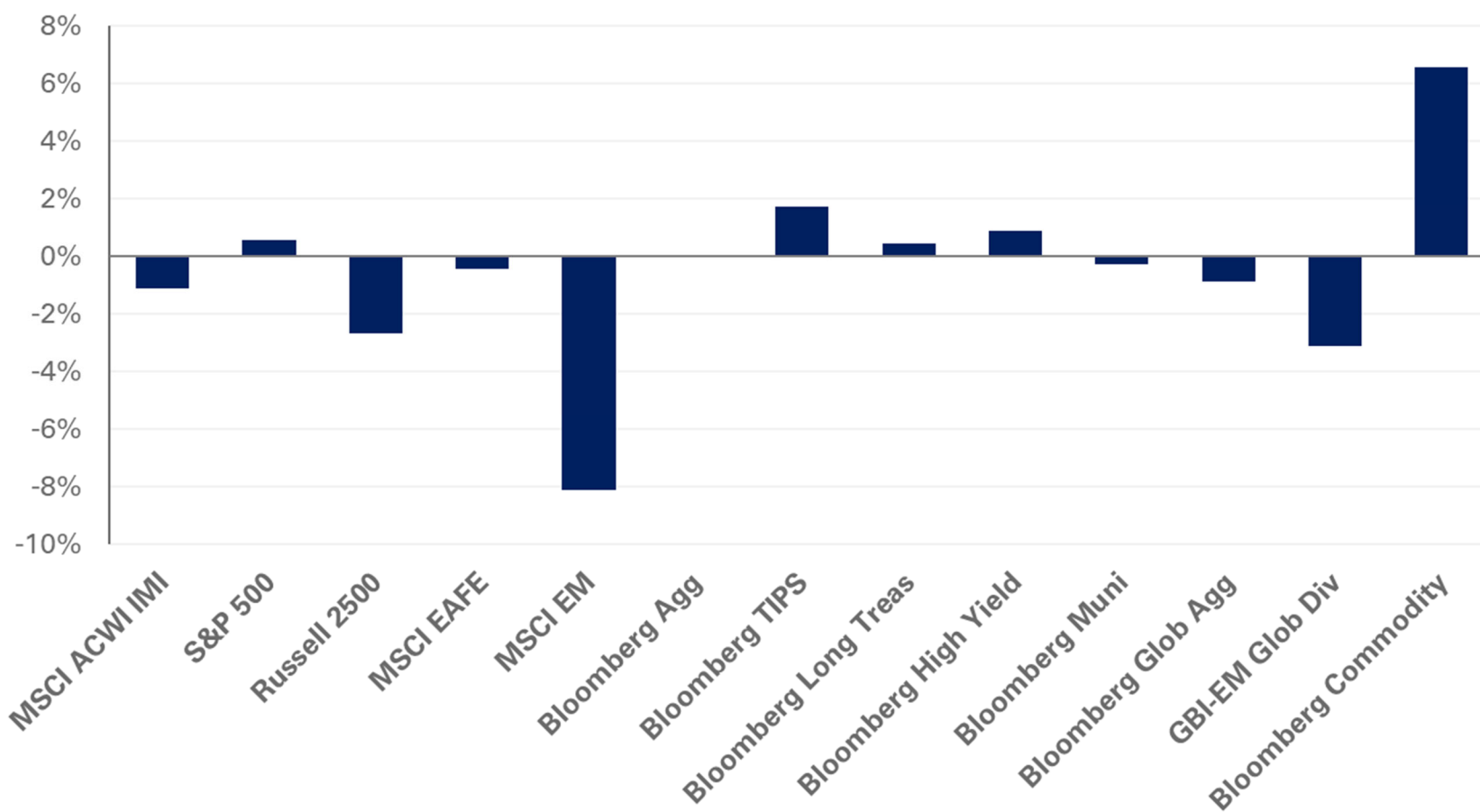
MARKET REVIEW AND OUTLOOK



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EMERGING MARKETS UNDERPERFORMED

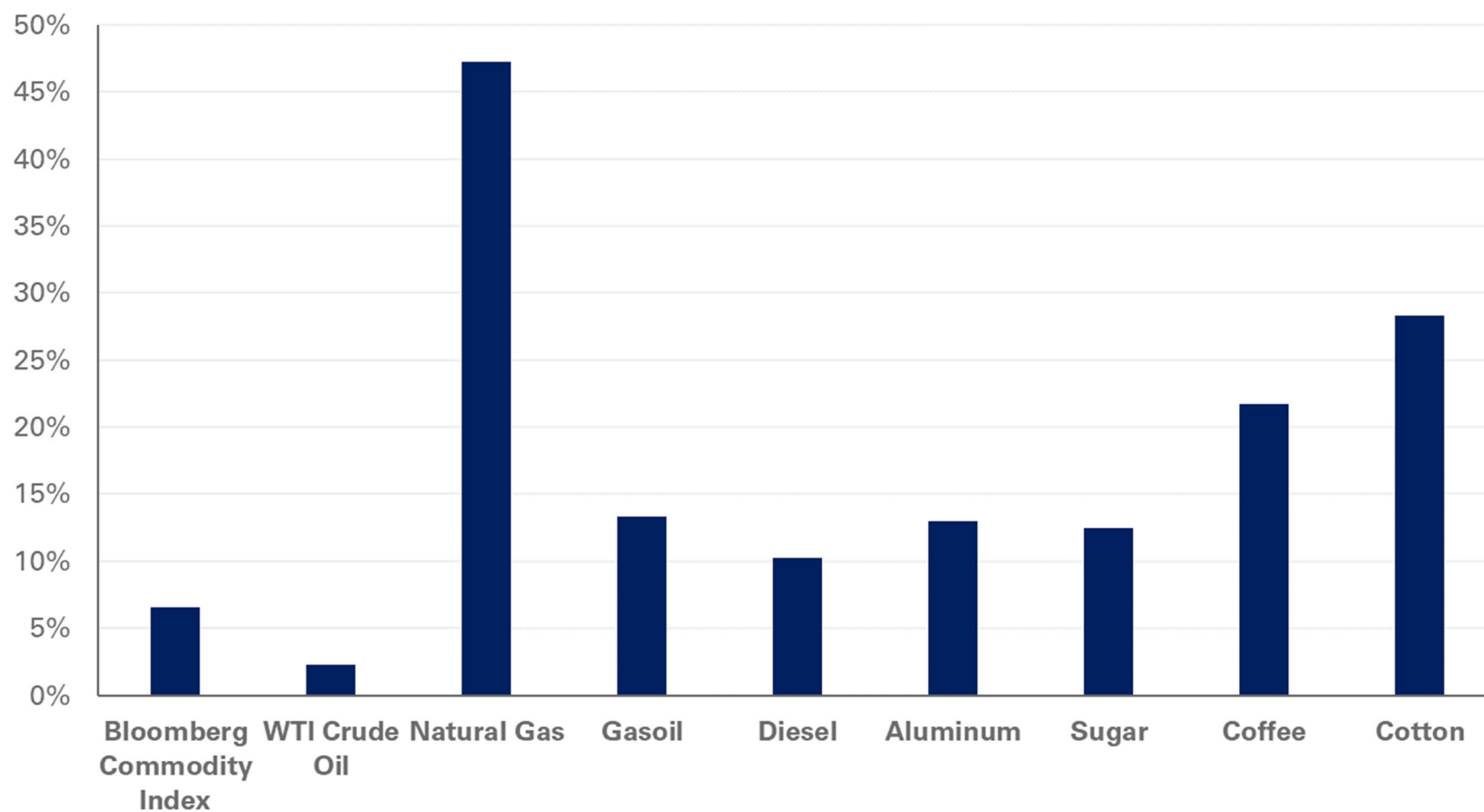
Q3 2021 QUARTERLY TOTAL RETURNS



Source: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet

COMMODITY PRICES INCREASED

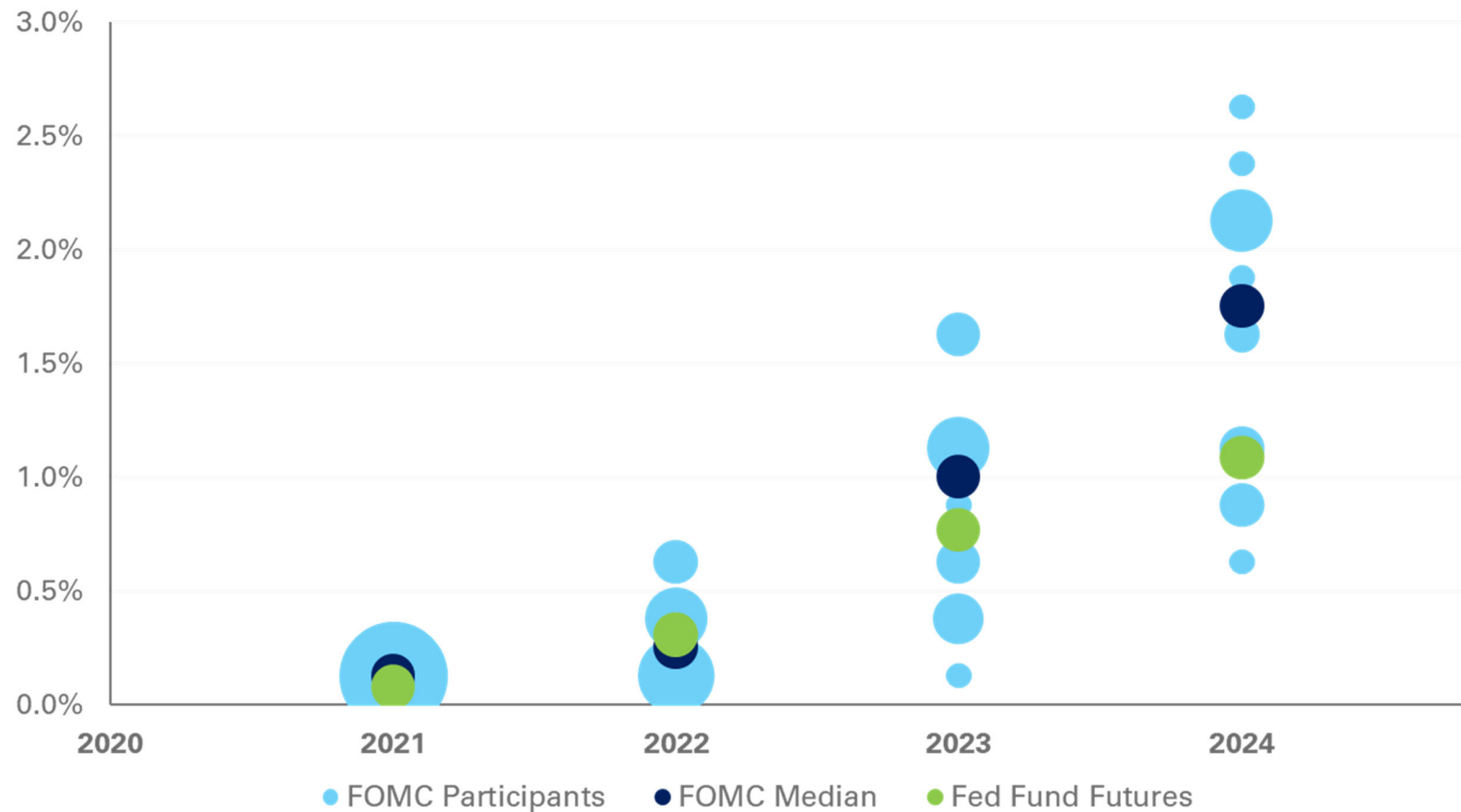
QUARTERLY CHANGES IN COMMODITY SPOT PRICE



Source: Bloomberg, FactSet

FED PROJECTING THREE RATE HIKES IN 2023

FED DOT PLOT VERSUS FED FUND FUTURES



FOMC Participant dot size reflects the number of policymakers forecasts of federal fund rate at the end of each calendar year
Source: FOMC, FactSet

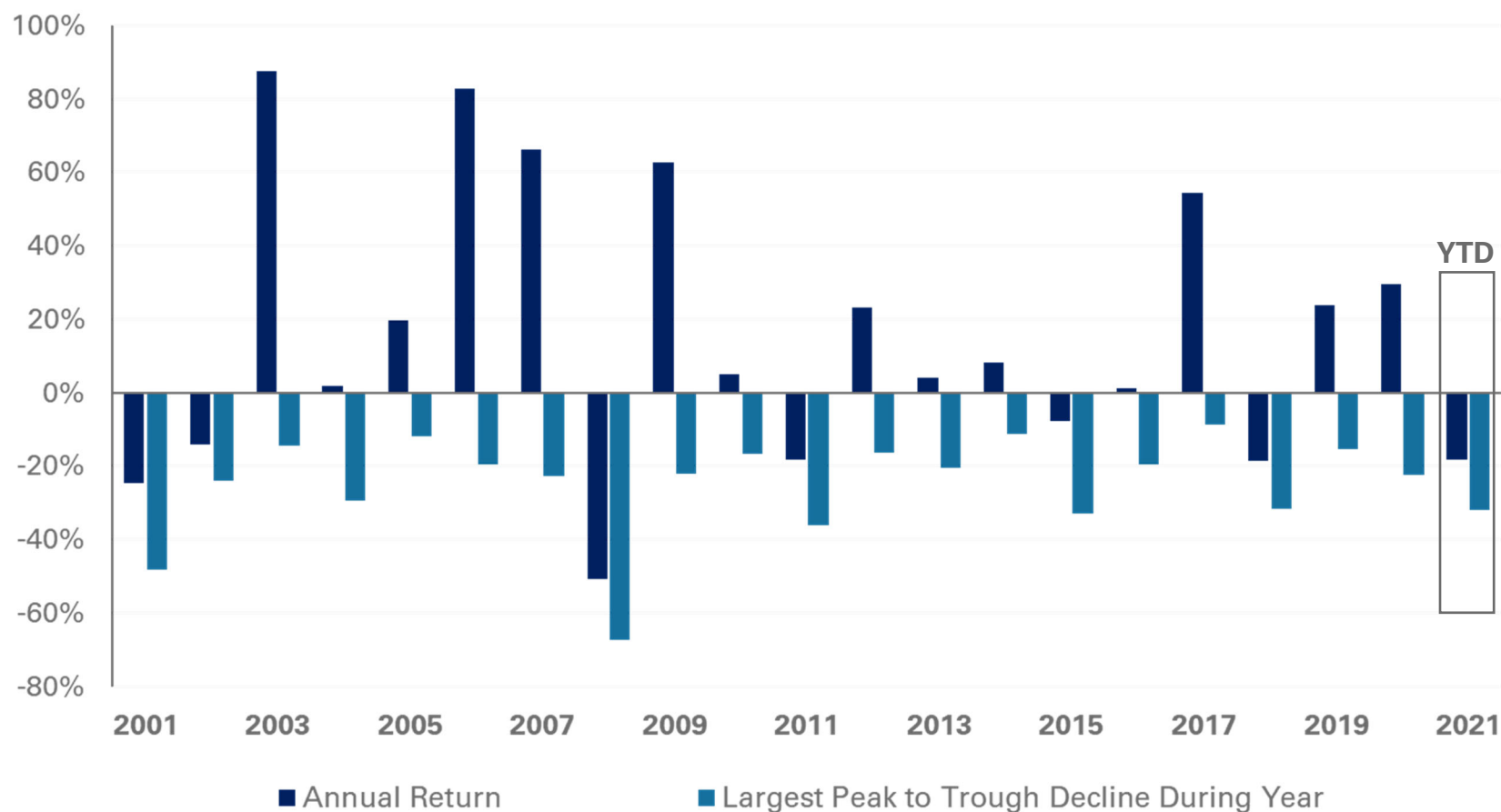
CHINESE EQUITIES HAVE WEIGHED ON MARKETS

YEAR-TO-DATE CUMULATIVE INDEX RETURNS



CHINESE EQUITIES HAVE BEEN VOLATILE

HISTORICALLY HAVE BEEN COMPENSATED FOR THE VOLATILITY



Notes: Represents annual percentage returns of the MSCI China Index; 2021 reflects pricing through 09/30/2021
Source: MSCI, FactSet, NEPC

ASSESSING THE KEY MARKET THEMES

AS OF 09/30/21

Virus Trajectory Change in Status: <i>Prevalent to Neutral</i>	<div> DORMANT FADED NEUTRAL PREVALENT DOMINANT </div> <ul style="list-style-type: none"> Market sentiment has proven less sensitive to news related to the virus as vaccination rates have improved in the U.S. and globally The severity and prevalence of variants continues to be a risk to the timing and pace of a global economic recovery
Permanent Interventions Change in Status: <i>Dominant to Prevalent</i>	<div> DORMANT FADED NEUTRAL PREVALENT DOMINANT </div> <ul style="list-style-type: none"> Permanent Interventions continues to be a meaningful force influencing global markets The Federal Reserve has announced plans to begin tapering asset purchases given positive trends in economic data and increasing inflation pressures in the U.S.
Globalization Backlash Change in Status: <i>None</i>	<div> DORMANT FADED NEUTRAL PREVALENT DOMINANT </div> <ul style="list-style-type: none"> The importance of this theme may increase as supply-chain disruptions and inflationary pressures strain the electorate and geopolitical relationships The world will likely be faced with an amplified wealth divide given economic and labor market disruptions, which has historically driven more volatile political outcomes
China Transitions Change in Status: <i>Neutral to Prevalent</i>	<div> DORMANT FADED NEUTRAL PREVALENT DOMINANT </div> <ul style="list-style-type: none"> China introduced a wave of new regulations, implementing anti-monopoly, industry-specific, and consumer protection regulations While in-line with the longer-term economic goals, the string of regulatory actions has negatively impacted market sentiment for Chinese investments

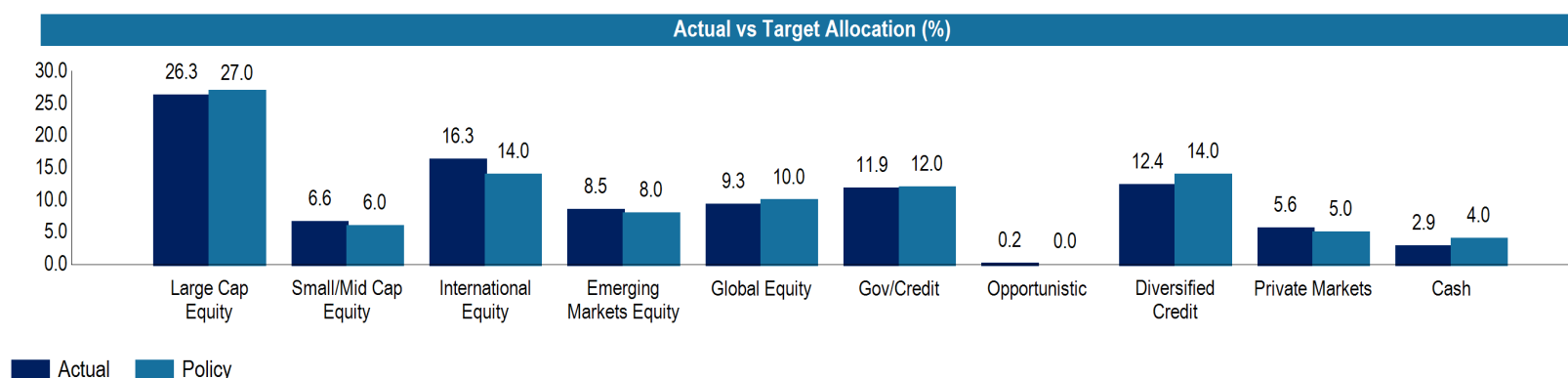
INVESTMENT PROGRAM REVIEW



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TOTAL FUND PERFORMANCE SUMMARY - GROSS

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	15 Yrs	Rank
Composite	\$266,953,603	-0.6%	71	6.7%	72	20.6%	46	10.9%	35	11.0%	22	8.3%	31	9.3%	46	7.3%	29
Allocation Index		-1.2%	99	6.4%	74	18.4%	69	9.2%	62	9.3%	60	7.4%	58	8.3%	77	6.5%	63
Policy Index		-1.0%	97	7.5%	70	20.3%	47	10.2%	44	10.1%	40	8.0%	36	8.9%	64	6.5%	65
InvMetrics All E&F \$250mm-\$1B Gross Median		-0.2%		9.0%		20.0%		9.8%		9.5%		7.7%		9.2%		6.9%	



Total Fund Performance

- The endowment returned -0.6% (gross of fees) during Q3 of 2021, ranking in the 71st percentile of the universe, outperforming both the allocation and the policy index
 - Active management added 60 bps for the quarter
 - Allocation differences from the policy detracted 20 bps for the quarter
- For the trailing 3- and 5-year periods, performance ranks in or near the top third relative to peers
 - Active management added 170 bps over both periods, while policy deviations detracted 100 bps and 80 bps, respectively

Recent Decisions & Action Items

- A commitment of \$2.5 million was made to HCAP V

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	4.5%
Inflation	2.3%
Total Return Goal	6.8%

- **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 Strategy	Manager Changes/ Announcement	Event Date	Subcategory	DD Status	NEPC Rating
Sand Capital Select Growth	Team Update: Departure of Director of Stewardship and Sr. Research Analyst	7/22/2021	FYI	No Action	1
Ownership Capital Global Equity (USD)	Other: Rating Upgrade	8/23/2021	FYI	Watch	1
Wellington SMID Cap Value	Other: Rating Downgrade	9/6/2021	FYI	No Action	3
Wellington SMID Cap Value	Team Update: Portfolio Manager Retirement	9/16/2021	FYI	No Action	3



DUE DILIGENCE MONITOR

BELOW IS A SUMMARY OF MANAGER CHANGES, ANNOUNCEMENTS AND DUE DILIGENCE EVENTS SINCE THE ISSUANCE OF OUR LAST QUARTERLY REPORT.

Investment Strategy	Commentary
Sand Capital Select Growth	<p>Sands Capital recently informed NEPC of a departure from their investment team. Davis Catlin, Director of Stewardship and Sr. Research Analyst, left the firm at the end of June. The departure of Davis Catlin was amicable. He leaves on good terms with Sands Capital for a position outside of investment management.</p> <p>Brian Christiansen, Executive Managing Director, Sr. Portfolio Manager, and Research Analyst, will assume the Director of Stewardship role going forward. Brian is supported by Karin Riechenberg, Sr. ESG Analyst, who remains a member of the firm's Stewardship team. Brian Christiansen has been a co-thought leader on the investment team with respect to Stewardship/ESG matters working side by side with Davis Catlin since Sands Capital became a PRI Signatory 5-years ago. With the new title, Brian will chair the firm's investment stewardship meetings and provide executive oversight of Stewardship efforts at the firm. Brian's portfolio management responsibilities with respect to Global Growth or Emerging Market Growth portfolios will remain the same. Additionally, Sands Capital recently hired an ESG Policy Analyst who joined the team in August. The firm's Stewardship Team is further supported by an ESG Steering Committee comprised of senior members at the firm across investment management and client service teams.</p> <p>At the time of his departure, Davis Catlin had coverage of 3 Consumer sector stocks for the firm (Nike Inc., ANTA Sports, and Entain PLC ADR). Sands Capital has already transitioned coverage for these stocks to members of their Consumer team without issue.</p>
Ownership Capital Global Equity (USD)	Ownership Capital Global Equity previously carried a 2-rating and was approved by the Discovery Platform Committee in June 2019. Following a review of firm, team, process, and performance, NEPC Research recommended a 1-rating for the strategy.
Wellington SMID Cap Value	Wellington SMID Cap Value was downgraded from a 1 to a 3 rating. Although the strategy offers a number of positive traits, NEPC research is downgrading it to a 3 given the poor performance of the strategy and potential decline of investment edge in the competitive investment philosophy of "quality value" in the small mid cap value universe.
Wellington SMID Cap Value	Tim McCormack, lead portfolio manager for all Small Cap Value portfolios, and backup portfolio manager for all SMID Cap Value portfolios, will withdraw from Wellington Management's Partnership on December 31, 2022. On October 1, 2022, Shaun Pedersen will take over as lead portfolio manager of the Small Cap Value strategy and will remain the lead portfolio manager of the Smid Cap Value strategy. With this announcement, Wellington has offered to provide a performance-based fee for the Small Cap Value strategy. The fee schedule for current clients of NEPC and can be discussed with Wellington for any interested clients.



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.

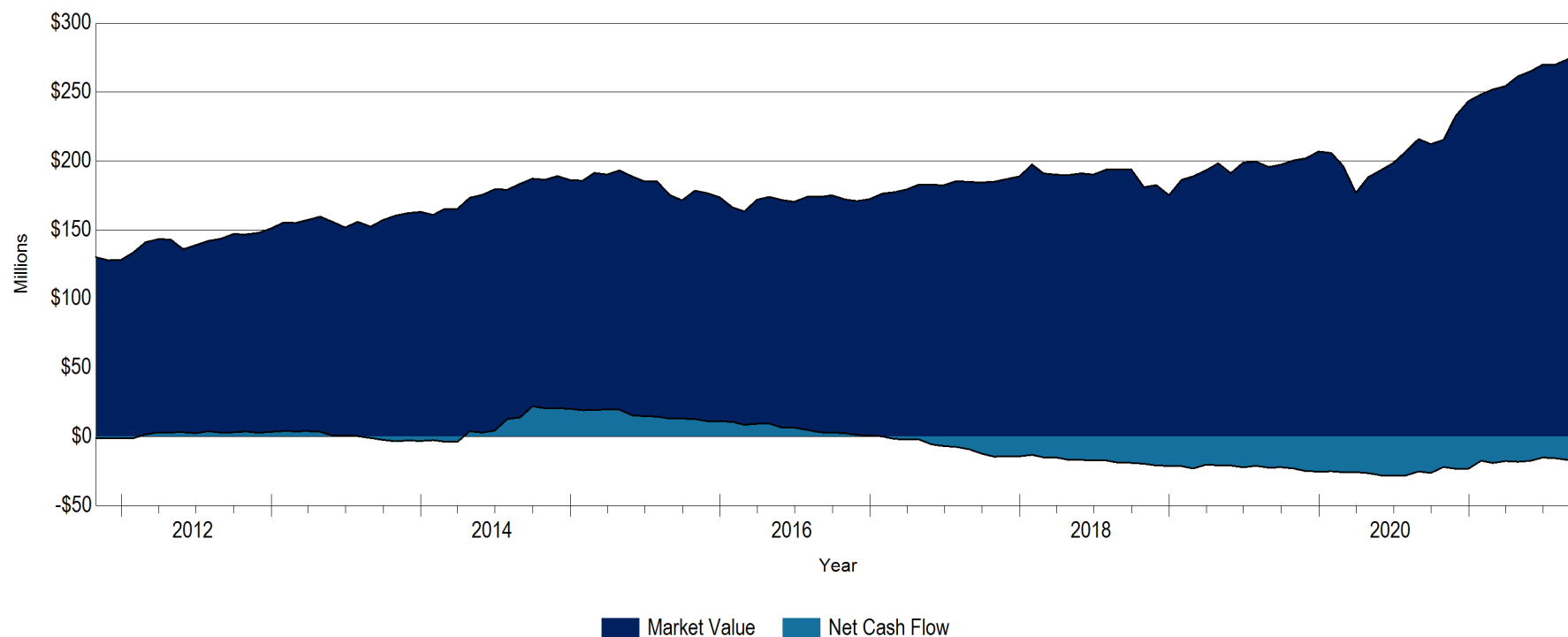
NEPC Due Diligence Rating Key	
1	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
2	NEPC has a positive view of the strategy. Strategy has a 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.



Unitarian Universalist Common Endowment Fund, LLC

TOTAL FUND ASSET GROWTH SUMMARY

10 Years Ending September 30, 2021



Summary of Cash Flows

	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Ten Years
Beginning Market Value	\$269,948,225	\$243,485,807	\$212,226,859	\$193,879,160	\$175,109,944	\$123,010,285
Net Cash Flow	-\$1,210,123	\$7,634,090	\$11,239,065	\$6,368,428	-\$12,940,298	-\$5,684,000
Net Investment Change	-\$1,784,499	\$15,833,706	\$43,487,679	\$66,706,015	\$104,783,958	\$149,627,318
Ending Market Value	\$266,953,603	\$266,953,603	\$266,953,603	\$266,953,603	\$266,953,603	\$266,953,603



TOTAL FUND ASSET GROWTH SUMMARY

	Quarter Ending September 30, 2021					Ending Market Value
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	
Acadian Emerging Markets Equity Fund	\$12,741,197	\$0	\$0	\$0	-\$731,587	\$12,009,611
Baxter Street	\$13,018,035	\$0	\$0	\$0	-\$266,712	\$12,751,323
Boston Common	\$14,430,084	\$0	-\$4,951	-\$4,951	\$30,248	\$14,455,381
Brandywine Global Opportunistic	\$12,292,208	\$0	\$0	\$0	-\$396,753	\$11,895,454
Breckinridge - Corporate	\$7,129,867	\$0	-\$276	-\$276	\$1,786	\$7,131,377
Breckinridge-Treasury	\$3,514,084	\$0	-\$136	-\$136	\$14,546	\$3,528,493
Brockton Capital Fund III	\$1,628,268	\$226,228	-\$5,708	\$220,520	\$46,523	\$1,895,311
Canvas Distressed Credit Fund	\$1,432,144	\$0	\$0	\$0	-\$38,666	\$1,393,478
Cash Account	\$6,875,992	\$3,112,298	-\$5,731,609	-\$2,619,312	\$0	\$4,256,681
Community Development	\$2,766,072	\$0	-\$14,571	-\$14,571	\$2,866	\$2,754,367
Entrust Class X	\$512,476	\$0	\$0	\$0	-\$3,473	\$509,003
FEG Private Opportunities Fund	\$1,389,161	\$0	-\$62,000	-\$62,000	\$542,738	\$1,869,899
Franklin Templeton GMS	\$8,833,864	\$0	\$0	\$0	-\$160,206	\$8,673,658
Generation IM SS Fund III	\$1,408,336	\$220,000	\$0	\$220,000	\$290,449	\$1,918,785
GQG Partners Global Equity Fund	\$13,065,087	\$0	-\$1,505	-\$1,505	-\$75,681	\$12,987,901
Grosvenor Advance Fund	--	\$411,343	\$0	\$411,343	\$0	\$411,343
HCAP Partners IV LP	\$1,448,445	\$0	\$0	\$0	\$62,437	\$1,510,882

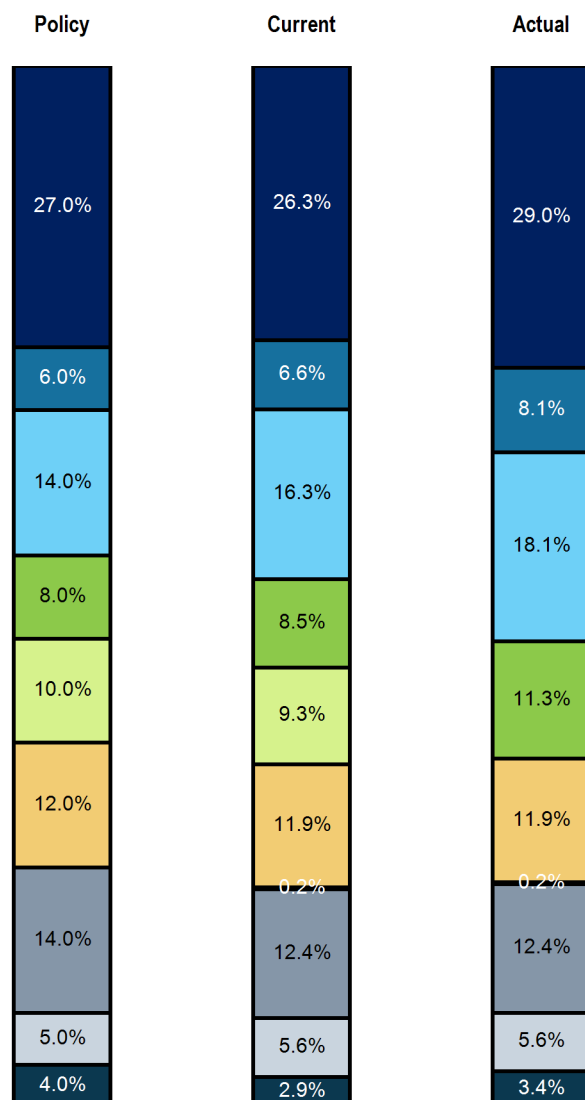


TOTAL FUND ASSET GROWTH SUMMARY

	Quarter Ending September 30, 2021					Ending Market Value
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	
Lindsell Train Global Equity LLC	\$12,502,521	\$0	\$0	\$0	-\$640,489	\$11,862,032
Loomis Multi Sector	\$12,413,670	\$0	\$0	\$0	\$23,466	\$12,437,136
MFS International Concentrated	\$16,440,564	\$0	\$0	\$0	-\$73,914	\$16,366,649
OCP Orchard Landmark	\$2,494,692	\$0	\$0	\$0	\$42,481	\$2,537,174
Ownership Capital Global Equity (USD) Fund, L.P.	\$16,861,282	\$0	\$0	\$0	\$182,202	\$17,043,484
RBC Global Emerging Equity	\$11,639,127	\$0	\$0	\$0	-\$942,158	\$10,696,969
Rhumblin	\$31,607,174	\$0	-\$2,854	-\$2,854	-\$162,641	\$31,441,679
RRG Sustainable	\$456,553	\$156,874	\$0	\$156,874	-\$7,884	\$605,543
Sands	\$20,905,961	\$0	-\$1,221	-\$1,221	\$819,574	\$21,724,314
SJF Ventures	\$2,264,174	\$500,000	\$0	\$500,000	\$157,420	\$2,921,594
Stone Castle FICA for Impact	\$20,985,964	\$0	\$0	\$0	\$2,116	\$20,988,080
UUA SRI	\$694,278	\$0	-\$11,561	-\$11,561	\$3,243	\$685,959
WCM Investment Management	\$8,313,242	\$0	-\$473	-\$473	-\$332,046	\$7,980,722
Wellington SMID	\$9,883,705	\$0	\$0	\$0	-\$174,385	\$9,709,320
Total	\$269,948,225	\$4,626,743	-\$5,836,866	-\$1,210,123	-\$1,784,499	\$266,953,603



TOTAL FUND ASSET ALLOCATION VS. POLICY



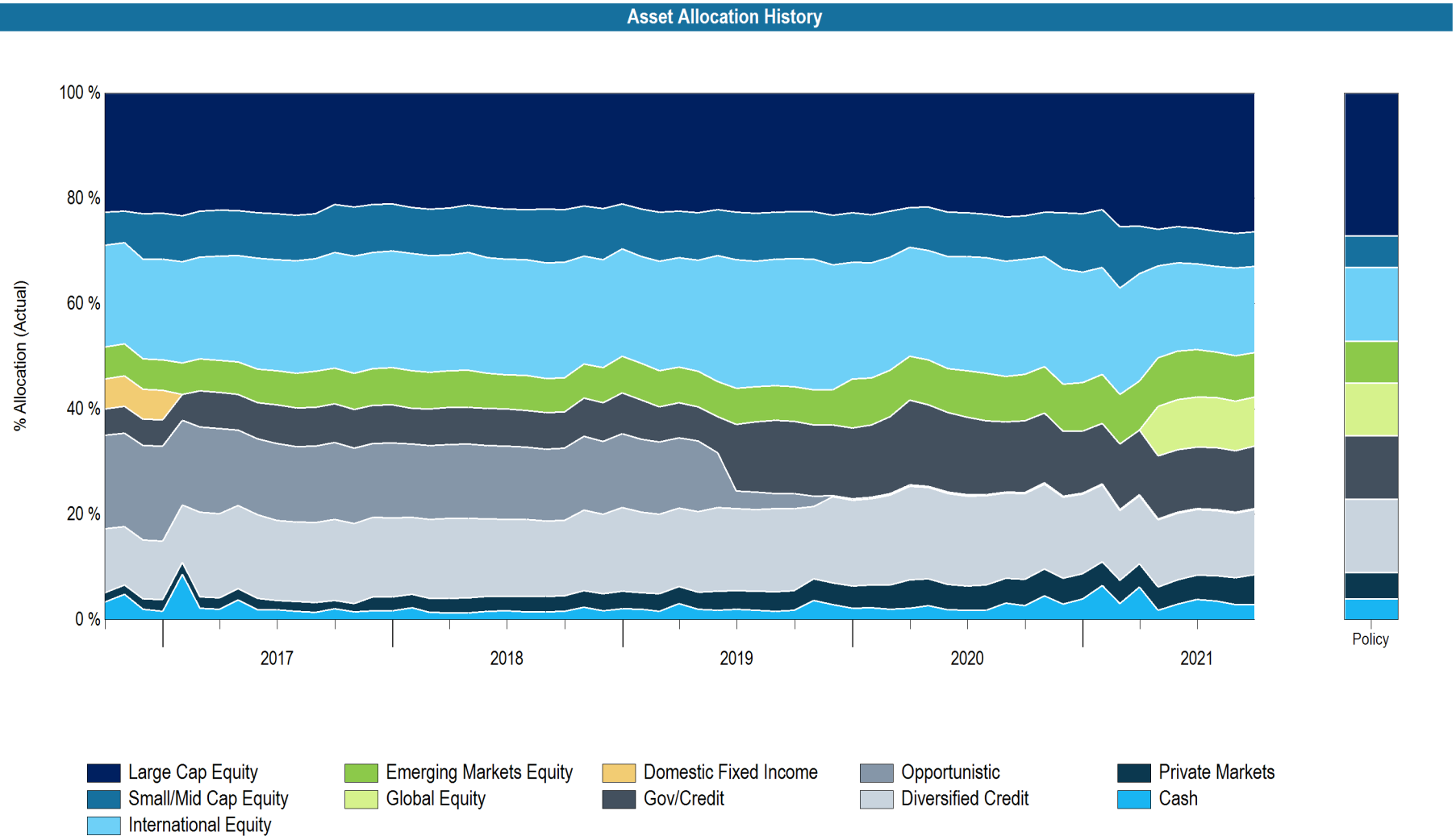
Asset Allocation vs. Target				
	Current	Policy	Current	Actual
Large Cap Equity	\$70,209,478	27.0%	26.3%	29.0%
Small/Mid Cap Equity	\$17,690,042	6.0%	6.6%	8.1%
International Equity	\$43,573,353	14.0%	16.3%	18.1%
Emerging Markets Equity	\$22,706,580	8.0%	8.5%	11.3%
Global Equity	\$24,849,933	10.0%	9.3%	--
Gov/Credit	\$31,647,950	12.0%	11.9%	11.9%
Opportunistic	\$509,003	--	0.2%	0.2%
Diversified Credit	\$33,006,248	14.0%	12.4%	12.4%
Private Markets	\$15,064,009	5.0%	5.6%	5.6%
Cash	\$7,697,007	4.0%	2.9%	3.4%
Total	\$266,953,603	100.0%	100.0%	100.0%

- On a look through basis, Domestic Equity is 37.1% of the fund, International Equity is 18.1% of the fund, and Emerging Market Equity is 11.3% of the fund.

- Overall Fixed Income exposure is 24.3%

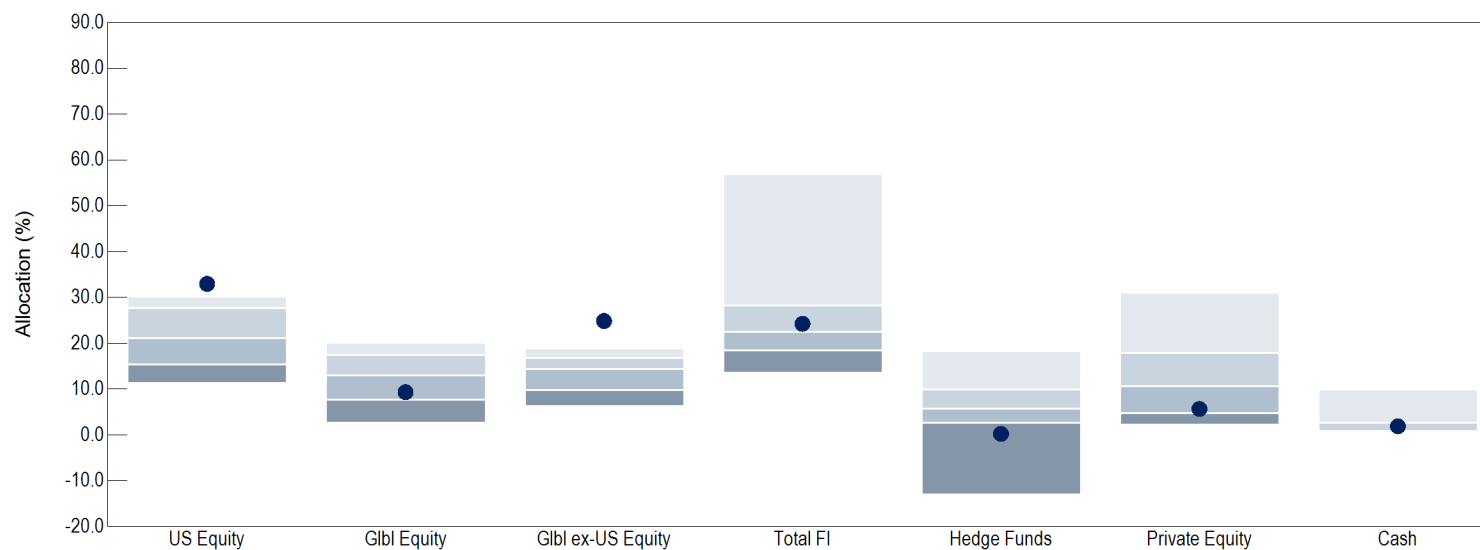
Actual allocation breaks out the exposure in Ownership, MFS, Boston Common, Baxter Street, GQG, and Lindsell Train.

TOTAL FUND ASSET ALLOCATION HISTORY



TOTAL FUND ALLOCATIONS VS. PEER UNIVERSE

Total Plan Allocation vs. InvMetrics All E&F \$250mm-\$1B Gross



	Allocation (Rank)													
5th Percentile	30.2		20.1		18.8		56.8		18.3		31.0		9.9	
25th Percentile	27.7		17.7		16.8		28.3		10.0		18.0		2.8	
Median	21.2		13.1		14.5		22.6		5.8		10.8		1.0	
75th Percentile	15.5		7.8		9.9		18.6		2.8		4.9		0.5	
95th Percentile	11.5		2.8		6.4		13.6		-12.9		2.4		0.0	
# of Portfolios	14		8		15		18		10		15		17	
● Composite	32.9	(1)	9.3	(57)	24.8	(1)	24.2	(32)	0.2	(89)	5.6	(70)	1.9	(34)
UUA Net Asset Allocation	37.1				29.4		24.3		0.2		5.6		3.4	

Above analytic does not include Community Development, whereas UUA Net Asset Allocation does.



TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Composite	266,953,603	100.0	100.0	-0.7	6.2	19.8	9.9	9.9	7.2	8.2	6.8	Jul-02
Allocation Index				-1.2	6.4	18.4	9.2	9.3	7.4	8.3	7.2	Jul-02
Policy Index				-1.0	7.5	20.3	10.2	10.1	8.0	8.9	--	Jul-02
Domestic Equity Composite	87,899,520	32.9	33.0	0.3	12.9	36.5	16.3	17.7	14.1	17.0	11.7	Jul-02
Russell 3000				-0.1	15.0	31.9	16.0	16.9	13.9	16.6	10.4	Jul-02
Large Cap Equity	70,209,478	26.3	27.0	1.1	12.8	32.0	18.1	19.2	15.1	--	16.7	Jul-12
Russell 1000				0.2	15.2	31.0	16.4	17.1	14.1	16.8	15.7	Jul-12
Rhumblin	31,441,679	11.8		-0.5	15.7	35.1	10.0	11.6	10.1	13.7	8.1	Aug-05
Russell 1000 Value				-0.8	16.1	35.0	10.1	10.9	9.3	13.5	7.9	Aug-05
Sands	21,724,314	8.1		3.7	11.7	31.8	28.0	27.7	20.4	22.2	15.2	Dec-03
Russell 1000 Growth				1.2	14.3	27.3	22.0	22.8	18.5	19.7	12.2	Dec-03
Ownership Capital Global Equity (USD) Fund, L.P.	17,043,484	6.4		1.1	8.8	25.2	--	--	--	--	32.6	May-20
MSCI Kokusai				-0.3	13.7	29.4	13.6	14.1	10.7	13.1	33.5	May-20
Small/Mid Cap Equity	17,690,042	6.6	6.0	-2.9	10.5	44.5	10.6	13.3	11.2	--	12.9	Jul-12
Russell 2000				-4.4	12.4	47.7	10.5	13.4	11.9	14.6	13.1	Jul-12
Wellington SMID	9,709,320	3.6		-2.0	17.2	55.6	5.1	7.9	--	--	8.2	Apr-16
Russell 2500 Value				-2.1	20.1	54.4	8.9	10.5	9.5	13.4	11.6	Apr-16
WCM Investment Management	7,980,722	3.0		-4.0	4.3	35.1	14.6	--	--	--	16.6	Jan-18
Russell 2000 Growth				-5.7	2.8	33.3	11.7	15.3	13.2	15.7	13.6	Jan-18
International Equity Composite	66,279,933	24.8	22.0	-3.0	4.1	20.6	10.7	10.8	6.9	8.0	6.7	Jul-02
MSCI ACWI ex USA				-3.0	5.9	23.9	8.0	8.9	5.7	7.5	7.0	Jul-02
International Equity	43,573,353	16.3	14.0	-0.8	5.9	21.2	11.0	11.4	7.8	--	8.9	Jul-12
MSCI EAFE				-0.4	8.3	25.7	7.6	8.8	5.8	8.1	8.1	Jul-12
MFS International Concentrated	16,366,649	6.1		-0.6	4.0	17.3	11.3	12.7	8.9	--	8.6	Apr-13
MSCI EAFE				-0.4	8.3	25.7	7.6	8.8	5.8	8.1	6.5	Apr-13
Boston Common	14,455,381	5.4		0.2	3.9	20.5	10.3	10.2	7.2	8.9	7.0	May-10
MSCI EAFE				-0.4	8.3	25.7	7.6	8.8	5.8	8.1	6.3	May-10
Baxter Street	12,751,323	4.8		-2.0	4.1	18.1	12.1	11.7	--	--	11.9	Apr-16
MSCI ACWI ex USA				-3.0	5.9	23.9	8.0	8.9	5.7	7.5	9.3	Apr-16
Emerging Market Equity	22,706,580	8.5	8.0	-7.0	1.3	20.4	10.2	9.3	4.7	--	5.1	Jul-12
MSCI Emerging Markets				-8.1	-1.2	18.2	8.6	9.2	5.6	6.1	5.7	Jul-12
RBC Global Emerging Equity	10,696,969	4.0		-8.1	-4.8	12.7	8.1	7.9	--	--	8.5	Jul-16
MSCI Emerging Markets				-8.1	-1.2	18.2	8.6	9.2	5.6	6.1	10.6	Jul-16
Acadian Emerging Markets Equity Fund	12,009,611	4.5		-5.9	7.4	28.3	--	--	--	--	12.0	Jan-20
MSCI Emerging Markets				-8.1	-1.2	18.2	8.6	9.2	5.6	6.1	9.3	Jan-20



TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Global Equity	24,849,933	9.3	10.0	-2.8	--	--	--	--	--	--	5.1	Apr-21
MSCI ACWI				-1.1	11.1	27.4	12.6	13.2	9.9	11.9	6.3	Apr-21
GQG Partners Global Equity Fund	12,987,901	4.9		-0.6	--	--	--	--	--	--	8.3	Apr-21
MSCI ACWI				-1.1	11.1	27.4	12.6	13.2	9.9	11.9	6.3	Apr-21
Lindsell Train Global Equity LLC	11,862,032	4.4		-5.1	--	--	--	--	--	--	-1.1	May-21
MSCI World				0.0	13.0	28.8	13.1	13.7	10.5	12.7	2.9	May-21
Fixed Income Composite	64,654,198	24.2	26.0	-0.9	-1.9	1.0	4.2	3.0	2.7	3.7	4.2	Jul-02
Bloomberg US Aggregate TR				0.1	-1.6	-0.9	5.4	2.9	3.3	3.0	4.3	Jul-02
High Quality Fixed Income	31,647,950	11.9	12.0	0.1	-1.1	-1.3	5.1	2.9	3.0	--	3.0	Oct-14
Bloomberg US Aggregate TR				0.1	-1.6	-0.9	5.4	2.9	3.3	3.0	3.3	Oct-14
Breckinridge-Treasury	3,528,493	1.3		0.4	-6.4	-9.2	9.8	--	--	--	6.1	Mar-17
Bloomberg US Treasury Long TR				0.5	-7.5	-10.3	9.2	3.3	5.4	4.4	6.0	Mar-17
Breckinridge - Corporate	7,131,377	2.7		0.0	-0.4	0.2	5.1	3.0	--	--	3.0	Nov-14
Bloomberg US Govt/Credit Int TR				0.0	-0.9	-0.4	4.6	2.6	2.7	2.5	2.7	Nov-14
Stone Castle FICA for Impact	20,988,080	7.9		0.0	0.0	0.1	--	--	--	--	0.3	Jan-20
91 Day T-Bills				0.0	0.0	0.0	1.0	1.1	0.8	0.6	0.3	Jan-20
Flexible Fixed Income	33,006,248	12.4	14.0	-1.7	-2.7	2.8	3.9	3.2	2.7	--	3.0	Jul-12
Bloomberg US Aggregate TR				0.1	-1.6	-0.9	5.4	2.9	3.3	3.0	2.9	Jul-12
Brandywine Global Opportunistic	11,895,454	4.5		-3.3	-4.7	5.4	4.7	--	--	--	4.0	Mar-17
FTSE WGBI TR				-1.2	-5.9	-3.3	3.7	1.4	1.7	1.1	3.2	Mar-17
Loomis Multi Sector	12,437,136	4.7		0.0	0.1	4.6	8.0	--	--	--	6.2	Mar-17
Bloomberg US Govt/Credit TR				0.0	-1.9	-1.1	5.9	3.2	3.5	3.2	4.1	Mar-17
65% Bloomberg Aggregate / 35% Bloomberg HY				0.3	0.5	3.2	6.0	4.2	4.2	4.6	4.6	Mar-17
Franklin Templeton GMS	8,673,658	3.2		-2.0	-3.9	-3.3	-2.5	--	--	--	-2.0	Mar-17
Bloomberg Multiverse				-0.9	-3.8	-0.4	4.3	2.2	2.3	2.1	3.5	Mar-17
Opportunistic Investments	509,003	0.2	0.0	-0.7	2.2	0.2	-0.8	1.8	1.1	3.3	3.1	Dec-10
CPI + 5% (Unadjusted)				1.5	8.5	9.9	7.7	7.6	7.0	6.9	7.1	Dec-10
Entrust Class X	509,003	0.2		-0.7	2.2	0.2	-3.9	--	--	--	-3.8	Jan-17



TOTAL FUND PERFORMANCE DETAIL - NET

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Markets	15,064,009	5.6	5.0	8.3	18.3	34.5	12.1	12.2	9.7	--	10.0	May-14
Private Markets Custom Benchmark				0.3	19.9	31.4	15.5	16.7	14.1	--	14.4	May-14
Impact Funds	9,263,458	3.5	--	7.2	18.8	44.8	19.9	16.0	--	--	12.3	Jul-15
HCAP Partners IV LP	1,510,882	0.6										
Generation IM SS Fund III	1,918,785	0.7										
SJF Ventures	2,921,594	1.1										
RRG Sustainable	605,543	0.2										
Brockton Capital Fund III	1,895,311	0.7										
Grosvenor Advance Fund	411,343	0.2										
Non Impact Funds	5,800,551	2.2	--	10.3	18.7	24.8	6.5	8.4	7.9	--	8.1	May-14
Canvas Distressed Credit Fund	1,393,478	0.5										
FEG Private Opportunities Fund	1,869,899	0.7										
OCP Orchard Landmark	2,537,174	1.0		1.7	6.3	7.6	4.6	--	--	--	6.3	Nov-17
JP Morgan Corporate EMBI Broad TR USD				-0.2	0.3	4.2	7.0	5.2	5.2	6.1	4.9	Nov-17
Community Development	2,754,367	1.0	3.0	0.1	1.1	1.2	1.5	1.3	1.2	1.3	1.6	Jul-07
91 Day T-Bills				0.0	0.0	0.0	1.0	1.1	0.8	0.6	0.7	Jul-07
Cash and Other	4,942,640	1.9	1.0									
Cash Account	4,256,681	1.6										
UUA SRI	685,959	0.3										

- Fiscal Year End: 6/30

- WCM Investment Management returns include Kennedy Capital returns from January 2018 to February 2019

- OCP Orchard performance is reported on a one month lag.

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

- Private equity is valued on a quarterly basis and updated as statements are received.

- Cash Market Value includes \$1,720,285 adjustment for pending capital additions into the UUA Endowment Fund. Cash and Other composite includes UUA SRI account.

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

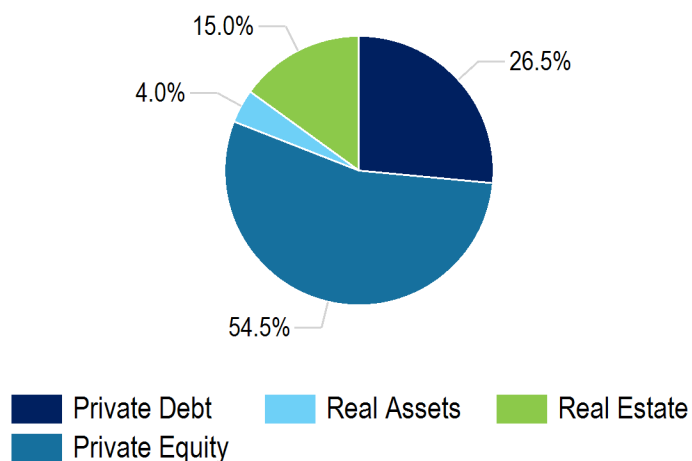
- As of 1/1/21, the Policy Index is comprised of 27% Russell 1000, 6% Russell 2000, 14% MSCI EAFE, 8% MSCI Emerging Markets, 10% MSCI ACWI, 26% Bloomberg US Aggregate, 4% 91 Day T-Bills, and 5% Private Markets Custom Benchmark.



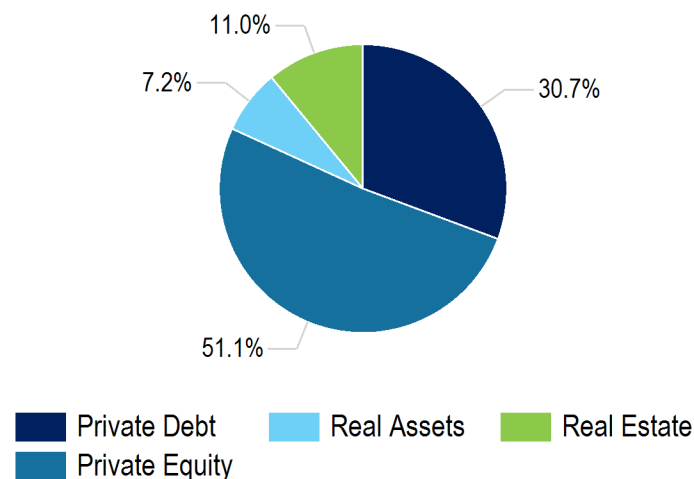
Unitarian Universalist Common Endowment Fund, LLC

EXECUTIVE SUMMARY

Valuation by Asset Class



Fund Exposure by Asset Class



Investments \$					Trailing Period Performance (IRR)							Multiples	
Asset Class	Commitment	Cumulative Contributions	Unfunded Commitment	Valuation	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR	DPI	TVPI
Total Private Debt	\$6,500,000	\$3,229,026	\$3,270,974	\$2,943,026	10.40%	5.08%	28.50%				7.59%	0.24	1.14
Total Private Equity	\$9,000,000	\$4,689,500	\$4,310,500	\$6,052,278	29.76%	42.15%	74.92%	31.13%	22.29%		17.38%	0.52	1.81
Total Real Assets	\$1,500,000	\$489,339	\$1,010,661	\$448,669	-1.73%	-4.92%					-15.00%	0.00	0.91
Total Real Estate	\$4,473,967	\$3,919,640	\$554,327	\$1,670,049	19.99%	22.76%	30.76%	12.33%	13.20%		8.99%	0.77	1.19
Total	\$21,473,967	\$12,327,505	\$9,146,462	\$11,114,022	21.12%	25.77%	49.54%	20.51%	17.07%		13.86%	0.50	1.40



Unitarian Universalist Common Endowment Fund, LLC

RETURN SUMMARY

Impact Funds			Trailing Period Returns (IRR) %						Public Market Equivalent (PME)		
Investment Name	Vintage Year	Commitment	(Qtr)	(YTD)	(1 Yr)	(3 Yrs)	(5 Yrs)	SI IRR	IRR PME	KS PME	Benchmark
Brockton Capital Fund III, L.P.	2015	\$4,473,967	19.99%	22.76%	30.76%	12.33%	13.20%	8.99%	9.09%	1.00	FTSE NAREIT All REIT
GCM Grosvenor Advance Fund, L.P.	2021	\$2,500,000									
Generation IM Sustainable Solutions Fund III (A), L.P.	2019	\$2,000,000	70.16%	80.87%	86.81%			50.51%	23.58%	1.34	MSCI ACWI IMI Net USD
HCAP Partners IV, L.P.	2019	\$2,000,000	4.58%	5.85%	44.45%			28.81%	8.87%	1.30	ICE BofA US High Yield TR
HCAP Partners V, LP	2021	\$2,500,000									
RRG Sustainable Water Impact Fund-B, L.P.	2020	\$1,500,000	-1.73%	-4.92%				-15.00%	35.74%	0.75	S&P Global Natural Resources Net USD
SJF Ventures IV, L.P.	2016	\$2,500,000	6.95%	22.85%	74.16%	43.20%		30.38%	22.93%	1.16	Russell 2000
Total		\$17,473,967	18.40%	26.32%	54.60%	30.23%	22.87%	18.69%	13.83%	1.09	

Non-Impact Funds			Trailing Period Returns (IRR) %						Public Market Equivalent (PME)		
Investment Name	Vintage Year	Commitment	(Qtr)	(YTD)	(1 Yr)	(3 Yrs)	(5 Yrs)	SI IRR	IRR PME	KS PME	Benchmark
Canvas Distressed Credit Fund, L.P.	2018	\$2,000,000	16.43%	4.39%	16.25%			-5.01%	7.17%	0.80	ICE BofA US High Yield TR
FEG Private Opportunities Fund, L.P.	2012	\$2,000,000	37.58%	46.30%	67.93%	18.04%	14.91%	11.76%	10.59%	1.05	MSCI ACWI IMI Net USD
Total		\$4,000,000	27.50%	24.61%	39.99%	8.31%	9.31%	8.63%	9.91%	0.96	



Unitarian Universalist Common Endowment Fund, LLC

ANALYSIS BY FUND

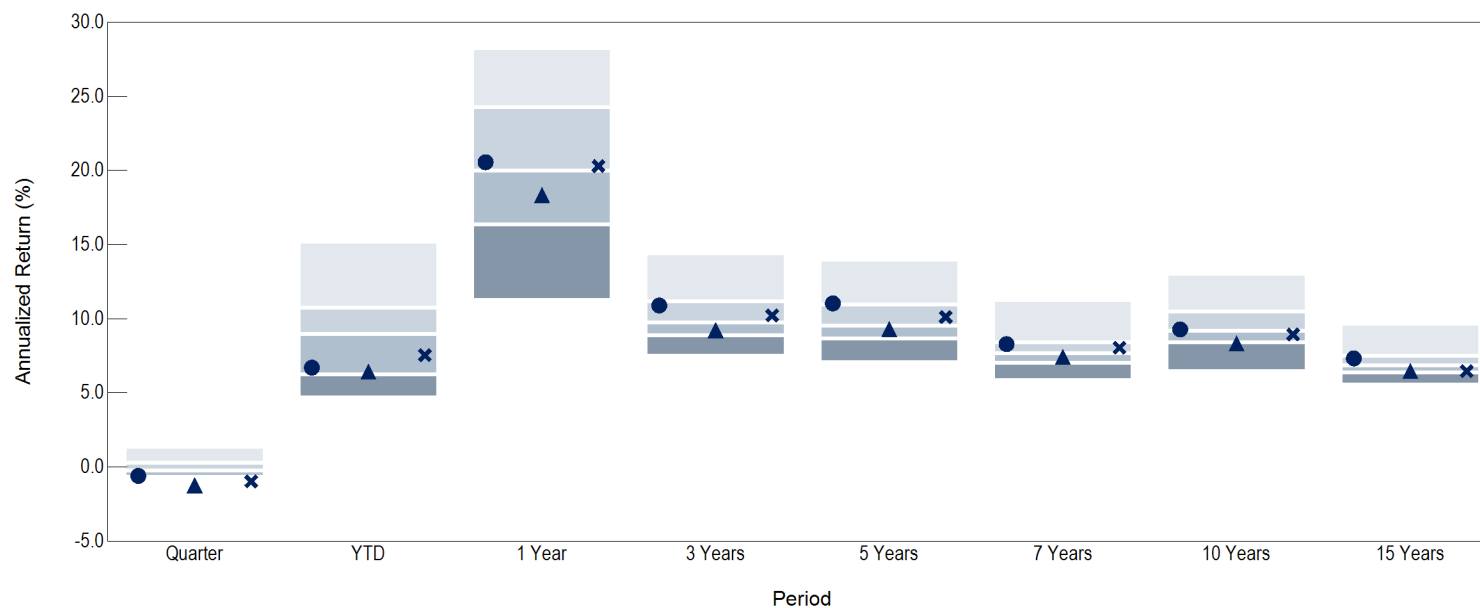
Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid In Capital	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	IRR
Private Debt												
Canvas Distressed Credit Fund, L.P.	2018	\$2,000,000	\$144,843	\$1,855,157	\$17,561	\$254,181	\$1,432,144	\$1,686,325	-\$186,394	0.14	0.90	-5.01%
HCAP Partners IV, L.P.	2019	\$2,000,000	\$626,131	\$1,373,869	\$7,108	\$514,558	\$1,510,882	\$2,025,440	\$644,463	0.37	1.47	28.81%
HCAP Partners V, LP	2021	\$2,500,000	\$2,500,000	\$0	\$0	\$0						
Total Private Debt		\$6,500,000	\$3,270,974	\$3,229,026	\$24,669	\$768,739	\$2,943,026	\$3,711,765	\$458,069	0.24	1.14	7.59%
Private Equity												
FEG Private Opportunities Fund, L.P.	2012	\$2,000,000	\$103,000	\$1,897,000	\$2,707	\$1,487,647	\$1,931,899	\$3,419,546	\$1,519,839	0.78	1.80	11.76%
GCM Grosvenor Advance Fund, L.P.	2021	\$2,500,000	\$2,500,000	\$0	\$0	\$0						
Generation IM Sustainable Solutions Fund III (A), L.P.	2019	\$2,000,000	\$1,070,000	\$930,000	\$4,712	\$0	\$1,698,785	\$1,698,785	\$764,073	0.00	1.82	50.51%
SJF Ventures IV, L.P.	2016	\$2,500,000	\$637,500	\$1,862,500	\$0	\$961,095	\$2,421,594	\$3,382,689	\$1,520,189	0.52	1.82	30.38%
Total Private Equity		\$9,000,000	\$4,310,500	\$4,689,500	\$7,419	\$2,448,742	\$6,052,278	\$8,501,020	\$3,804,101	0.52	1.81	17.38%
Real Assets												
RRG Sustainable Water Impact Fund-B, L.P.	2020	\$1,500,000	\$1,010,661	\$489,339	\$5,979	\$0	\$448,669	\$448,669	-\$46,649	0.00	0.91	-15.00%
Total Real Assets		\$1,500,000	\$1,010,661	\$489,339	\$5,979	\$0	\$448,669	\$448,669	-\$46,649	0.00	0.91	-15.00%
Real Estate												
Brookton Capital Fund III, L.P.	2015	\$4,473,967	\$554,327	\$3,919,640	\$16,095	\$3,020,346	\$1,670,049	\$4,690,395	\$754,659	0.77	1.19	8.99%
Total Real Estate		\$4,473,967	\$554,327	\$3,919,640	\$16,095	\$3,020,346	\$1,670,049	\$4,690,395	\$754,659	0.77	1.19	8.99%
Total		\$21,473,967	\$9,146,462	\$12,327,505	\$54,163	\$6,237,827	\$11,114,022	\$17,351,849	\$4,970,181	0.50	1.40	13.86%

- **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

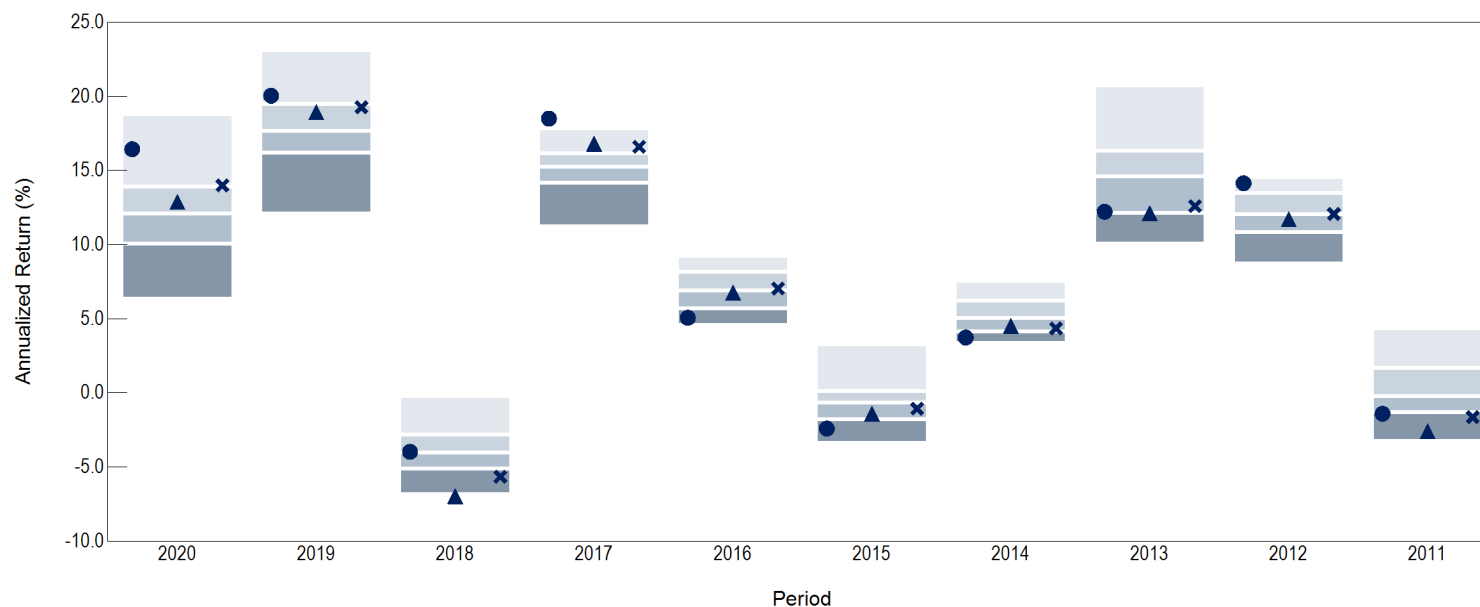
Composite vs. InvMetrics All E&F \$250mm-\$1B Gross



		Return (Rank)													
5th Percentile		1.3	15.2	28.2	14.4	14.0	11.3	13.0	9.6						
25th Percentile		0.3	10.8	24.3	11.2	11.0	8.4	10.5	7.5						
Median		-0.2	9.0	20.0	9.8	9.5	7.7	9.2	6.9						
75th Percentile		-0.6	6.3	16.4	8.9	8.7	7.1	8.4	6.4						
95th Percentile		-0.9	4.7	11.3	7.5	7.1	5.9	6.5	5.6						
# of Portfolios		29	29	29	25	25	25	22	17						
●	Composite	-0.6 (71)	6.7 (72)	20.6 (46)	10.9 (35)	11.0 (22)	8.3 (31)	9.3 (46)	7.3 (29)						
▲	Allocation Index	-1.2 (99)	6.4 (74)	18.4 (69)	9.2 (62)	9.3 (60)	7.4 (58)	8.3 (77)	6.5 (63)						
×	Policy Index	-1.0 (97)	7.5 (70)	20.3 (47)	10.2 (44)	10.1 (40)	8.0 (36)	8.9 (64)	6.5 (65)						

TOTAL FUND RETURN VS PEER UNIVERSE - GROSS

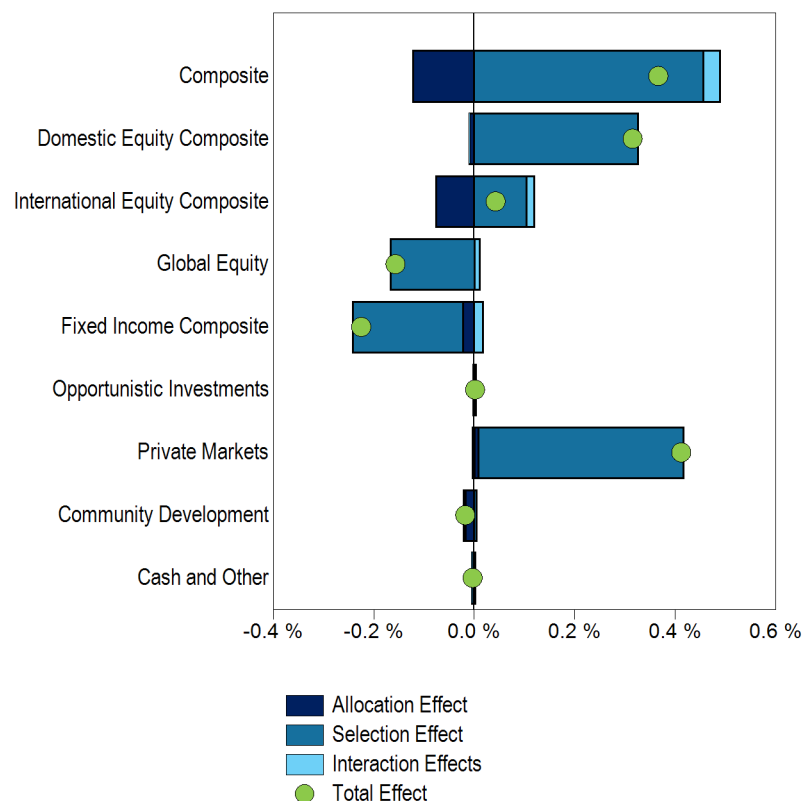
Composite vs. InvMetrics All E&F \$250mm-\$1B Gross



		Return (Rank)																			
5th Percentile		18.8	23.1	-0.2	17.8	9.2	3.2	7.5	20.7	14.6	4.4										
25th Percentile		13.9	19.5	-2.8	16.2	8.2	0.2	6.2	16.4	13.5	1.7										
Median		12.1	17.7	-4.0	15.3	6.9	-0.6	5.1	14.6	12.1	-0.2										
75th Percentile		10.1	16.2	-5.1	14.2	5.7	-1.7	4.2	12.2	10.9	-1.3										
95th Percentile		6.4	12.1	-6.8	11.3	4.6	-3.3	3.4	10.1	8.7	-3.2										
# of Portfolios		102	67	77	54	67	59	61	53	51	47										
●	Composite	16.4	(10)	20.0	(21)	-4.0	(50)	18.5	(1)	5.1	(88)	-2.4	(85)	3.7	(90)	12.2	(75)	14.1	(9)	-1.4	(79)
▲	Allocation Index	12.9	(38)	18.9	(33)	-7.0	(96)	16.8	(13)	6.8	(58)	-1.4	(63)	4.5	(65)	12.1	(78)	11.7	(59)	-2.6	(92)
×	Policy Index	14.0	(25)	19.3	(27)	-5.7	(82)	16.6	(16)	7.0	(48)	-1.1	(59)	4.4	(71)	12.6	(74)	12.1	(55)	-1.6	(80)

TOTAL FUND ATTRIBUTION ANALYSIS - GROSS

Attribution Effects
3 Months Ending September 30, 2021

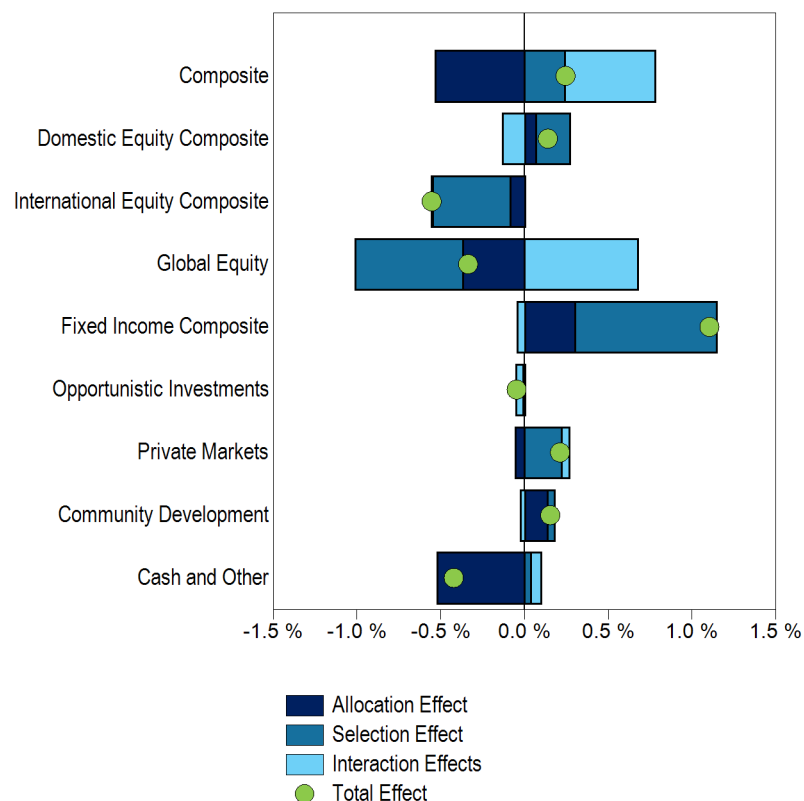


Attribution Summary
3 Months Ending September 30, 2021

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	33.0%	0.4%	-0.6%	1.0%	0.3%	0.0%	0.0%	0.3%
International Equity Composite	22.0%	-2.8%	-3.2%	0.4%	0.1%	-0.1%	0.0%	0.0%
Global Equity	10.0%	-2.7%	-1.1%	-1.6%	-0.2%	0.0%	0.0%	-0.2%
Fixed Income Composite	26.0%	-0.8%	0.1%	-0.8%	-0.2%	0.0%	0.0%	-0.2%
Opportunistic Investments	0.0%	-0.6%	0.5%	-1.0%	0.0%	0.0%	0.0%	0.0%
Private Markets	5.0%	8.7%	0.3%	8.4%	0.4%	0.0%	0.0%	0.4%
Community Development	3.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Cash and Other	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	-0.6%	-1.0%	0.4%	0.5%	-0.1%	0.0%	0.4%

TOTAL FUND ATTRIBUTION ANALYSIS - GROSS

Attribution Effects
1 Year Ending September 30, 2021



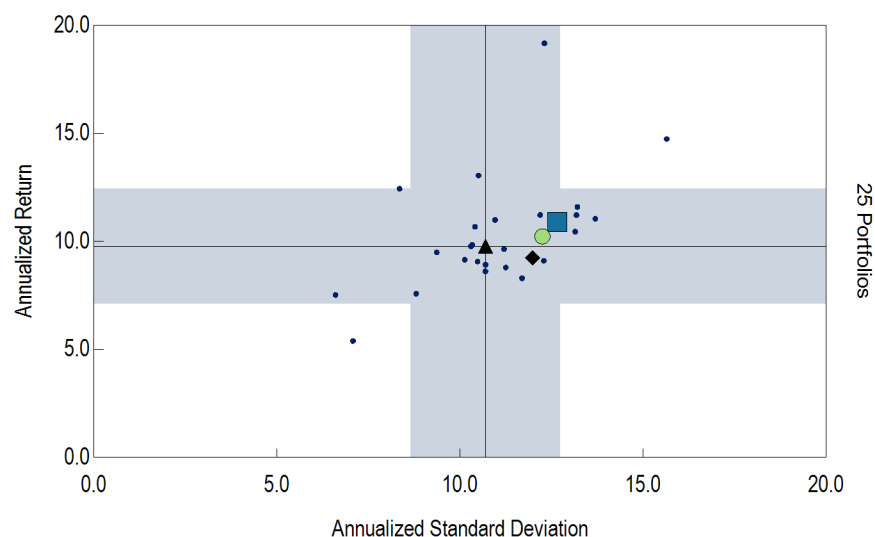
Attribution Summary
1 Year Ending September 30, 2021

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	32.0%	37.3%	36.6%	0.7%	0.2%	0.0%	-0.1%	0.1%
International Equity Composite	30.0%	21.5%	22.9%	-1.5%	-0.5%	-0.1%	0.0%	-0.6%
Global Equity	0.0%	5.4%	27.4%	-22.1%	-0.6%	-0.3%	0.6%	-0.3%
Fixed Income Composite	31.0%	1.4%	-0.9%	2.3%	0.8%	0.3%	0.0%	1.1%
Opportunistic Investments	0.0%	0.7%	16.2%	-15.4%	0.0%	0.0%	0.0%	0.0%
Private Markets	5.0%	37.1%	31.4%	5.7%	0.2%	-0.1%	0.0%	0.2%
Community Development	1.0%	1.2%	0.0%	1.2%	0.0%	0.1%	0.0%	0.2%
Cash and Other	1.0%	3.3%	0.0%	3.3%	0.0%	-0.5%	0.0%	-0.4%
Total	100.0%	20.6%	20.3%	0.3%	0.2%	-0.4%	0.5%	0.3%



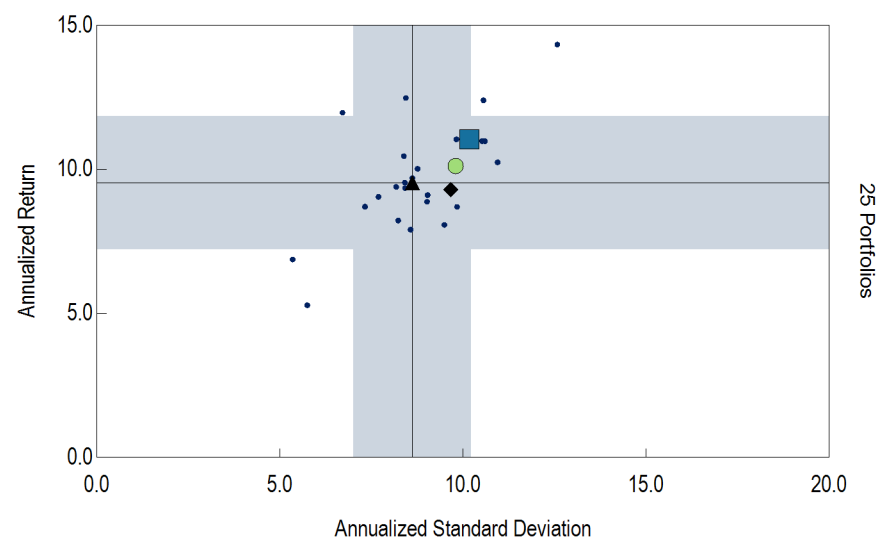
TOTAL FUND RISK/RETURN - GROSS

3 Years Ending September 30, 2021



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

5 Years Ending September 30, 2021



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

3 Years Ending September 30, 2021

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	10.89%	35	12.67%	81	0.78	54	1.17	7
Allocation Index	9.23%	62	11.98%	70	0.68	89	--	--
Policy Index	10.23%	44	12.25%	74	0.75	66	1.06	8
InvMetrics All E&F \$250mm-\$1B Gross Median	9.77%	--	10.70%	--	0.80	--	-0.03	--

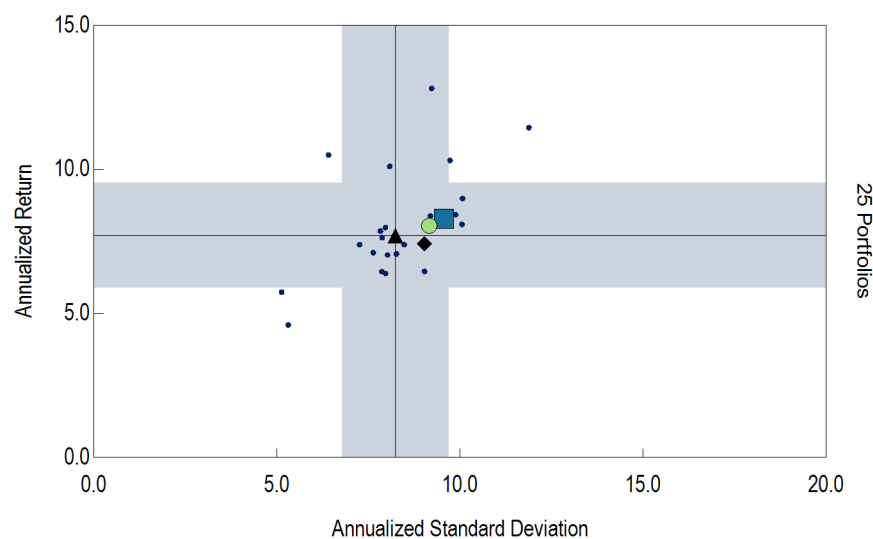
5 Years Ending September 30, 2021

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	11.04%	22	10.17%	82	0.98	59	1.25	5
Allocation Index	9.30%	60	9.66%	69	0.85	82	--	--
Policy Index	10.12%	40	9.80%	71	0.92	68	1.01	8
InvMetrics All E&F \$250mm-\$1B Gross Median	9.54%	--	8.61%	--	1.00	--	0.34	--



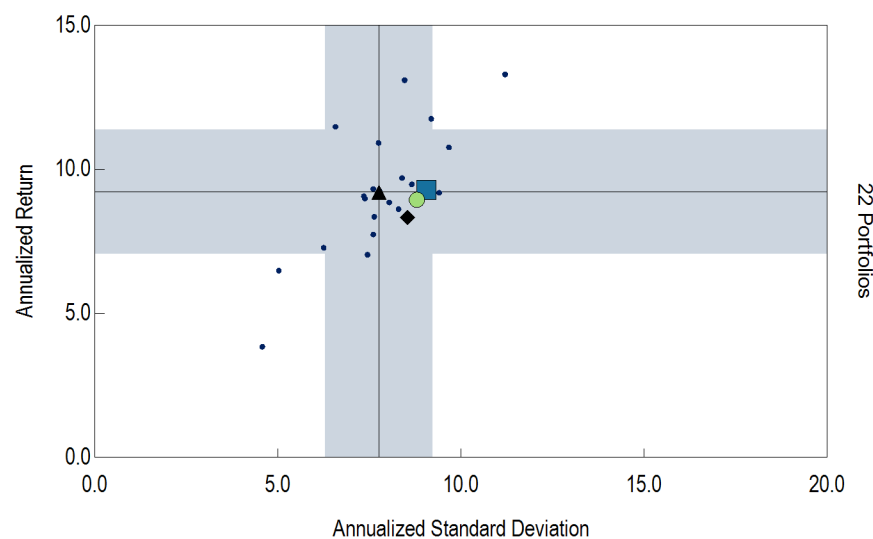
TOTAL FUND RISK/RETURN - GROSS

7 Years Ending September 30, 2021



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

10 Years Ending September 30, 2021



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

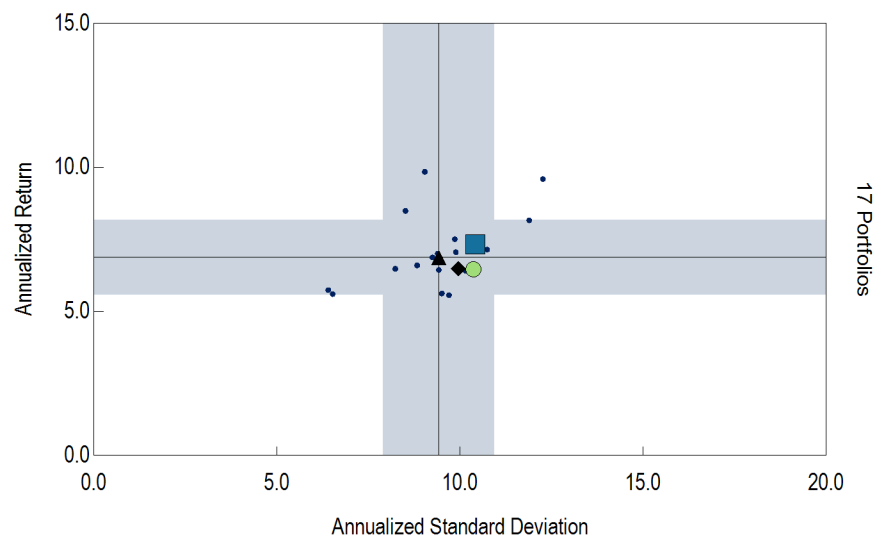
7 Years Ending September 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	8.29%	31	9.56%	82	0.78	62	0.62	25
Allocation Index	7.42%	58	9.03%	71	0.73	79	--	--
Policy Index	8.04%	36	9.16%	75	0.79	61	0.88	7
InvMetrics All E&F \$250mm-\$1B Gross Median	7.70%	--	8.23%	--	0.82	--	0.26	--

10 Years Ending September 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	9.28%	46	9.06%	81	0.96	83	0.72	21
Allocation Index	8.33%	77	8.54%	74	0.91	92	--	--
Policy Index	8.94%	64	8.79%	78	0.95	85	0.85	15
InvMetrics All E&F \$250mm-\$1B Gross Median	9.22%	--	7.76%	--	1.08	--	0.44	--



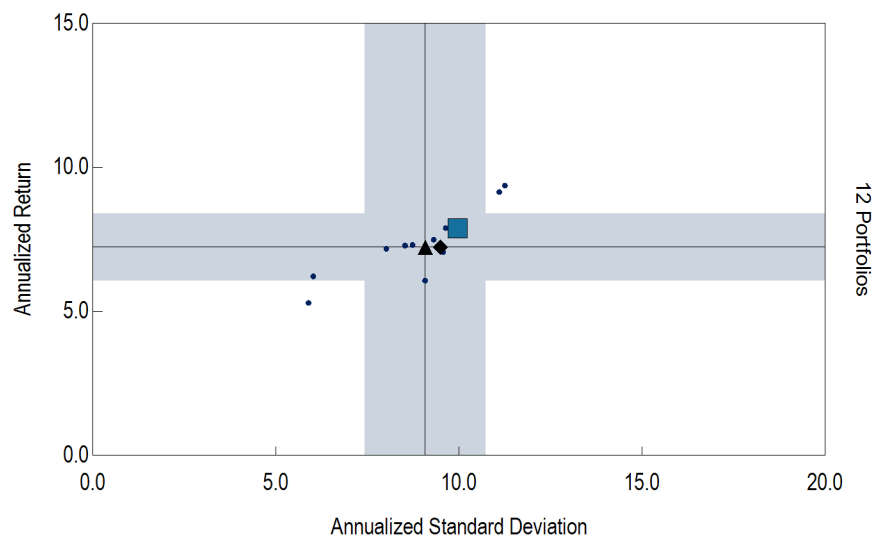
TOTAL FUND RISK/RETURN - GROSS

15 Years Ending September 30, 2021



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

Since Inception



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F \$250mm-\$1B Gross

15 Years Ending September 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	7.32%	29	10.41%	85	0.62	66	0.58	18
Allocation Index	6.48%	63	9.95%	77	0.56	85	--	--
Policy Index	6.46%	65	10.37%	84	0.54	89	-0.01	68
InvMetrics All E&F \$250mm-\$1B Gross Median	6.87%	--	9.42%	--	0.65	--	0.27	--

19 Years 3 Months Ending September 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	7.88%	19	9.96%	84	0.67	75	0.46	25
Allocation Index	7.23%	51	9.49%	71	0.64	86	--	--
Policy Index	--	--	--	--	--	--	--	--
InvMetrics All E&F \$250mm-\$1B Gross Median	7.23%	--	9.08%	--	0.70	--	0.18	--



SCREENING REVIEW



PROPRIETARY & CONFIDENTIAL

INTRODUCTION

- **Current screening process:**

- Membership proposes securities or areas of exclusion; Sustainalytics also makes recommendations based on UUA criteria
- Subcommittee reviews exclusions, and upon approval, Sustainalytics produces a final “Eligible” and “Non Eligible” list which is passed to RhumbLine to apply to their index investment (Russell 1000 Value)

- **The goal for the analysis is to look for ways to enhance the Committee’s review of potential exclusions:**

- Record current and future exclusions and consider impact on performance and risk
- Back-test performance of Eligible securities vs. Non Eligible and Russell 1000 Value
- Holding based analysis – understand the tilts of the portfolio of eligible securities

- **In the following slides the analysis is based on the below process:**

- Russell 1000 Value Index was separated into Eligible, Non Eligible and Adjusted Exclusions from Sustainalytics February 26, 2021 analysis
- An additional portfolio of “Stranded Carbon” securities was created, also from Sustainalytics
- All portfolios were re-weighted based on June 30, 2021 market cap valuations
 - Maintains weighting scheme of Russell 1000 Value index
- Develop monthly return series for all portfolios and securities for the past 5 years ending June 30, 2021
 - Portfolio constituents were kept at a static weight, which introduces survivorship bias on longer term performance when compared to Russell 1000 Value index

CONSIDERATIONS & RECOMMENDATIONS

▪ **Considerations:**

- Sustainalytics provides data on Large Cap holdings – which means that data is provided for securities beyond the Russell 1000 Value Index constituents
 - RhumbLine’s mandate focuses on the Russell 1000 Value Index. Therefore, not all of the recommendations provided by Sustainalytics are relevant to the RhumbLine portfolio.
 - To be consistent with RhumbLine, NEPC has excluded non-index securities from this analysis.
- Sustainalytics provides a “Stranded Carbon” securities list
 - Only names that overlap with the Russell 1000 Value would be considered for the RhumbLine portfolio
 - Note that the “Stranded Carbon” names that overlap with the index are assessed by UUA screening criteria.
 - RhumbLine froze exposure to a short list of CU200 names a few years ago, at the direction of UUA. Likely done for engagement reasons at the time.
 - The analysis included for “Stranded Carbon” is provided primarily for reference

▪ **Recommendations:**

1. RhumbLine noted that many of their clients work with them to customize a portfolio. Also noted that some elements of the UUA process fall outside of their typical approach. Recommend Subcommittee engage with RhumbLine to explore this further and see if there is an opportunity to improve process and outcomes.
2. Screening Subcommittee meet with RhumbLine on a regular basis (annually?) to discuss implementation of UUA priorities.
3. Evaluate the list of “frozen” securities to determine if still relevant.

SUMMARY STATISTICS

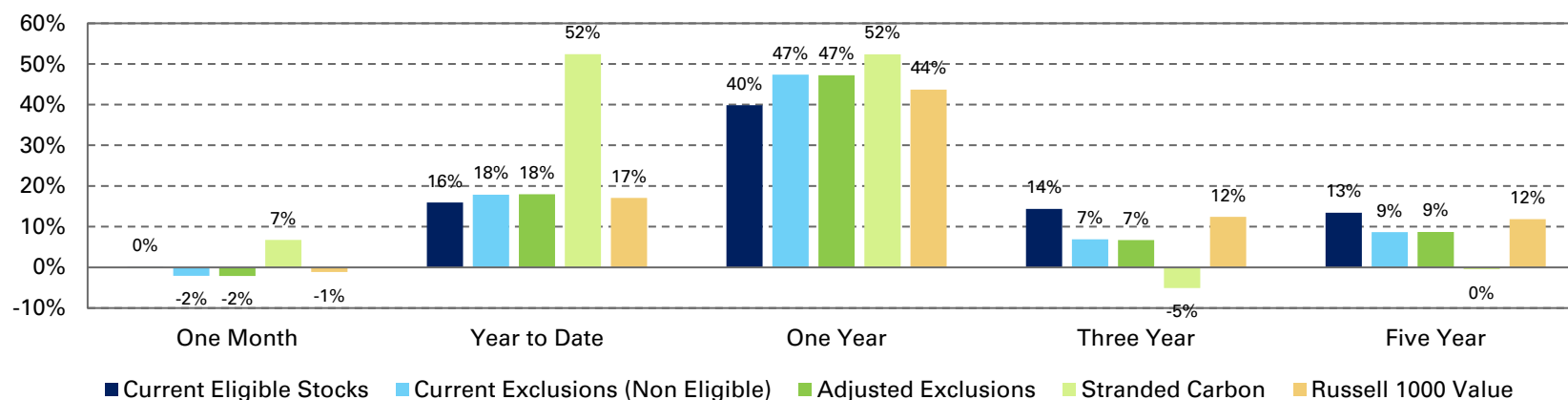
<i>Trailing 5 Years</i>	Total Return (%)	Standard Deviation (%)
Current Eligible Stocks	13.4	18.1
Current Exclusions (Non Eligible)	8.7	21.8
Adjusted Exclusions	8.7	21.9
Stranded Carbon	-0.5	32.5
<i>UUCEF Portfolio</i>	<i>12.2</i>	<i>10.1</i>
<i>UUCEF Policy</i>	<i>11.1</i>	<i>9.7</i>
<i>Russell 1000 Value</i>	<i>11.9</i>	<i>16.2</i>

- **Adjusted Exclusions includes Current Exclusions and Proposed Exclusions, adjusted for names that are now deemed *eligible***
 - Only one name on the Proposed Exclusions list for this cycle
- **Observations:**
 - Eligible Stocks portfolio outperformed the index, at a slightly higher level of volatility – the Exclusions have underperformed the index and with greater volatility

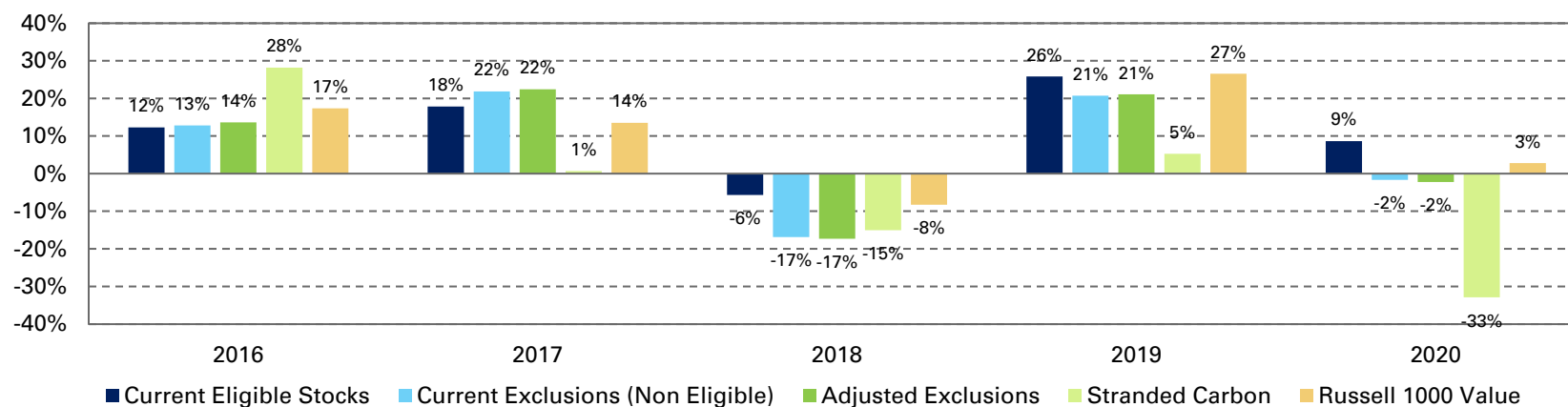


PERFORMANCE SUMMARY

Trailing Period Performance



Calendar Year Performance

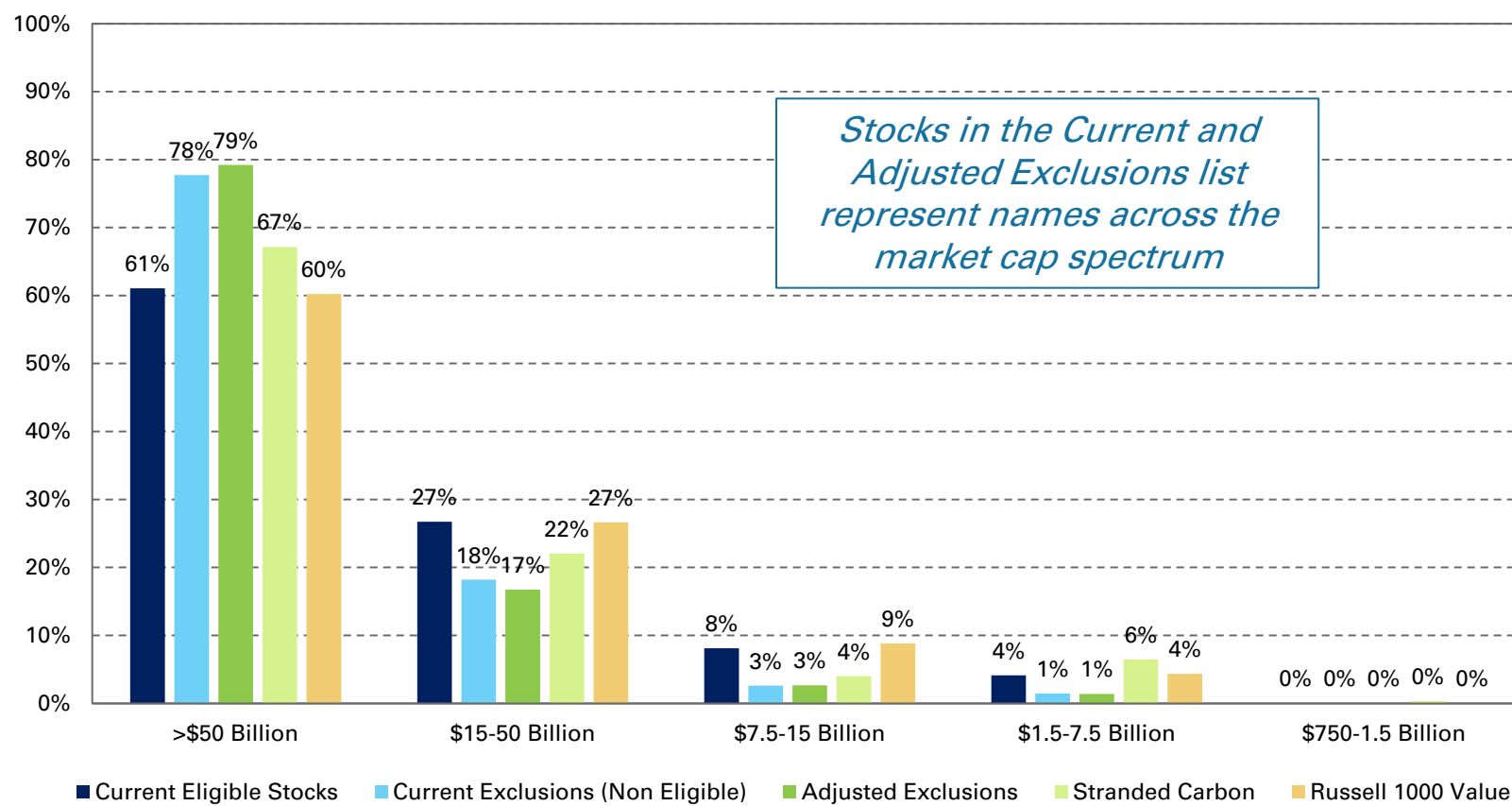


Note: Long term performance is subject to survivorship bias as Benchmark constituents can change annually

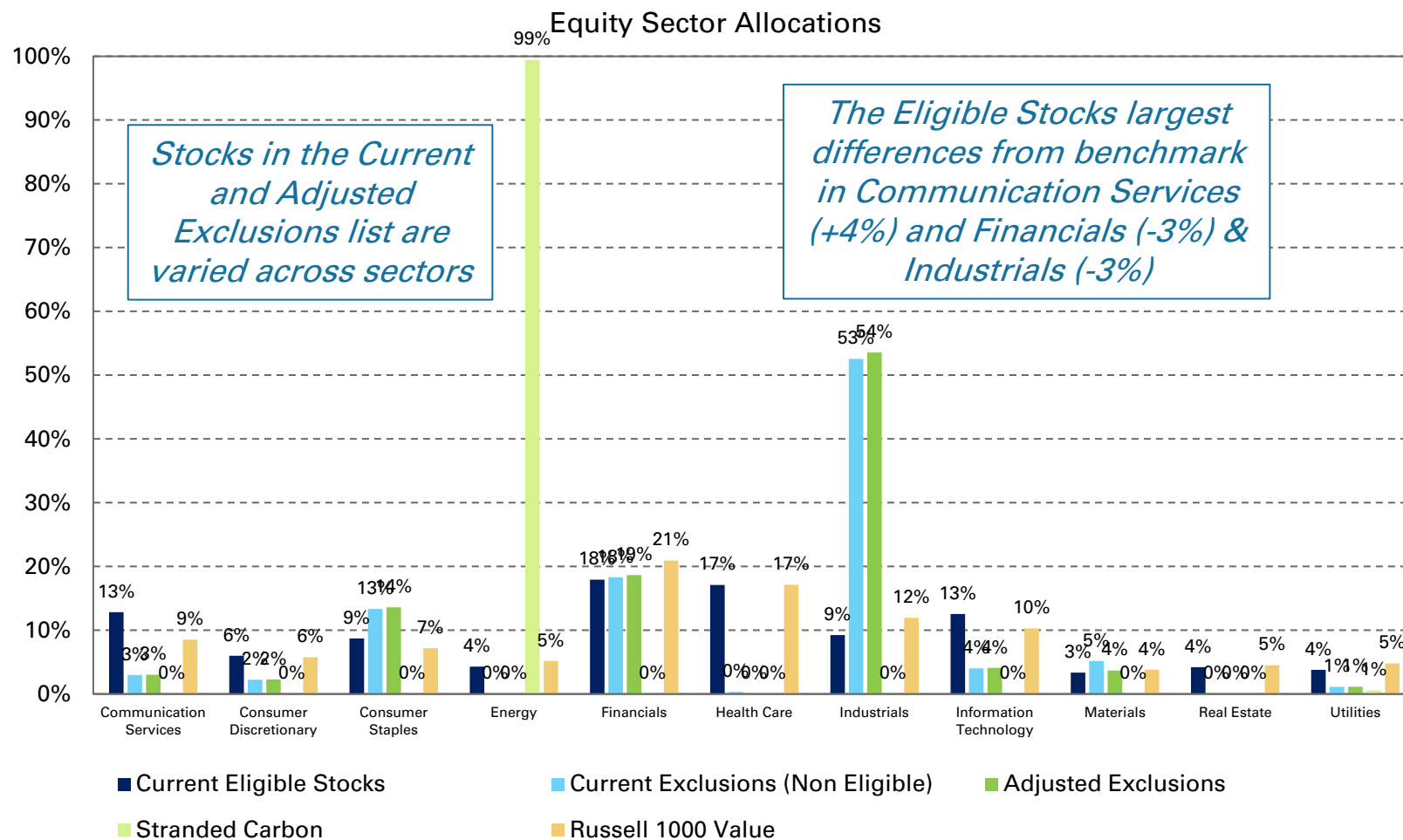
Data as of 06/30/2021

MARKET CAPITALIZATION

Market Cap Allocations



SECTOR EXPOSURES



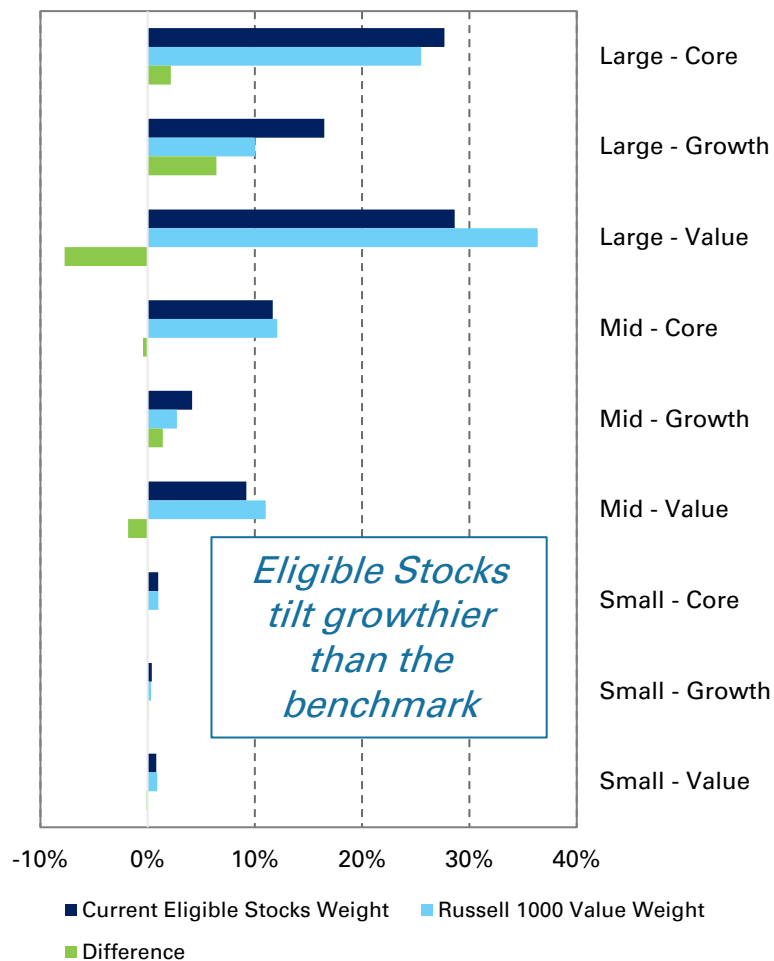
Observations:

- The difference between Eligible Stocks and the Benchmark have narrowed significantly from the last review

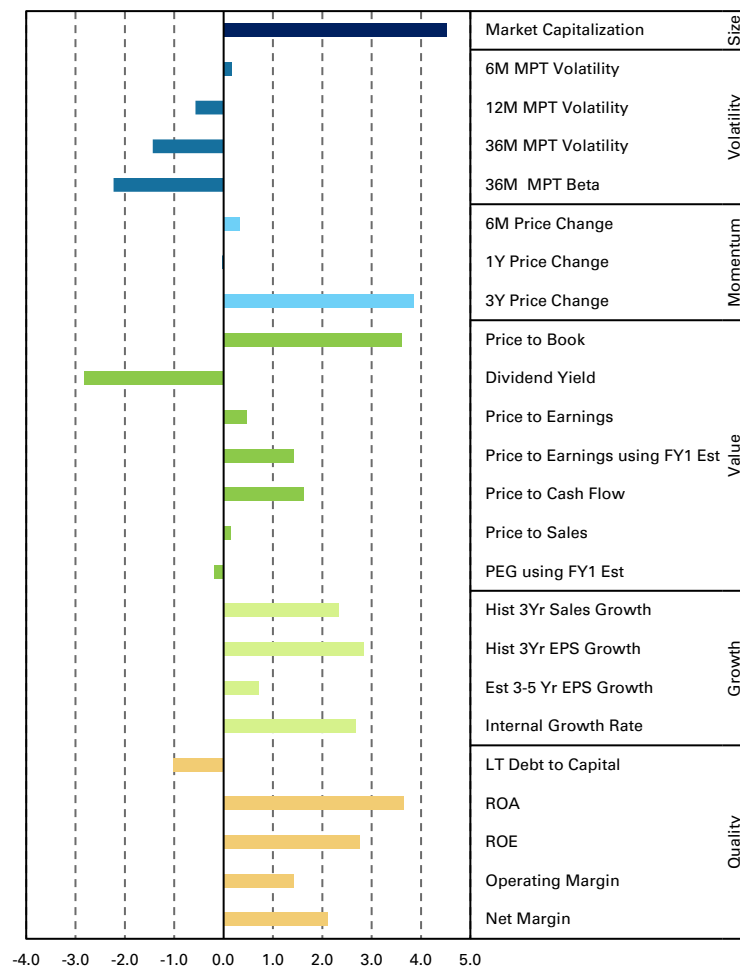


CURRENT ELIGIBLE STOCKS

Portfolio Style – Security Level

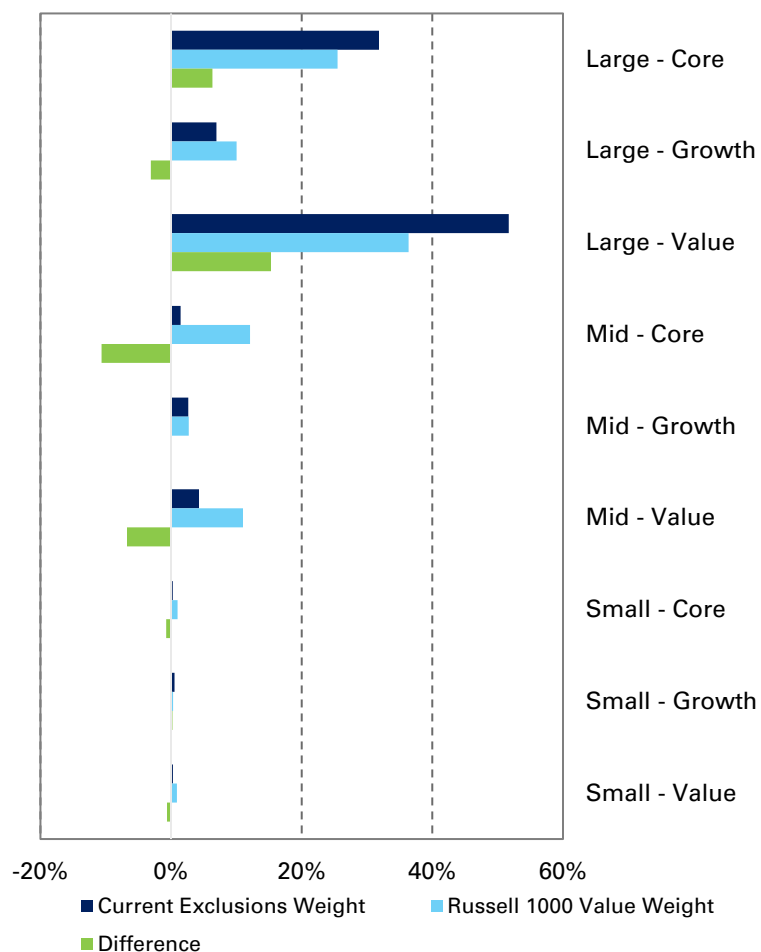


Portfolio Tilt – Security Level

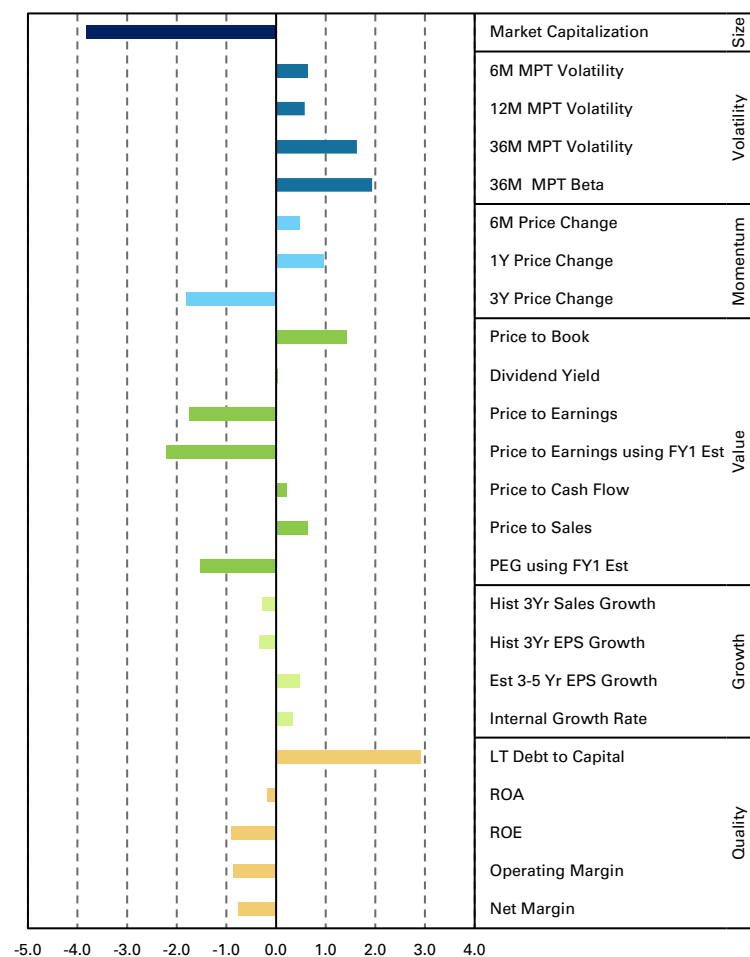


CURRENT EXCLUSIONS (NON ELIGIBLE)

Portfolio Style – Security Level

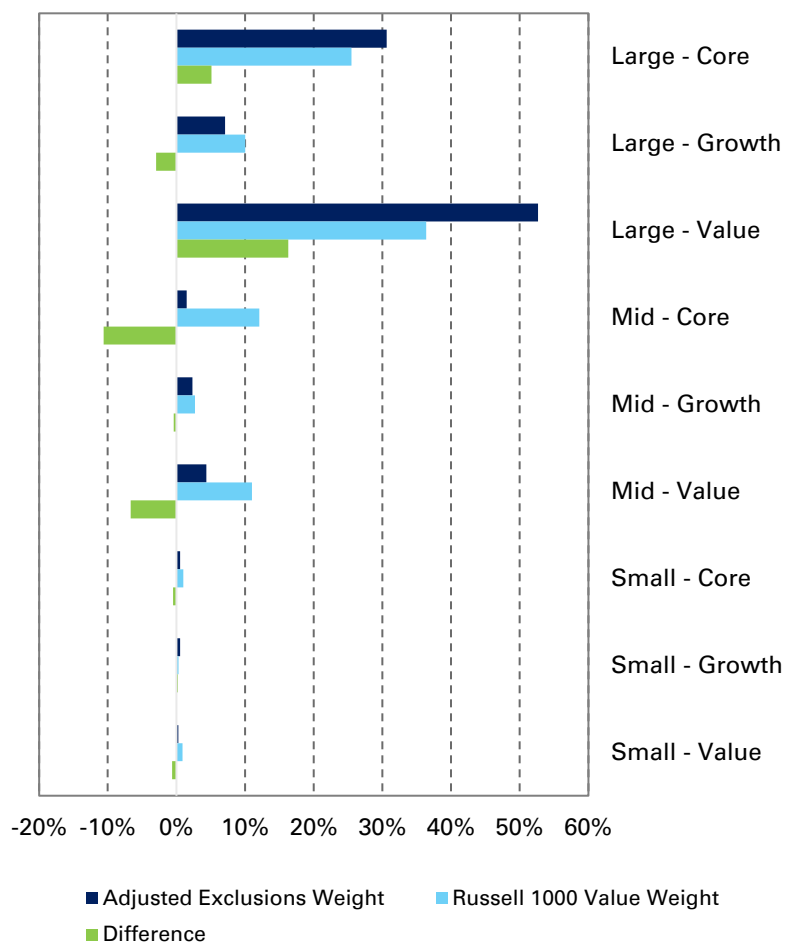


Portfolio Tilt – Security Level

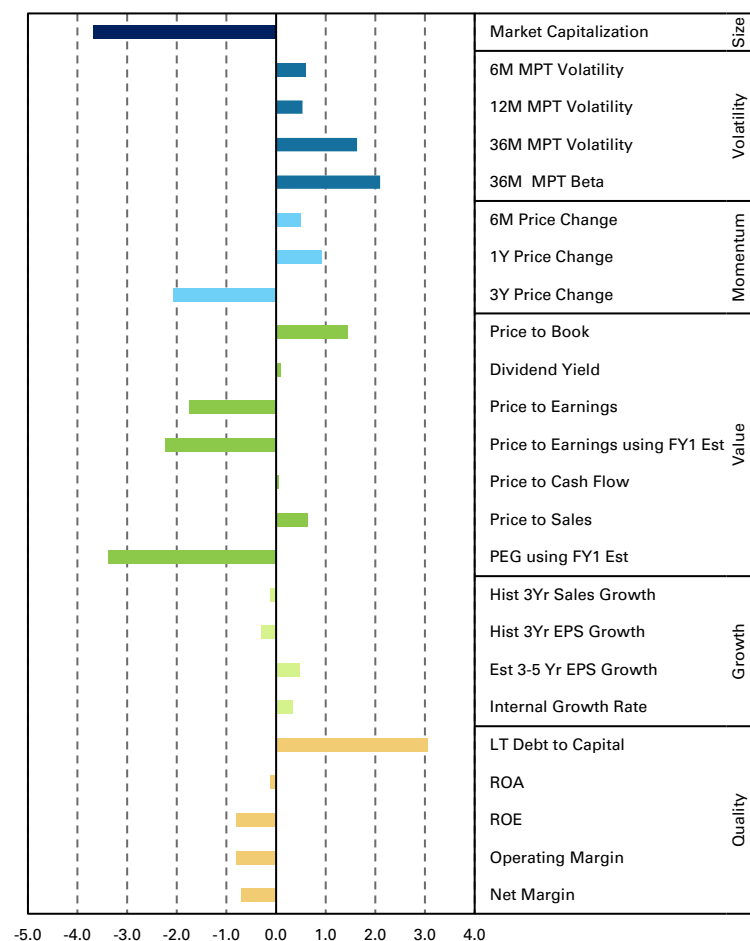


ADJUSTED EXCLUSIONS

Portfolio Style – Security Level

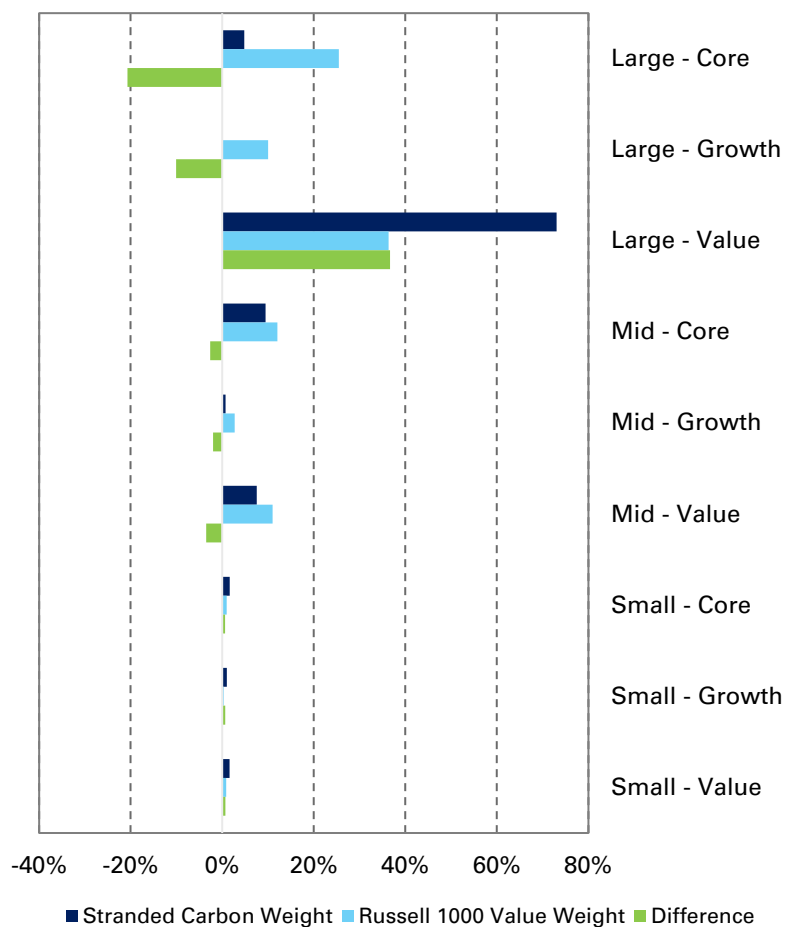


Portfolio Tilt – Security Level

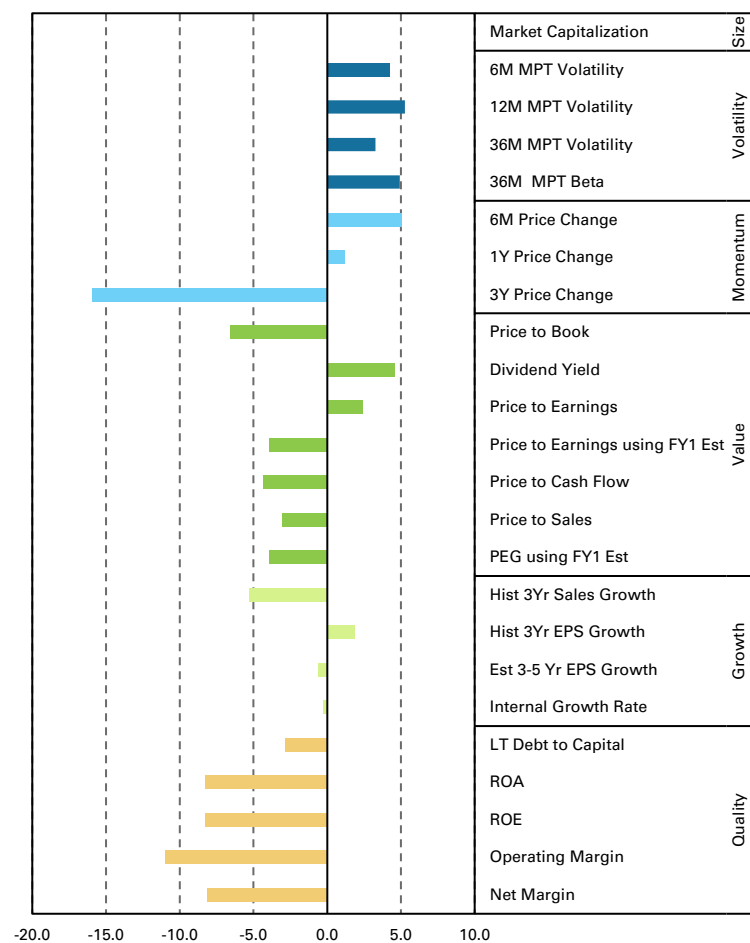


STRANDED CARBON

Portfolio Style – Security Level



Portfolio Tilt – Security Level





APPENDIX

PROPRIETARY & CONFIDENTIAL

UUA SCREENING CRITERIA

UUA will avoid investing in companies with the following controversy exposure and business activities:

- a. Major controversies:
 - Category 5 controversies OR
 - Category 4 controversies combined with a negative outlook OR
 - Category 4 controversies under the Event area of 'Complicity in Human Rights Violations' OR
 - Category 3 controversies with negative outlook combined with a total ESG Risk ranking in the top 25% by peer group*
- b. Top 10% of company performers for total ESG Risk Rating score by industry group
- c. Tobacco - companies that derive any revenues from the manufacture of tobacco products (including revenues through ownership)
- d. Small Arms - companies that derive 5% or more of revenues from the manufacture of small arms
- e. Military Weapons - companies that derive 5% or more of revenues from the manufacture of military weapon system and/or integral tailor-made components of these weapons
- f. Predatory Lending: companies that derive any revenues from involvement in predatory lending
- g. Thermal Coal: companies that derive 50% or more of revenues from the production of thermal coal
- h. Significant operations in Sudan (Targeted Divestment criteria)
- i. Fossil Fuel: all companies in the *Refiners & Pipelines* and the *Oil & Gas Producers* peer groups with exposure to a Category 4 or 5 level controversy in any of the three environmental controversy areas (regardless of their overall ranking); OR that have a Category 3 level environmental controversy combined with an ESG Risk ranking in the top 10% by industry.

Although they will remain eligible, companies that meet the following criterion will be flagged:

Companies that are categorized as Utilities, where more than 50% of generating capacity is from thermal coal. This assessment only includes companies that generate power, not distributors. It is not included in the overall eligibility recommendation, however it is provided solely for information purposes.



PROCESS FOR LISTS

- **Current Eligible Stocks**

- From February Sustainalytics file. All listed as "Yes" in the Eligibility column on the U.S. Large Cap Equities tab, as long as they are actual members of the Russell 1000 Value index today.

- **Current Exclusions (Non Eligible)**

- From February Sustainalytics file. All listed as "No" in the Eligibility column on the U.S. Large Cap Equities tab, except for Exchange Income Corp (Canadian company, not a member of the index), GCI Liberty (acquired by Liberty Broadband last year) and United Technologies Corp (changed its name to Raytheon Technologies). Notes on named companies provided by RhumbLine.

- **Proposed Exclusions**

- From August Sustainalytics report. Go to U.S. Large Cap Equities tab, sort by "changed to ineligible".
- Only 4 names for this report: ContextLogic, Cronos Group, Silgan Holdings and Southern Power Co.
 - 3 of these names are not in the Russell 1000 Value. Therefore, NEPC has dropped this list for this report, and instead we have included the one name (Silgan) in the Adjusted Exclusions list.

- **Adjusted Exclusions (Current Exclusions + Proposed Exclusions, adjusted for names that are now deemed *eligible*)**

- Combine the Current Exclusions and Proposed Exclusions into one list
- Subtract out the names that are now eligible. (Found by going to the August Sustainalytics report. Go to U.S. Large Cap Equities tab, sort by "changed to eligible" column).

- **Stranded Carbon**

- From August Sustainalytics report. Use names on "Stranded Carbon Asset" tab.



ALL EXCLUSIONS STOCKS – 5 YR STATS

Description	Ticker	Annualized Return (5 Yr.)	Annualized Std. Dev. (5 Yr.)
Altice USA, Inc. Class A	ATUS	3.09	34.63
Altria Group Inc	MO	-1.47	25.06
BlackRock, Inc.	BLK	23.70	28.41
Boeing Company	BA	15.12	46.03
BWX Technologies, Inc.	BWXT	11.46	28.48
Caterpillar Inc.	CAT	26.91	31.03
DISH Network Corporation Class A	DISH	-4.34	41.34
General Dynamics Corporation	GD	8.46	24.74
H&R Block, Inc.	HRB	5.02	38.39
Honeywell International Inc.	HON	17.05	25.11
HP Inc.	HPQ	22.87	34.37
Huntington Ingalls Industries, Inc.	HII	6.37	30.05
Invesco Ltd.	IVZ	5.89	41.35
Jacobs Engineering Group Inc.	J	22.77	29.27
L3Harris Technologies Inc	LHX	23.15	26.72
Liberty Broadband Corp. Class C	LBRDK	23.68	27.41
Lockheed Martin Corporation	LMT	11.68	24.52
Motorola Solutions, Inc.	MSI	29.20	26.94
Northrop Grumman Corporation	NOC	12.11	25.57
Oshkosh Corp	OSK	22.85	36.11
PG&E Corporation	PCG	-30.22	79.34
Philip Morris International Inc.	PM	4.84	25.96
Qurate Retail, Inc. Class A	QRTEA	0.57	48.13
Raytheon Technologies Corporation	RTX	9.87	30.83
RPM International Inc.	RPM	14.65	26.92
Science Applications International Corp.	SAIC	10.41	34.76
Silgan Holdings Inc.	SLGN	11.55	21.76
Skechers U.S.A., Inc. Class A	SKX	10.89	51.00
Southern Copper Corporation	SCCO	22.93	34.82
Textron Inc.	TXT	13.66	37.48
Uber Technologies, Inc.	UBER	3.81	40.41
Wayfair, Inc. Class A	W	51.93	69.25
Wells Fargo & Company	WFC	2.27	34.30



Proposed Exclusions highlighted in yellow, as indicated by August 2021 Sustainalytics report.



APPENDIX

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2021 THIRD QUARTER INSIGHTS FROM NEPC

General Research

- [NEPC's June 2021 Market Commentary](#)
- [Quarterly Asset Class Review: Q2 2021](#)
- [Reframing Inflation Expectations: Q2 Quarterly Market Webinar](#)
- [NEPC's July 2021 Market Commentary](#)
- [NEPC Market Outlook: Taking Profits in a Period of Market Strength](#)
- [NEPC's August 2021 Market Commentary](#)

Practice Teams

- [Taxes and After-Tax Alpha: Are You Missing Out?](#)
- [Inflation: The Real Effect on Returns and Tax Rates](#)
- [Investment Vehicles: A Critical Choice for Private Clients and Family Offices](#)
- [Taking Stock: NEPC Q2 2021 Pension Monitor](#)
- [Taking Stock: NEPC July 2021 Pension Monitor](#)
- [Taking Stock: NEPC August 2021 Pension Monitor](#)
- [Taking Stock: One Corporate Plan's Journey of Terminating Its Pension \(Part 3\)](#)

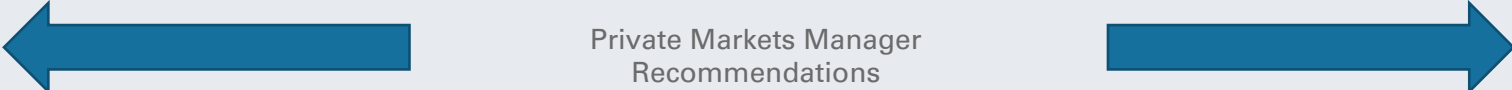


DIVERSITY, EQUITY AND INCLUSION AT NEPC

- This quarter, during the annual Equitable Manager Participation Workshop, NEPC [announced the Explorer Program](#), a platform to identify, meaningfully explore and engage with diverse-owned and -led investment management firms who are not currently 1- or 2-rated by NEPC. The Explorer Program eases the path for diverse managers to be evaluated by NEPC's Research team for potential inclusion in client portfolios and for future inclusion on the firm's Focused Placement Lists (FPL).
- You can read more in [FundFire](#), [Alternatives Watch](#), and [PLANSPONSOR](#), and learn more at [NEPC.com](#).



2021 WORK PLAN

Q1 Meeting	Q2 Meeting	Q3 Meeting	Q4 Meeting
<p>2021 Investment Outlook and Opportunities</p> <p>Equity Manager Implementation</p> <p>ESG Ratings for Equity Managers</p>	<p>Annual Private Markets Pacing Plan</p>	<p>Inflation Review</p>	<p>Screening Review Summary</p> <p>Fixed Income Implementation</p>
<p><i>Ongoing Activities</i></p> <p>Performance and Market Updates</p> <p>Private Markets Manager Recommendations</p> <p>Rebalancing</p> <p>Portfolio Monitoring</p> 			

PROPOSED 2022 WORK PLAN

Q1 Meeting	Q2 Meeting	Q3 Meeting	Q4 Meeting
2021 Investment Outlook and Opportunities	Annual Private Markets Pacing Plan	Screening Review Summary	Manager Fee Review
<p><i>Ongoing Activities</i></p> <p>Performance and Market Updates</p> <p>Private Markets Manager Recommendations</p> <p>Rebalancing</p> <p>Portfolio Monitoring</p>			

LIQUIDITY TERMS

Account	Liquidity for Subscriptions and Redemptions	Special Terms
<u>Domestic Equity Composite</u>		
Rhumblin	Daily, with notice by 2 PM on TD	
Sands	Daily, with notice on TD	
Ownership Capital Global Equity (USD) Fund, L.P.	Monthly, with 5 business days' notice	
Wellington SMID	Daily, with notice by 4 PM on TD	
WCM Investment Management	Daily, with notice one day prior preferred	
<u>International Equity Composite</u>		
MFS International Concentrated	1st and 16th of the month, with notice by 2 PM the prior business day	
Boston Common	Daily, with notice on TD	
Baxter Street	Monthly, with 30 days' notice	
RBC Global Emerging Equity	Daily, with 5 days' notice	
Acadian Emerging Markets Equity Fund	Daily, with 10 business days' notice	
<u>Global Equity Composite</u>		
GQG Partners Global Equity	Weekly on Wednesday with notice on the prior Thursday	
Lindsell Train Global Equity	Monthly with 14 days' notice for redemptions and 4 days' notice for subscriptions	
<u>Fixed Income Composite</u>		
Breckinridge-Treasury	Daily, with at two days' notice	
Breckinridge - Corporate	Daily, with at two days' notice	
Stone Castle FICA for Impact	Daily, with notice by 3 PM the prior business day	
Brandywine Global Opportunistic	Daily, with 10 days' notice	
Loomis Multi Sector	Daily, with notice by 3:30 PM on TD	
Franklin Templeton GMS	Monthly, with 15 days' notice	
<u>Opportunistic Investments</u>		
Entrust Class X	Illiquid Holdback	
<u>Private Markets</u>		
OCP	3-year rolling lock up, with 90 days' notice	Next notice date would be 8/3/23 for 11/1/23 redemption date. Redemptions will be processed in 4 quarterly distributions of up to 25% of its shareholding per quarter.





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: Ownership Capital

Benchmark: MSCI Kokusai (MSCI World ex. Japan)

Asset Class: Mid and large cap domestic equity - growth

Role in Portfolio: Growth Assets

Description: Ownership Capital is focused on sustainable ownership investing using a financial and qualitative research process. After an initial screen on fundamentals, the team uses their OC Govern framework to evaluate 75 quantitative and qualitative ESG factors to identify companies with significant ESG potential within the US and Europe. They focus on making minority investments in companies with good management teams and strong fundamentals, adding value through engagement on environmental and social factors that they've identified in their "Roadmap to Sustainability". The resulting portfolio will hold 20 to 25 positions with 10% to 20% annual holdover.

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: 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: 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 of 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: Acadian Emerging Markets Equity Fund

Benchmark: MSCI Emerging Markets index

Asset Class: Emerging market equity

Role in Portfolio: Growth Assets

Description: Acadian uses a blend of top-down country allocation and bottom up stock selection in their proprietary multi-factor quantitative model. They believe that market inefficiencies are caused by investor behavioral errors and can be exploited. They invest using fundamental insights about mispricing captured using Acadian's proprietary dynamic quantitative modeling. The strategy uses a structured and disciplined quantitative approach to invest in long equity positions across emerging markets. Acadian measures over 30 factors that they believe to have the most time proven results at predicting future returns. These factors are aggregated into four main categories: valuation, earnings, quality, and momentum. ESG factors are included in the quality category. Acadian, at times, may adjust factor weightings based industry or region. In order to add a factor, it must prove to generate alpha in current markets as well as through extensive back testing.

Manager: GQG Partners Global Equity

Benchmark: MSCI ACWI

Asset Class: Global Equity

Role in Portfolio: Growth Assets

Description: GQG uses unique fundamental research with a flexible, adaptive approach to find new ideas, ultimately building different mosaics than peers. They leverage both fundamental analysts and investigative journalists who work independently to avoid developing biases. They place a high emphasis on cumulative data points so are willing to change their minds and/or cut losses quickly. At the same time, their aim is to invest for the long term in high quality, sustainable companies. These are companies that grow at high single or low double digits, they do not swing for the fences on performance. They are not looking for catalysts either, just the 'gravity' of long-term earnings growth.

Manager: Lindsell Train Global Equity

Benchmark: MSCI ACWI

Asset Class: Global Equity

Role in Portfolio: Growth Equity

Description: Lindsell Train focuses on investing for the long, long term in a concentrated, best ideas strategy. Their best ideas often end up being companies with heritage, high family ownership, and strong intellectual property that the market consistently underestimates in terms of growth. Lindsell's differentiated valuation approach helps them find entry points others might not, thus becoming shareholders of some of the best global companies. Lindsell Train's investment philosophy follows a Buffet-like approach, believing investors undervalue durable, cash generative businesses. They believe concentration actually reduces risk, that transaction costs are actually a "tax" on returns, and that dividends matter much more than you think. They are willing to pay higher valuations for good quality companies as time has shown stocks with steady growth records return much more than the market expects - particularly over long periods of time.

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 to align the portfolios strategy with the mission and values of the organization.

Manager: Stone Castle FICA for Impact

Benchmark: 91 Day T-Bills

Asset Class: Short Duration Fixed Income

Role in Portfolio: Downside protection

Description: FICA for Impact is an alternative to traditional cash management. They make short term loans to community banks to drive small business lending and community reinvestment, providing depositors with competitive yields in FDIC insured accounts.

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 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: 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: 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: 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: HCAP Partners IV LP

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: HCAP provides mezzanine debt structured equity for underserved, high growth, small-to-medium sized companies ("SMEs") throughout California and the Western United States. Fund IV seeks to invest \$2 million to \$10 million in established companies in the lower middle market (\$10 million to \$100 million in revenues) in the healthcare, software, services and manufacturing industries. The Fund seeks to create and facilitate a positive impact on underserved businesses, their employees and their communities using its proprietary "Gainful Jobs Approach," an operational impact framework for improving job quality at portfolio companies. The HCAP team expects the portfolio to consist of approximately 75% subordinated debt with warrants and 25% preferred equity.

Manager: Generation IM Sustainable Solutions Fund III

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: 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.

Manager: RRG Sustainable

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: RRG is focused on private water and agriculture investments, seeking to invest in agriculture assets for the purpose of optimizing land values through the development of water rights in areas with the highest demand from farmers. The Fund will invest the majority of its capital in California's Central Valley, one of the most productive agricultural regions in the world, with the potential to make selective investments in Chile and Australia. RRG intends to build a portfolio of water and agriculture investments, diversified by crop type, municipal district, and water source. RRG has entered into a strategic partnership with The Nature Conservancy, the world's largest conservation-focused non-profit organization. As part of the partnership, The Nature Conservancy will dedicate four of its employees to assist RRG with conservation and resource management along with impact design and measurement.

Manager: Grosvenor Advance Fund

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: The Grosvenor Advance Fund is hybrid private equity fund of fund strategy that is intended to be a comprehensive and diversified solution allowing investors to efficiently invest in portfolio of private equity funds and direct co-investments of funds of women and ethnically diverse managers. The Fund seeks to achieve attractive returns primarily through investments in private funds and private companies that, at the time of the Fund's investment, are managed and/or sponsored by firms where women and ethnic minorities own 33% or more of the management company and/or relevant fund carried interest. The Fund may also invest in firms where the relevant management company or carried interest ownership is held by other socially disadvantaged groups. The Advance fund will make private equity commitments over a 3-4-year period in approximately 12-14 private equity funds and 12-14 direct co-investments. The portfolio will be constructed with approximately 60% allocated to primary fund commitments and 40% to direct co-investments. The Fund may opportunistically make secondary purchases of diverse managed private equity funds. Investments are largely expected to be made to buyout funds and to a lesser degree to special situations, growth equity and venture capital strategies.

Manager: HCAP Partners V LP

Benchmark: Private Equity Benchmark

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: HCAP provides mezzanine debt structured equity for underserved, high growth, small-to-medium sized companies ("SMEs") throughout California and the Western United States. Fund V seeks to invest \$3 million to \$25 million in established companies in the lower middle market (\$10 million to \$100 million in revenues) in the healthcare, software, services and manufacturing industries. The Fund seeks to create and facilitate a positive impact on underserved businesses, their employees and their communities using its proprietary "Gainful Jobs Approach," an operational impact framework for improving job quality at portfolio companies. The HCAP team expects the portfolio to consist of approximately 75% subordinated debt with warrants and 25% preferred equity.

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.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

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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