

## **New Investment Committee Structure and Composition to reflect dual mission of values and financial objectives**

### **DRAFT Proposal – June 2022**

The Committees (Socially Responsible Investment and Investment) began working closely together more than 5 years ago. Meetings are collaboratively planned and completed, with all members involved in all decisions, though voting rights have yet to change. With this proposal, we ask to codify a collaborative decision-making model and further evolve this practice by merging the committees under the name ‘Investment Committee’ with all members voting on all. We propose the framework below for the Appointments Committee to assist in recruiting new members:

#### **Committee Overview:**

The Investment Committee has fiduciary responsibility for the financial and values-alignment goals of the Unitarian Universalist Association Common Endowment Fund ([UUCEF](#)). It is essential that all potential members, in addition to their professional expertise, are committed to:

1. The [vision and values](#) of the UUA, including the 8<sup>th</sup> principle (or elements thereof incorporated by the Article II Study Commission in their recommendations to GA 2023) and the realization of a just and equitable financial system (in the spirit of Edgar Villanueva’s book “[Decolonizing Wealth](#)”);
2. Learning about, developing and implementing decision-making and governance models that reflect UU values, including anti-oppression, anti-racism, and the use of the democratic process.

The Committee shall be comprised of eight (8) to ten (10) members -- excluding staff appointed by the Board. Committee members shall serve for a term of (3) years with no more than (2) terms before a required 1-year minimum absence. While a majority of the Committee members must be Unitarian Universalists, they need not all be. The Committee seeks members who have professional and/or community service experience with socially responsible and /or mission-aligned investing. Below are specific areas of experience we’d like represented to position the committee to accomplish its financial and social justice objectives. Note that experience serving as committee members and/or chairs on church finance or investment committees can be considered relevant and sufficient, and each committee member may bring multiple types of experience.

It is important that the committee have a critical mass of investment expertise, and a critical mass of investment professionals. There is no specific cut-off for this in terms of number of members, but it is worth noting that many investment committees expect all of their members to have significant investment expertise. We are flexible about this because we recognize that other expertise and background is relevant as well, but it is still important that all committee members take the investment aspect of the job seriously, and for those committee members who have limited investment expertise to display demonstrated interest and commitment to productively engaging with investment-related decision-making; the IC, when appropriate and able, will support such individuals on this learning journey. The formal pursuit of knowledge (degrees, professional designation) and learning from experience are both acceptable ways of pursuing this development.

Following are minimum backgrounds needed across the committee:

- At least one member with experience investing in public equity or fixed income markets

- At least one member with experience investing with private equity or alternative investments
- At least one member with experience advising institutional investors, as a consultant, advocate, or in strategy/product development
- At least one member with a background in total portfolio institutional investment consulting
- At least one member with experience with community development investing experience, with focus on both U.S. Treasury certified community development financial institutions (CDFIs) and non-certified community development investments focused on [Black, Indigenous and People of Color \(BIPOC\)](#) communities
- At least one member with experience developing, applying, or analyzing [environmental, social and corporate governance \(ESG\) screens](#)
- At least one member with experience as a [campaigner/advocate with corporate engagement experience](#), ideally as a shareholder or investor
- At least one member with fiduciary experience in the intersection of mission and financial objectives
- At least one member with experience with incorporating racial justice into investment decision making processes

The Committee leadership in conjunction with the Board and Appointments Committee may deem other experience relevant and desirable, as appropriate.

Both the UUA's CFO and the Financial Advisor are voting members of the Committee, potentially bringing the total committee members to twelve (12) and also potentially fulfilling the desired experience above.

The Appointments Committee has a Board mandate to bring diversity of all sorts including, but not limited to, age, ethnicity/heritage, sexual orientation, gender identity, geography, disability, privilege within the constructs of the Committees' needs and with special attention to those representing historically marginalized identities. The Investment Committee may form subcommittees that include non-Investment Committee members with adjacent skills and experience to conduct the Committee's business. The Committees may establish such rules as it determines necessary or appropriate to do so. This mandate should consider the Committee, subcommittees, and advisors as a whole, pursuing diversity across all groups.

The Association shall provide, as necessary, appropriate funding, as determined by the Committee, CFO and Board, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities, (ii) meeting, orientation and training costs for members (including regular and ongoing anti-racism training for committee members, subcommittee members, and advisors), and (iii) compensation to legal and other advisors retained by the Committee. The Committees may seek additional consultative resources including those focused on community development investment and racial justice investment. The Committee shall manage its budget and UU resources responsibly.

The Investment Committee will develop their own leadership model (whether traditional or evolved) and their own governance structure and report to the Board at least annually on their process and progress toward an embodiment of our anti-racist, anti-oppressive vision for financial management.