



UUCEF, LLC Investor Call

December 19, 2023

2pm Eastern

Presenters:

Brian Lasher, Co-Chair, UUA Investment Committee

Tim Brennan, Interim UUA Chief Financial Officer

Courtney Wicks, Executive Director, Investor Advocates for Social Justice

Join Zoom Meeting: <https://uua.zoom.us/j/96560218672>

Or

Join by phone using any of these numbers: 1-646 558 8656

1-312 626 6799

1-669 900 6833

Meeting ID: 965 6021 8672



AGENDA

- Shareholder Engagement Update
- Investment Policy Statement Update
- Mission Alignment Summary
- Community Investments Update
- Recent Changes
- Financial Performance Review as of September 30, 2023
- Questions and Answers

Shareholder Engagement Update



**Courtney
Wicks**

Executive Director



Jillianne Lyon

Program Director



Aaron Acosta

Program Director



<https://iasj.org/>



Shareholder Engagement Update

- Engaged Investor Advocates for Social Justice (IASJ) to assist UUA in its shareholder advocacy during the 2023-24 season.
- Meeting w/ Hilton urging public disclosure of paid sick leave policy
- Dialogue meeting w/ SLB (formerly Schlumberger) on human rights due diligence. Partnered with Heartland Institute, a leading human rights advocacy group.
- Joined the ICCR living wage campaign, and will lead at Hilton.
- Working with IASJ on engaging NextEra, and electric power company, on its Mountain Valley Pipeline in collaboration with POWHR, a grassroots organization holding MVP accountable.



Investment Policy Statement

- Three years in the making, IPS changes from the previous version include:
 - The integration of the Socially Responsible Investment (SRI) Guidelines into the IPS, rather than as an addendum to the previous IPS, raising the SRI aspects of the IPS to a co-equal consideration in this governance document.
 - Language that more specifically centers BIPOC (Black, Indigenous, and People of Color) issues in financial management, community investments and IC decision making.
 - Strengthening the commitment of the Common Endowment Fund to serve as a part of the transformation of capital from solely profit-seeking to advancing racial and social equity, environmental and economic justice and to direct investments towards speeding the US and global transition to clean energy production.



Investment Policy Statement

- In November, the UUA Board of Trustees approved the UUCEF's Investment Policy Statement (IPS)
- The IPS informs the Investment Committee's (IC) work by:
 - Increasing the specificity of our ongoing Socially Responsible Investing efforts.
 - Focusing efforts of the IC to seek specific outcomes via our active ownership.

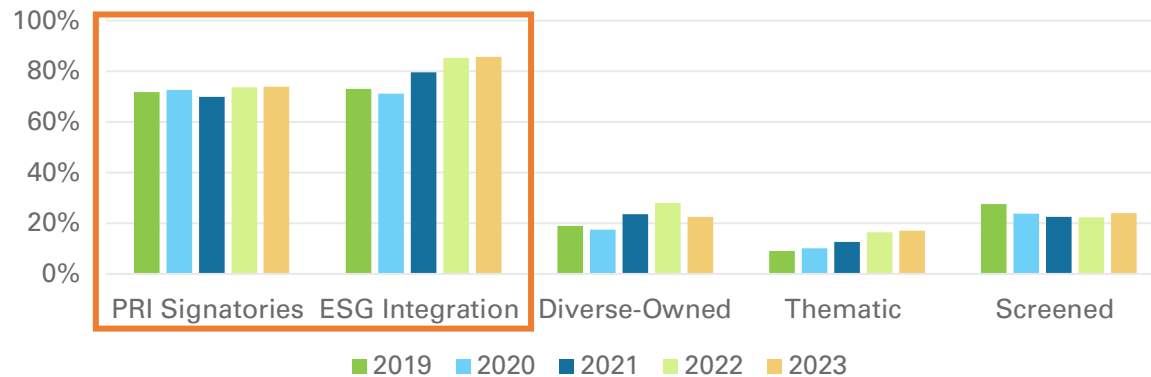


Investment Policy Statement

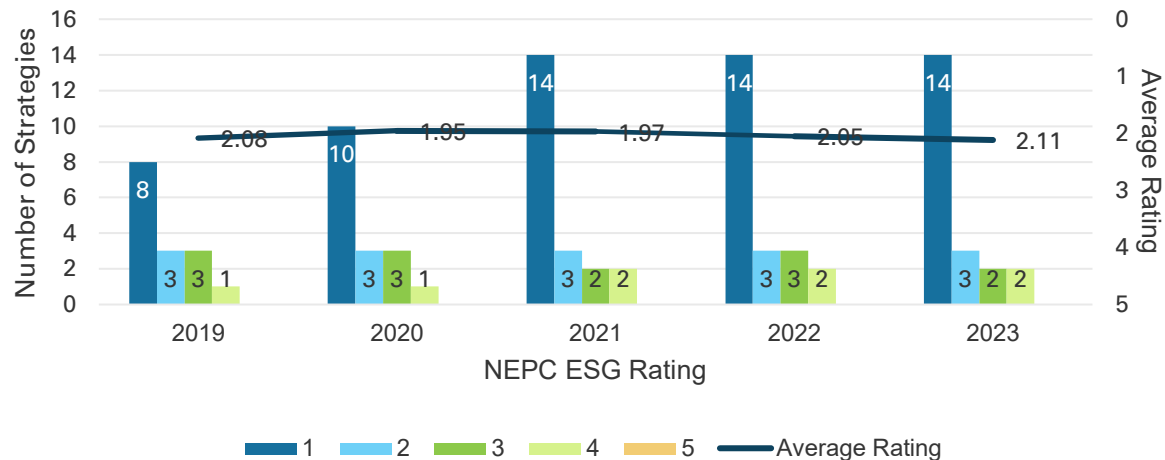
- The IPS is expected to be a living document, updated on an ongoing three-year cycle. Ongoing feedback from the Board and other stakeholders is welcomed and appreciated.
- [FaithInvest](#), an international network of religious groups and faith-based institutional investors, reviewed the IPS and rated it 7.9 out of 10, with only 5 out of 86 recently assessed organizations scoring higher than we did.
- They also stated that we have “One of the most thoroughly documented proxy voting guidelines reviewed.”

Mission Alignment Summary

Characteristics
By % of Assets



Manager ESG Ratings



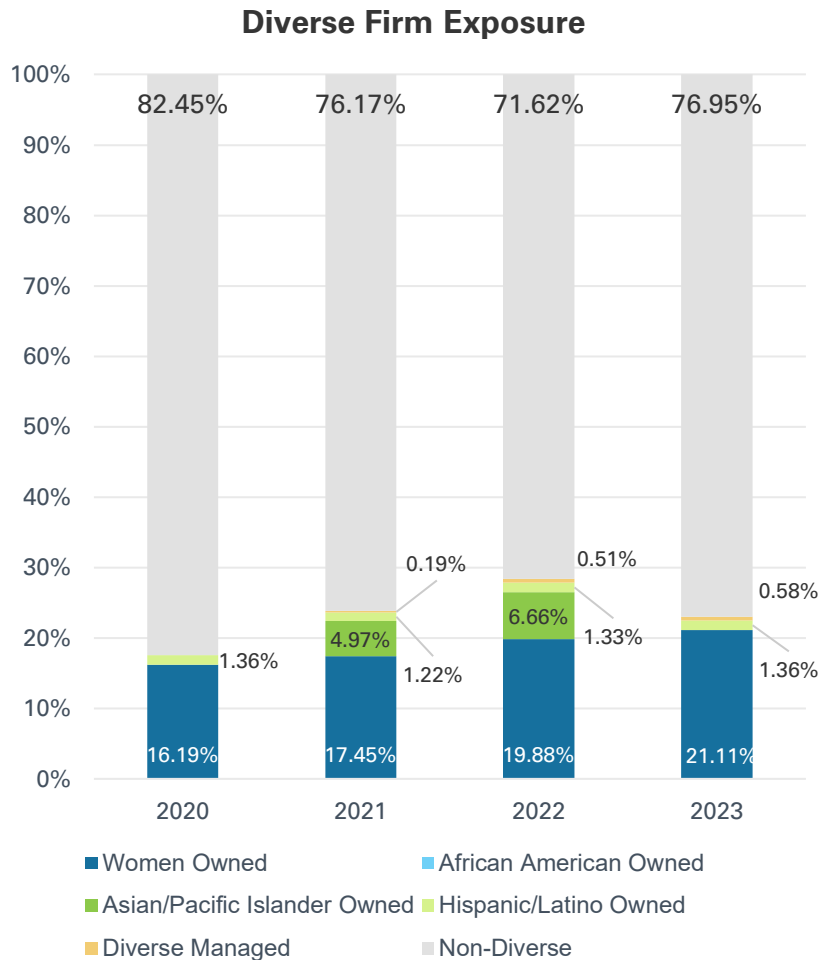
As of 9/30/2023. ESG Ratings are on a scale of 1 through 5, with 1 indicating a best-in-class approach.

KEY TERMS

- **PRI Signatory:** A PRI signatory is a firm that has committed to integrating ESG into their investment process according to the six principles in the UN supported Principles for Responsible Investing.
- **ESG Integration:** An investment strategy rated as a 3 or higher according to the NEPC ESG Ratings Framework (1-5 with 1 being the best) is considered to have some level of ESG integration
- **ESG Ratings:** NEPC's proprietary ESG Ratings Framework scores investment strategies based on their ESG integration at the firm and strategy level. A 5 has no integration, a 4 has limited integration, a 3 has average integration, a 2 has above average integration, and a 1 is best in class.
- **Diverse Owned:** A firm that's at least 50% owned by people from under-represented groups.
- **Thematic:** A strategy that prioritizes specific issues, investing in opportunities that offer solutions while also achieving financial goals.
- **Screened:** A strategy that eliminates stocks from companies with low ESG performance.

Diversity Equity and Inclusion

Highlights from the IPS:



- The IC believes that we can actively invest in firms and practices that can advance social, economic and gender justice, racial equity, diversity, and inclusion in their firms and in the communities in which they operate.
- We will seek to increase the share of diverse managers in the Fund to meet the IC goal of having Black, Indigenous, and Persons of Color (BIPOC) firms managing at least 20% of UUCEF assets.

--> US Government Accountability Office reports that investment firms owned by women and people of color manage less than 1% of the \$70 trillion in U.S. AUM.

ESG Implementation and Diversity

	Screened	NEPC ESG Rating	Thematic/ Impact	Themes	Diversity Characteristics
Equity Managers					
RhumbLine	X	4	X	Weighted by ESG ratings per custom UUA screen, Separate account, Tracks Russell 1000 Value Index	Diverse Owned, Female
Sands	X	2		Active Management: Concentrated Large Cap Holding; PRI signatory	
Ownership Capital		1	X	Active engagement on ESG factors with holdings	
Wellington SMID		2		Active Management: Mid-Cap Value US Equity	
WCM Investment Management	X	2		Active Management: Small Cap Growth US Equity	
MFS International Concentrated		1		Fully integrated ESG - firm and strategy level	
Boston Common		1	X	Active engagement on ESG factors with holdings	Diverse Owned, Female
Acadian Emerging Markets Fossil Fuel Free Equity Fund	X	1	X	Emerging Markets Fossil fuel free	
Lindsell Train Global Equity		4		Active mgmt: Concentrated portfolio of global equities	
Generation Global Equity		1	X	Sustainability research integrated w/fundamental analysis	
Fixed Income Managers					
Stone Castle FICA for Impact			X	Community banking	
SSGA U.S. TIPS Indx NL CTF		3		US Treasury Bonds - TIPS	
SSGA U.S. Treasury Index NL CTP		3		US Treasury Bonds	
Brandywine Global Opportunistic		1	X	Fully integrated ESG - firm and strategy level	
Loomis Multi Sector		2	X	ESG is a material factor in the investment process	
Private Market Managers					
HCAP Partners IV LP		1	X	Gainful Jobs & Underrepresented Communities	Diverse Owned, Hispanic & Other
HCAP Partner V LP		1	X	Gainful Jobs & Underrepresented Communities	Diverse Owned, Hispanic & Other
Generation IM SS Fund III		1	X	Sustainable Solutions	
Generation IM SS Fund IV		1	X	Sustainable Solutions	
SJF Ventures			X	Multi impact themes (venture)	
RRG Sustainable		1	X	Water and Agriculture	
Brockton Capital Fund III			X	ESG/Real Estate	
Canvas Distressed Credit Fund					Diverse Owned, Hispanic/Latino
FEG Private Opportunities Fund					
OCP Orchard Landmark		1		Fully integrated ESG - firm and strategy level	
Grosvenor Advance Fund		1	X	Diverse-Owned Multi-Manager	Diverse Managed Strategy
MPOWERED Capital Access Fund I, L.P.			X	DEI - Access to Capital	Diverse Owned, Female
Wellington Venture Investments I, L.P.			X	DEI - Access to Capital	Diverse Managed Strategy
Community Development					
Community Development			X	Provide capital to underserved communities	

Changes to Investments in 2023

- **At the June meeting, the Investment Committee reviewed equity managers for values alignment – paying particular attention to holdings and what each manager's process allows**
- **The following changes were made:**
 - GQG and RBC were terminated
 - RBC proceeds went to Acadian, with the entire balance shifting to the Acadian Fossil Fuel Free vehicle
 - The GQG proceeds were used to add to the investment with Generation, and to rebalance other areas of the portfolio that are underweight
- **The number of managers in the portfolio was reduced.**
- At its meeting on March 24, the Investment Committee unanimously voted to end future shareholder engagement with all Carbon Underground 200 (CU200) companies and to complete our divestment of the directly-held CU200 companies which were at minimum levels in the shareholder advocacy account.

A full list of UUCEF Holdings can be found here:

<https://uucef.org/files/2023/10/Holdings-9-30-23.pdf>

<https://uucef.org/files/2023/10/Shareholder-Advocacy-as-of-9-30-23.pdf>

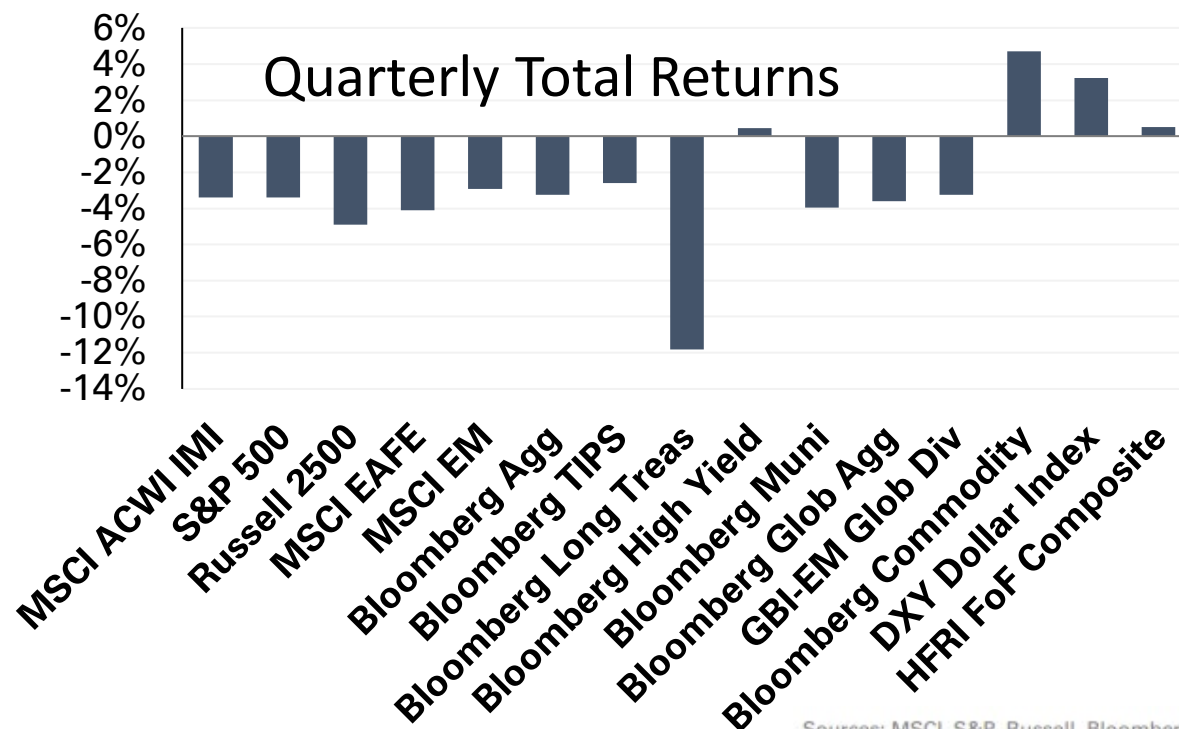
Community Investing Update

- Leverage larger umbrella organizations such as Oweesta and Inclusive to do investing.
- Focus on BIPOC communities
- Continue to evolve program so that it is cutting edge.

DIRECT INVESTMENTS - Community Based Organizations and Financial Institutions	Origination	Term	Maturity	Rate	Income Pymt. Term	Amount
Oweesta Corporation	5/31/2023	7yr	5/31/2030	1.50%	Ann	2,000,000.00
Inclusiv	3/2/2022	5 yr	3/2/2027	1.00%	Qtrly	1,000,000.00
The Enterprise Center Corporation	12/14/2020	5yr	12/14/2025	1.00%	Mat	253,854.00
Capital Good Fund	6/1/2020	3 yr	6/1/2026	3.00%	Ann	250,000.00
Calvert Foundation	1/27/2004	5 yr	2/1/2026	2.50%	Ann	167,266.56
Genisus Fund	6/12/2020	5 yr	6/12/2025	1.00%	Mat	101,750.00
Capital for Change	12/5/2019	3 yr	12/5/2026	3.00%	Qtrly	100,000.00
Partners for the Common Good, Development Note	6/18/2018	5 yr	6/30/2028	2.50%	Ann	75,000.00
Liberty Bank & Trust Co, New Orleans – 6-month CD	12/19/2016	6-mnth	6/13/2024	0.10%	Mat	52,004.65
Hope Community Credit Union – 24-month Term CD	6/29/2006	2 yr	7/23/2024	0.75%	Qtrly	50,226.85
Shared Interest, Inc (for South Africa)	3/16/1998	5 yr	3/31/2025	1.30%	Semi-Ann	50,000.00
True Access Capital Corporation (was Metro IAF Community Restoration)	6/28/2018	15 yr	6/28/2033	1.00%	Ann	50,000.00
NHCLF - NNED investment transferred to UUCEF	3/1/2022	5 yr	12/31/2027	3.00%	Ann	40,000.00
Hope Community Credit Union – 36-month Term CD	1/20/2017	3 yr	1/26/2026	0.50%	Qtrly	25,000.00
TOTAL						4,215,102.06

See full list of investments here <https://uucef.org/files/2023/10/CI-Summary-FY24-Q1.pdf>

Market Environment – 3Q 2023



Equities cooled off in the third quarter with most major indices experiencing a quarterly loss, negatively impacting the UUCEF portfolio

- Major indexes decreased with the S&P 500 Index down -3.3% and non-US developed stocks lagged their US counterparts with the MSCI EAFE Index down -4.1%
- Fixed-income markets succumbed to the Federal Reserve's continued messaging of higher-for-longer interest rates. The FOMC raised rates by 25 basis points in July and held steady in September.
- Real asset returns continued to produce mixed returns in the third quarter with the Bloomberg Commodity Index, which the UUCEF does not invest in, was up +4.7%, bringing year-to-date losses to -3.4%

TOTAL FUND FINANCIAL PERFORMANCE SUMMARY - NET RETURNS AS OF 9-30-23

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)
Composite	234,655,104	-4.6 (100)	3.0 (88)	10.3 (71)	1.7 (86)	3.1 (86)	5.0 (77)	4.3 (86)	5.6 (79)
Allocation Index		-3.0 (67)	5.2 (47)	12.8 (37)	3.7 (55)	4.2 (62)	5.6 (57)	5.3 (62)	6.3 (58)
Policy Index		-2.7 (50)	6.5 (19)	14.1 (16)	4.8 (31)	5.1 (30)	6.4 (35)	5.8 (44)	6.3 (53)
70% MSCI ACWI ESG Leaders Index/ 30% Bloomberg Barclays US Aggregate		-3.1 (72)	7.3 (9)	15.7 (7)	3.4 (60)	5.5 (20)	6.5 (29)	6.3 (27)	6.9 (29)
InvMetrics All E&F < \$250mm Median		-2.7	5.1	11.9	3.9	4.5	5.8	5.6	6.4

Total Fund Performance

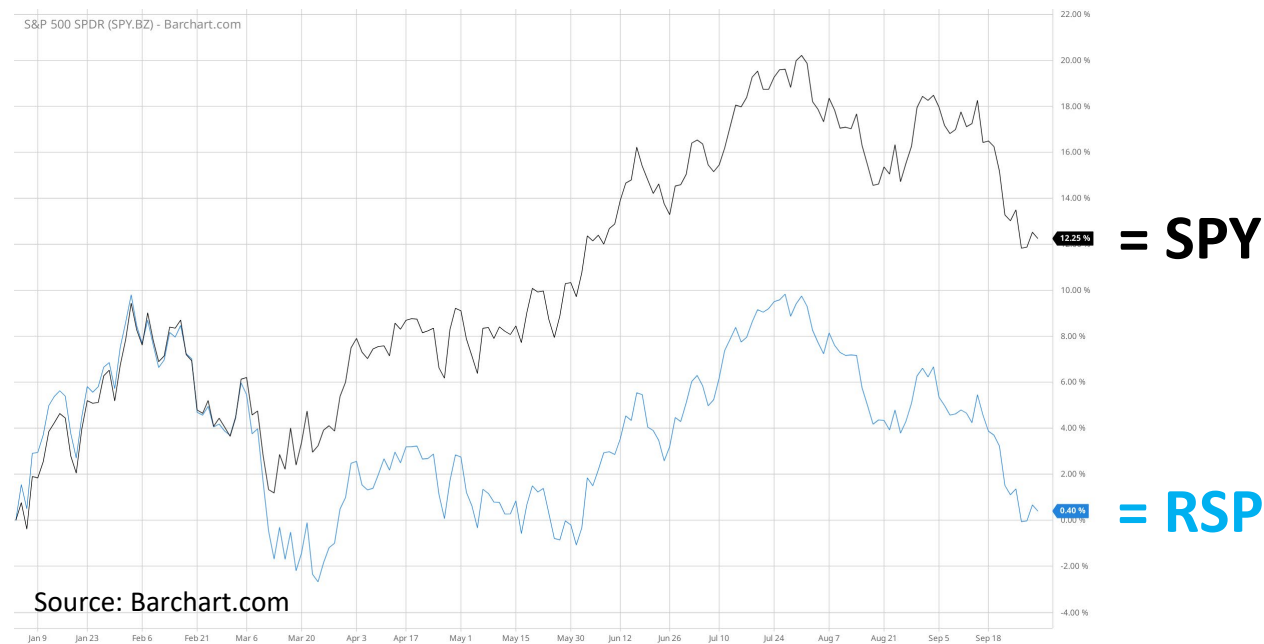
The UUCEF returned -4.6% (net) for the quarter, trailing all benchmarks and ranking in the bottom percentile among the peer universe

- For the quarter, year to date, and one-year period, the primary cause of underperformance relative to the policy benchmark has been the results within the Domestic Equity allocation – particularly the Large Cap Equity managers
- RhumbLine, Sands and Ownership have all underperformed at various times over the last three years. Sands and Ownership are both highly concentrated, so performance may vary widely from the benchmark. RhumbLine implements an index approach with constraints provided by UUCEF, which may result in meaningful differences from the benchmark.

When looking at performance, the Policy Index has performed well over the long term and has ranked well relative to the peer universe. That indicates the structure of the portfolio is sound.

Key Drivers of Performance – Active Management

- Being away from policy (over/underweight targets) has cost the portfolio some performance.
- But the far greater impact on results year to date, and the last 1- and 3-years has been the underperformance of active management in the portfolio.
- Why is active management so difficult? Active management is less effective when the average stock is flat to down.



The chart above is the year-to-date performance through September 30, 2023, of the market cap-weighted S&P 500 – represented by the SPDR S&P 500 ETF (SPY) gaining +12.25% versus the equal-weighted S&P 500 – represented by the Invesco S&P 500 Equal Weight ETF (RSP) up slightly at 0.40%.

Key Drivers of Performance - Restrictions

- The UUCEF screens out companies that do not fit our values.
- Yellow circles = “Magnificent 7” while Blue circles = “Screened out”

S&P 500 Index Stocks as of 12/13. Size represents market cap.

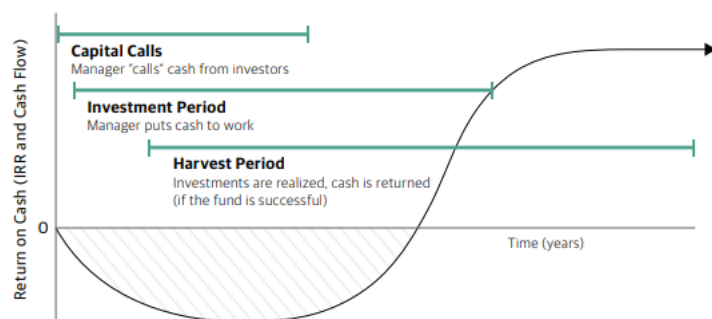


Source: Finviz.com

Key Drivers of Performance – Private Equity

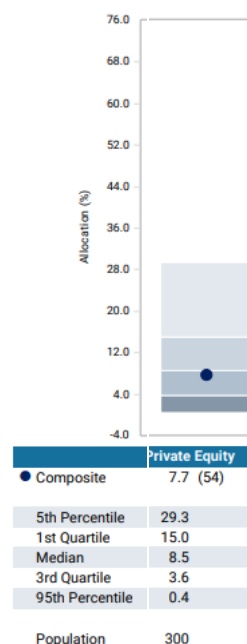
- The UUCEF only recently started doing private equity investing – takes years to see benefits.
- For many years, other endowments had larger allocations to private equity which has provided incremental returns and stability over the last three years.
- The UUCEF's focus on private equity is more thematic versus risky venture capital.

Figure 2: Illustrative Example of the Timeline of Private Equity Funds



Source: "THE LIFE CYCLE OF PRIVATE EQUITY" Blackstone

Total Fund Allocation vs. InvMetrics All E&F < \$250mm



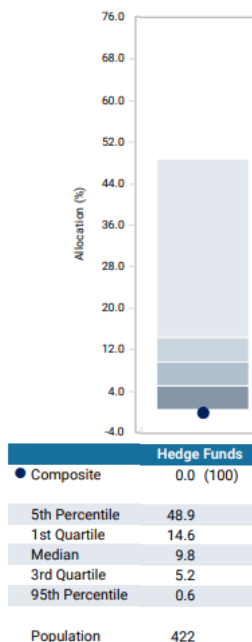
Thematic Commitment Tracker

Manager	Implementation Objective	Strategy
Generation IM SS Fund III	Sustainable Solutions	Private Equity
Generation IM SS Fund IV	Sustainable Solutions	Private Equity
Grosvenor Advance Fund	Diverse-Managed, Access to Capital	Private Equity
SJF Ventures	Multi impact themes (venture)	Private Equity
MPOWERED Capital Access Fund I, L.P.	Diverse Owned, Access to Capital	Private Equity
Wellington Venture Investments I, L.P.	Diverse Managed, Access to Capital	Private Equity
HCAP Partners IV LP	Gainful jobs & Underrepresented Communities	Private Debt
HCAP Partner V LP	Gainful jobs & Underrepresented Communities	Private Debt
RRG Sustainable	Water and Agriculture	Private Real Assets
Brockton Capital Fund III	ESG/Real Estate	Private Real Estate

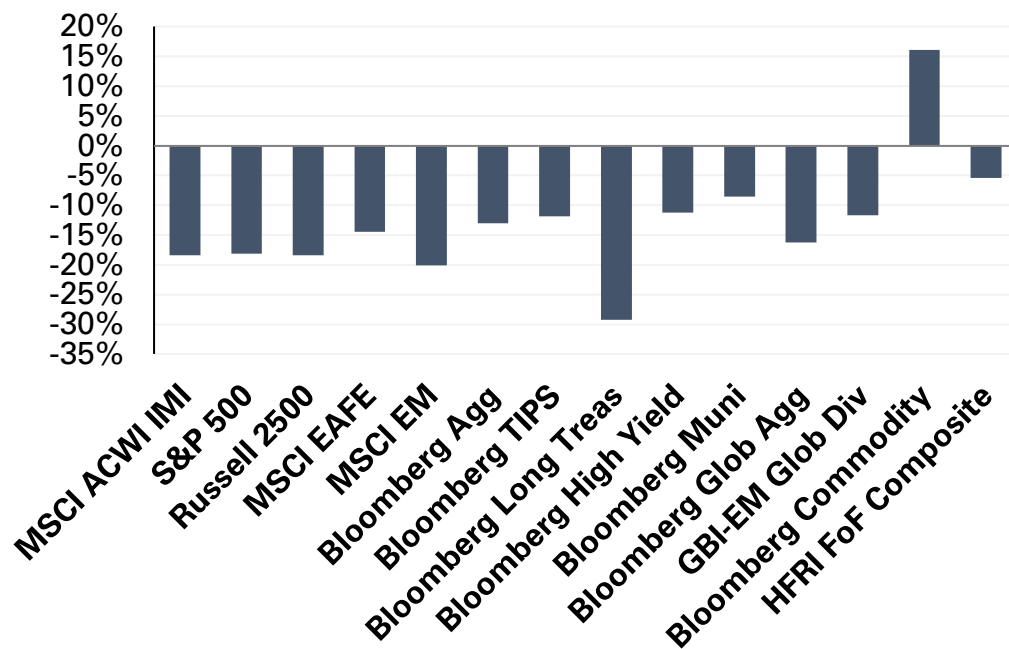
Key Drivers of Performance – Hedge Funds & Commodities

- The UUCEF does not invest in hedge funds or commodities (e.g., fossil fuels etc.)
- Besides being expensive, hedge funds do not disclose what stocks and bonds that they are investing in and therefore the UU values cannot be expressed in these portfolios.
- Hedge funds are particularly helpful in down years like 2022.

Total Fund Allocation vs. InvMetrics All E&F < \$250mm



Global Assets Broadly Declined
2022 Annual Asset Class Returns

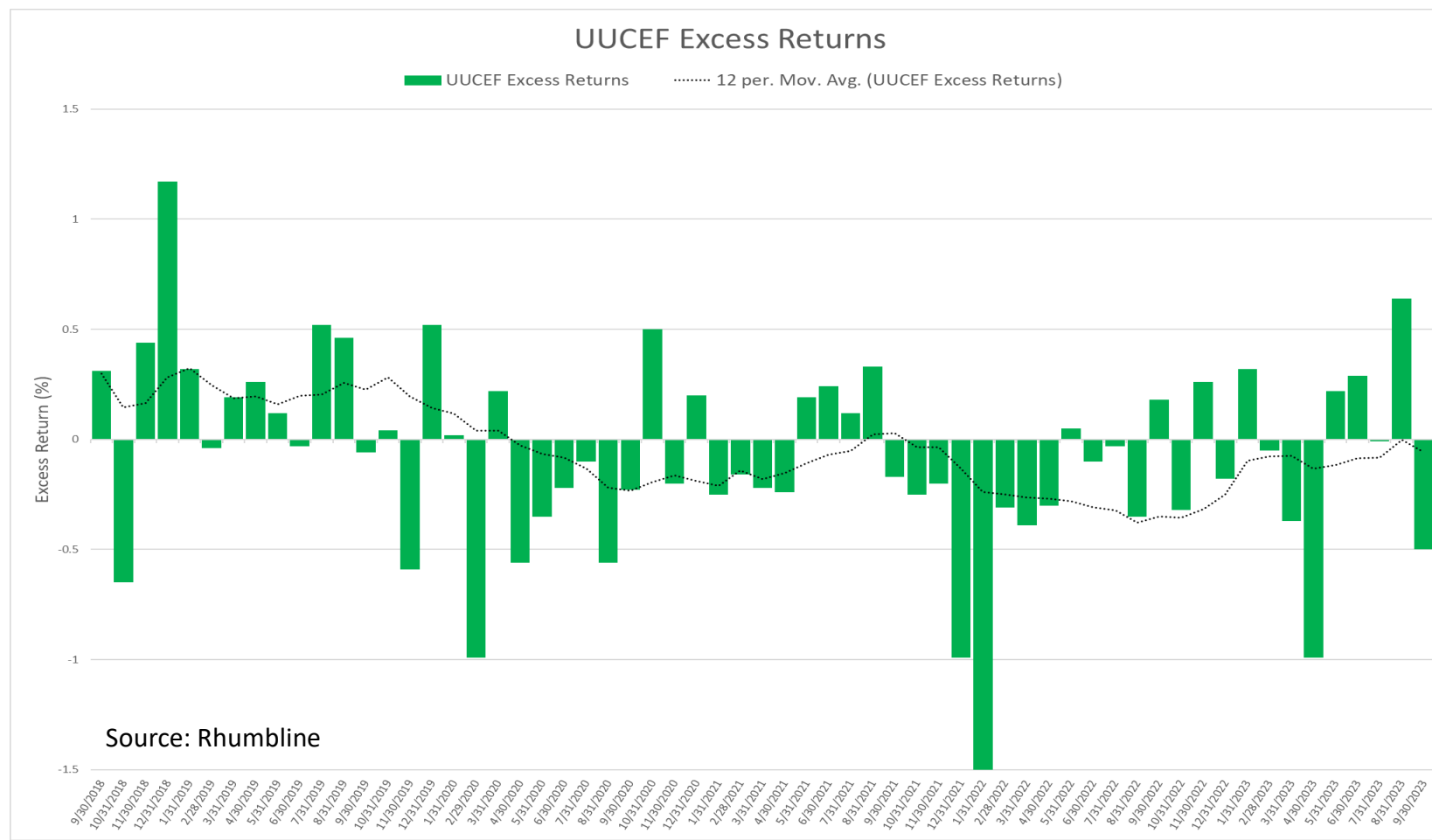


Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, HFRI, FactSet

Key Drivers of Performance – Restricted Names

- RhumbLine, UUCEF's largest position, runs a custom Large Cap Value Index Strategy using our self-imposed screening to omit restricted names from the Russell 1000 Value universe.
- Values matter but there is a relative performance cost during certain periods.

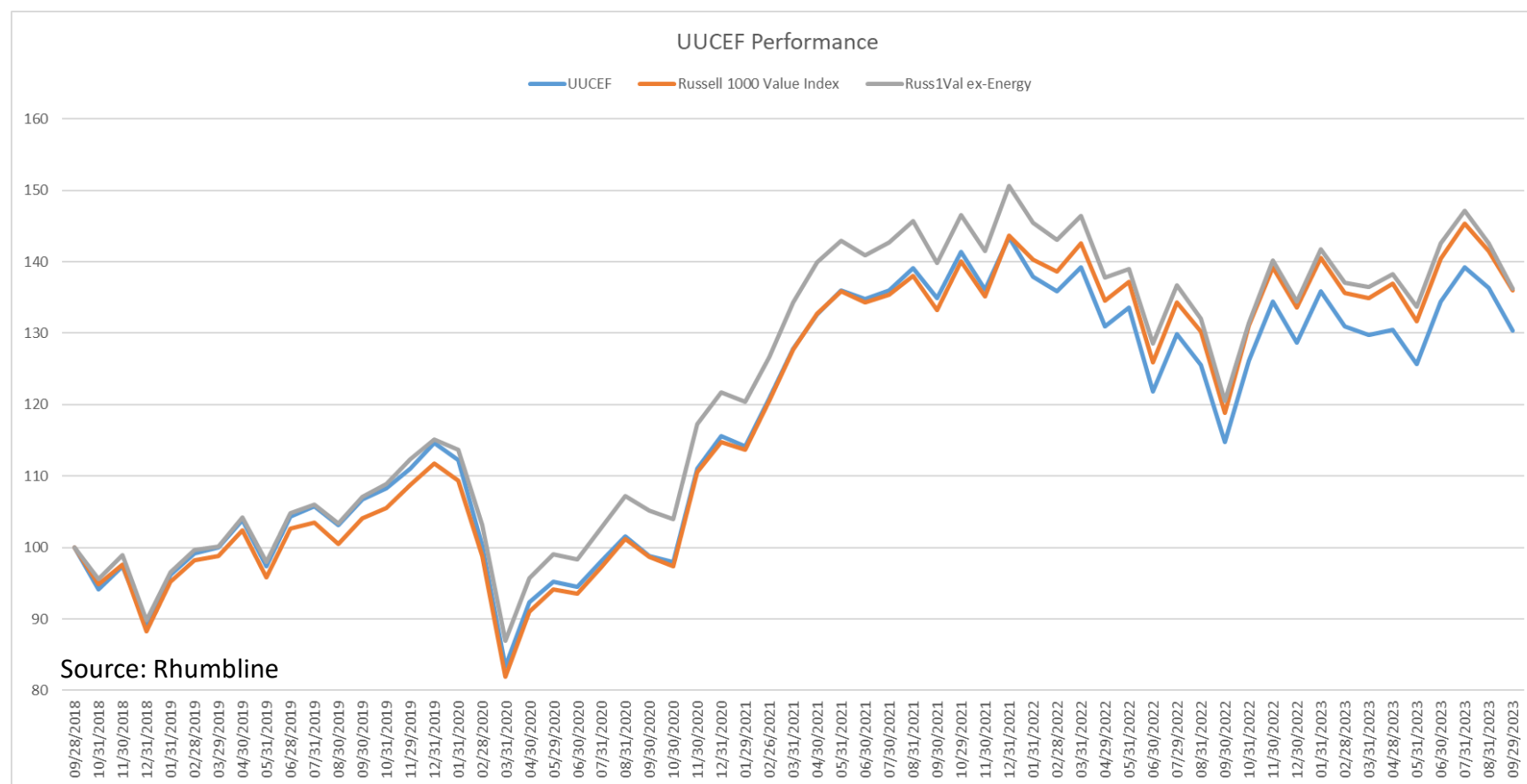
RhumbLine



Performance Over Last Five Years

- Screening can result in a cost or benefit in many sectors.
- For example, during the last 5 years, Communication Services was a cost but RhumbLine's limited exposure to Materials was a benefit.
- Energy can be illustrative of how performance changes over time.

RhumbLine

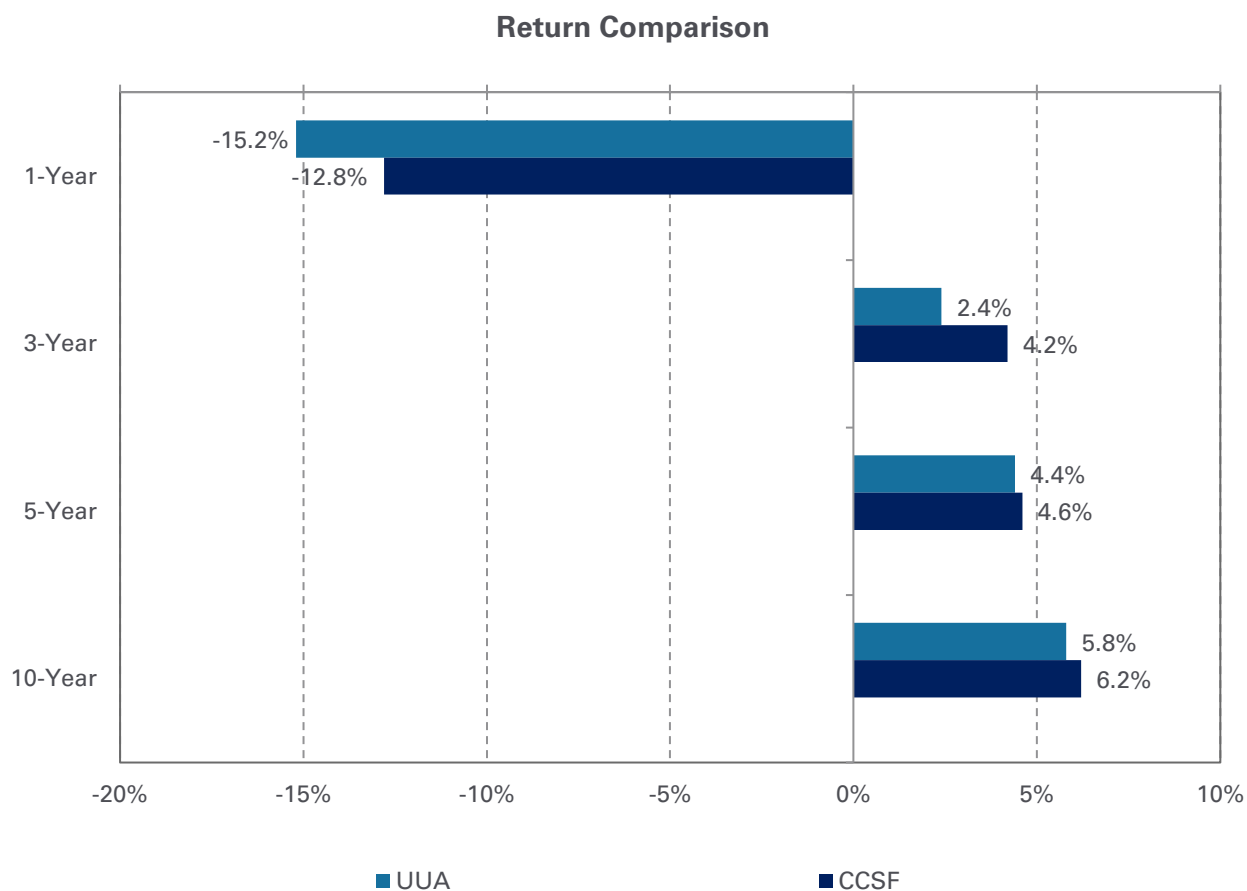


Who are Peers More Similar to the UUCEF?

- NEPC has conducted a peer review for the UUCEF portfolio, analyzing positioning and key performance drivers relative to the CCSF peer universe for the last calendar year
 - Comparisons are made to the Council on Foundations – Commonfund Study of Foundations survey (CCSF), for calendar year 2022
 - We compared UUCEF to Community Foundations between \$101-500 Million. The rationale for this is that Community Foundations have in/outflows like UUCEF, have fund holders with different goals, and many are at the early stage of considering how to achieve mission alignment with their portfolios
- Why do the peer review?
 - Many Committees have a desire to be “peer aware, yet not peer driven” – this presentation provides context on the asset allocation of a peer universe that has similarities to UUCEF and the key differences of the UUCEF portfolio
 - Results can help affirm the differences for this portfolio, and may generate questions for consideration
- What are the key findings?
 - Near term return comparisons were unfavorable for UUCEF, with longer term results more comparable to peers. Relative to the universe, UUCEF held:
 - Higher public equity and public fixed income exposure
 - No allocation to Hedge Funds (Marketable Alternatives)
 - Lower allocation to Private Equity

Performance vs. Peer Universe

The UUCEF performed behind the CCSF average over more recent periods, and performed comparably over the longer term



Note: Returns are shown net of fees.

ADDITIONAL RESOURCES

Fund Oversight

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

Investment Objective

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

UU Common Endowment Fund

Key Characteristics

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

Portfolio Diversification

- Across Asset Classes:
 - Domestic equities: large cap, small cap, growth, value
 - International equities: developed, emerging
 - Fixed income: treasuries, core bonds, multi-sector, opportunistic
 - Opportunistic investments: hedge funds, global asset allocation
 - Private markets
- See <https://uucef.org/files/2023/12/UUA-Manager-Summary-as-of-September-2023.pdf> for information on the investment managers.

Asset Allocation Targets, eff. 10-2023

Asset Class	Interim Allocation	Long Term Allocation
Domestic Equity	33%	33%
International Equity	22%	22%
Global Equity	12%	12%
Fixed Income	23%	17%
Private Markets	6%	10%
Community Investments	3%	5%
Cash	1%	1%

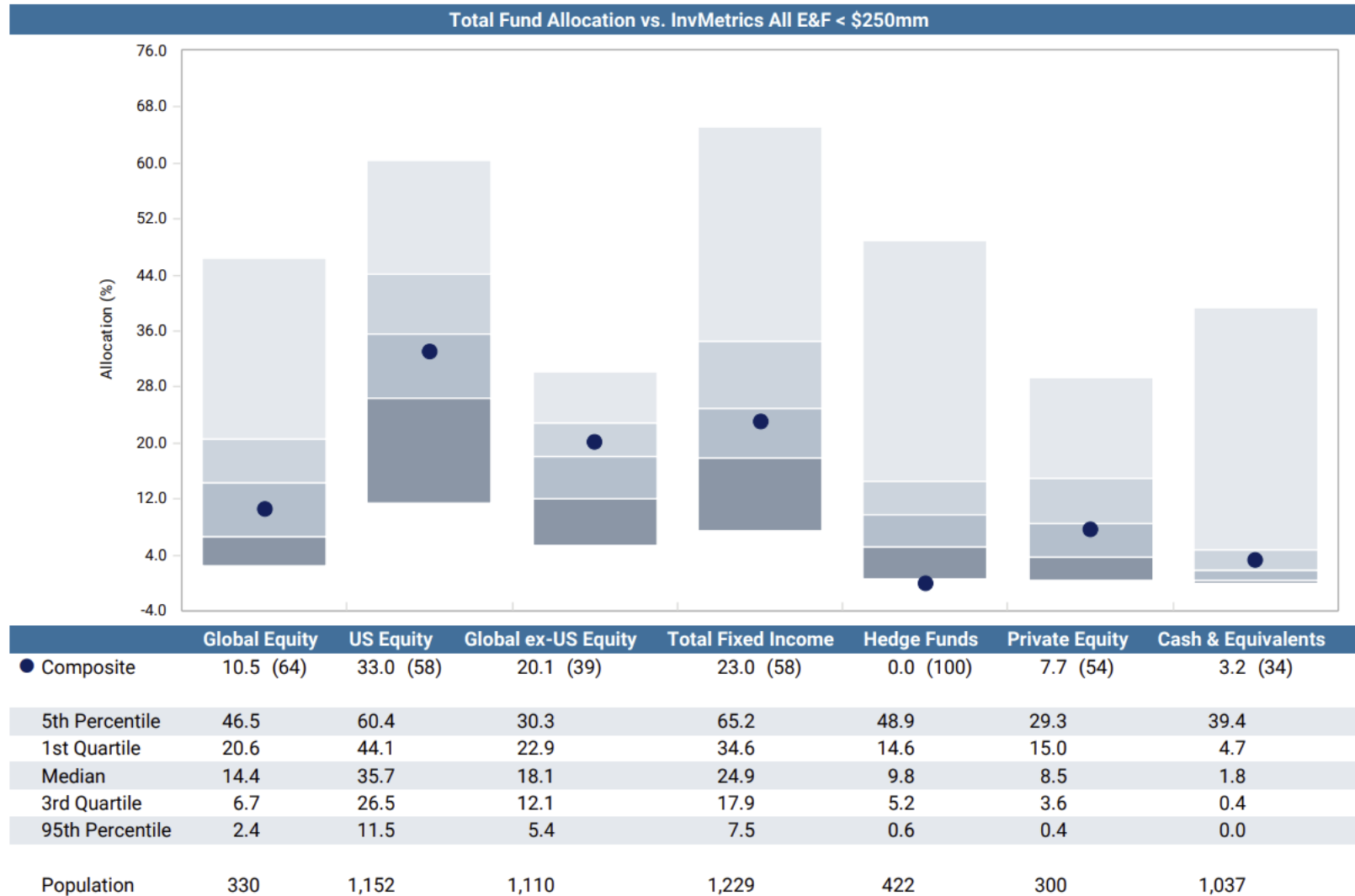
Shareholder Engagement Update

December 6, 2023

2023 UUA Shareholder Advocacy Report

Category	Company	Issue	Engagement	Lead	Co-filer	Partner(s)	Outcome	Notes
Human Rights	Hilton Worldwide	Public disclosure of paid sick leave policy	Dialogue	UUA	None	Interfaith Center on Corporate Responsibility		Productive dialogue on 11/6. Examples of good practice sent. Company wants to continue dialogue.
Human Rights	SLB (formerly Schlumberger)	Human rights risks in Russia	Resolution	UUA	None	Heartland Initiative	Withdrawn for commitment	Dialogue meeting on 10/17. Dan Jones of Heartland pleased w/ progress. Company willing to continue dialogue.
Lobbying on climate	NY Community Bancorp	Report and analysis of the alignment of lobbying with the Paris Agreement	Resolution	UUA	None	Ceres	Received 95% support	Management declined to engage in further dialogue at this time. Will engage them again after their report is issued.
Human Rights	Hilton Worldwide	Living Wage	Engagement	UUA		Interfaith Center on Corporate Responsibility		New ICCR campaign
Climate & human rights	NextEra	Opposing pipeline	Resolution	IASJ	Several			Engagement led by IASJ; partnering with POWHR , which is opposing the Mountain Valley Pipeline; call w/ POWHR on 12/13

Total Fund Allocations vs. Peer Universe



Above analytic does not include Community Development.

NEPC ESG Rating Scale

Rating	Explanation
1	The firm and strategy fully integrate ESG into their processes, going above and beyond their peers. They have fully integrated ESG into their processes, both at a firm and strategy level, and have likely been doing so for an extended period of time. They have shown true commitment to ESG through their investment actions, and view ESG as part of a holistic investment process, even where a short-term benefit is not available.
2	ESG has been identified as a material factor in the investment decision-making process and the firm has likely developed policies and procedures to foster ESG is integrated into its investment strategies. ESG may not be fully integrated across all strategies but the firm has established robust policies to ensure adoption over time. The strategy has likely demonstrated a detailed approach to incorporating ESG into its process supported by thorough internal analysis and/or external data.
3	The firm and/or strategy have made solid efforts to incorporate ESG and/or explicitly accepting the materiality of ESG factors. They have likely made numerous commitments to understanding ESG and formalizing its integration practices; however, they may not be fully integrated across both the firm and the strategy or are early on in its adoption. Further, they may have focused on efforts that have more immediate short-term benefits, such as meeting client demand, over the long-term role of ESG integration.
4	The firm and/or strategy have begun to make efforts to incorporate ESG. They have likely made some investments in ESG in areas that sounds impressive on the surface, but may not ultimately entail very much effort, such as signing the UN PRI, purchasing data from a third-party provider, appointing ESG personnel, or creating blanket policies. The efforts may represent a true commitment, but likely have not existed long enough to truly determine the intent of the firm and strategy.
5	The firm and strategy have made no effort to incorporate ESG. Any point gained here is incidental, and should not be seen as a true effort to implement ESG.

Investment Committee

- Brian Lasher – co-Chair
- Asha Mehta – co-Chair
- Eric Horvath
- Vanessa Lowe
- Ken Redd
- Amrita Sankar
- Julie Skye
- Pam Sparr
- David Stewart – co-Financial Advisor
- Tim Brennan, Interim CFO

Information Disclaimer and Reporting Methodology

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.

Glossary:

SRI – Socially Responsible Investing

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

ESG – Environmental, Social, Governance

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

Glossary:

UN PRI – United Nation Principles for Responsible Investment

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

Glossary:

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

Contact information

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