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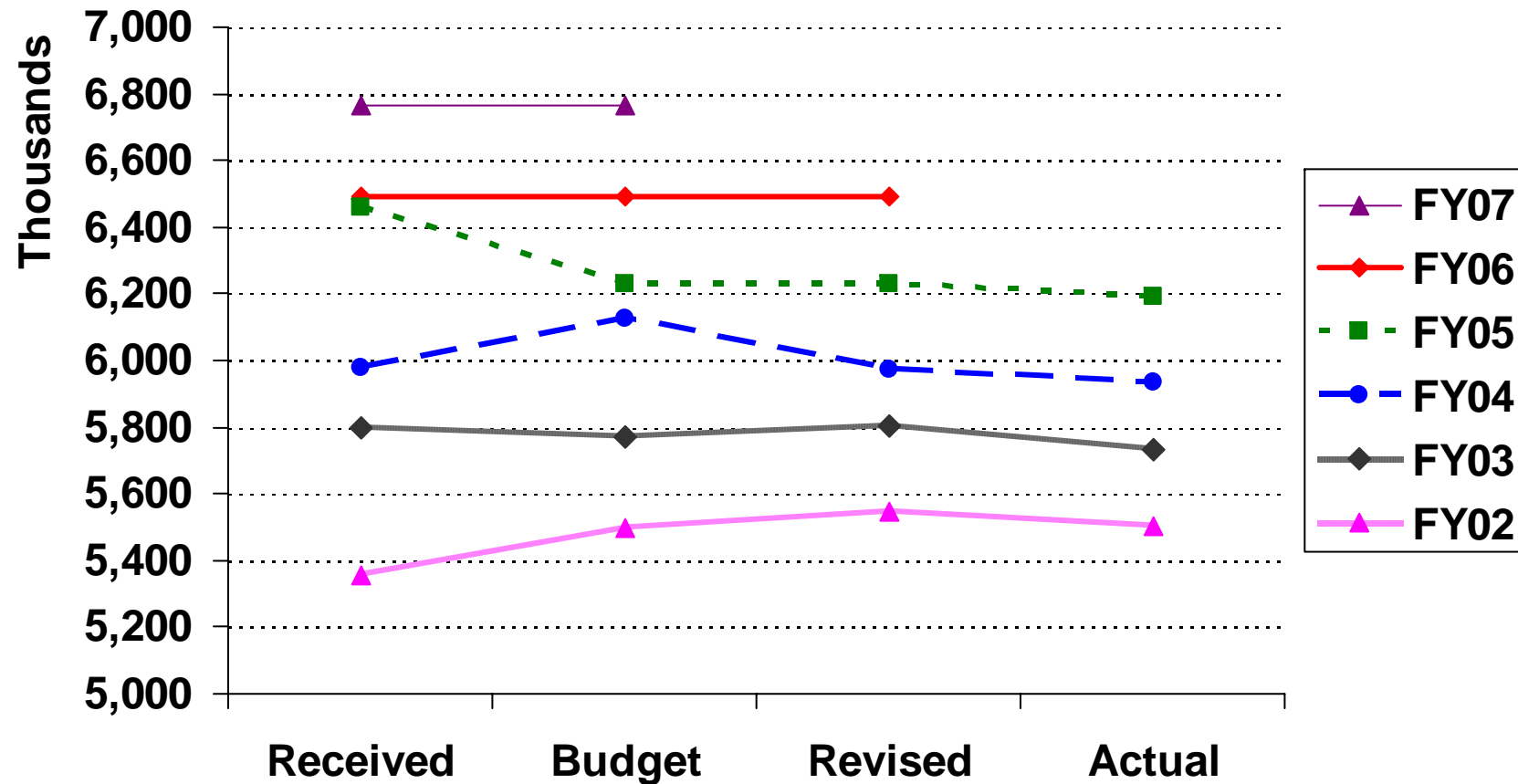
Financial Advisor's Presentation to UUA Board of Trustees

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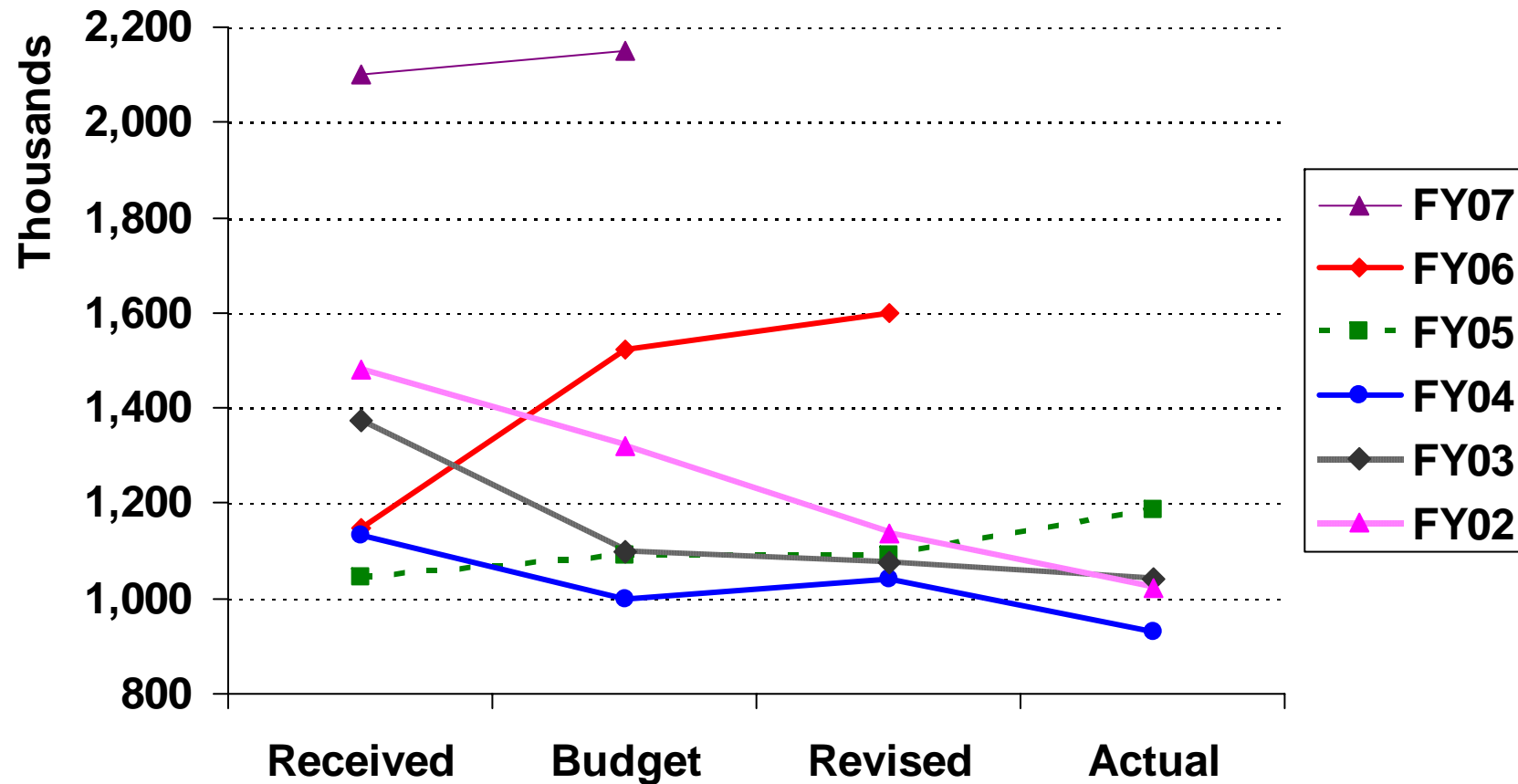
APF Income Estimates



Friends of the UUA

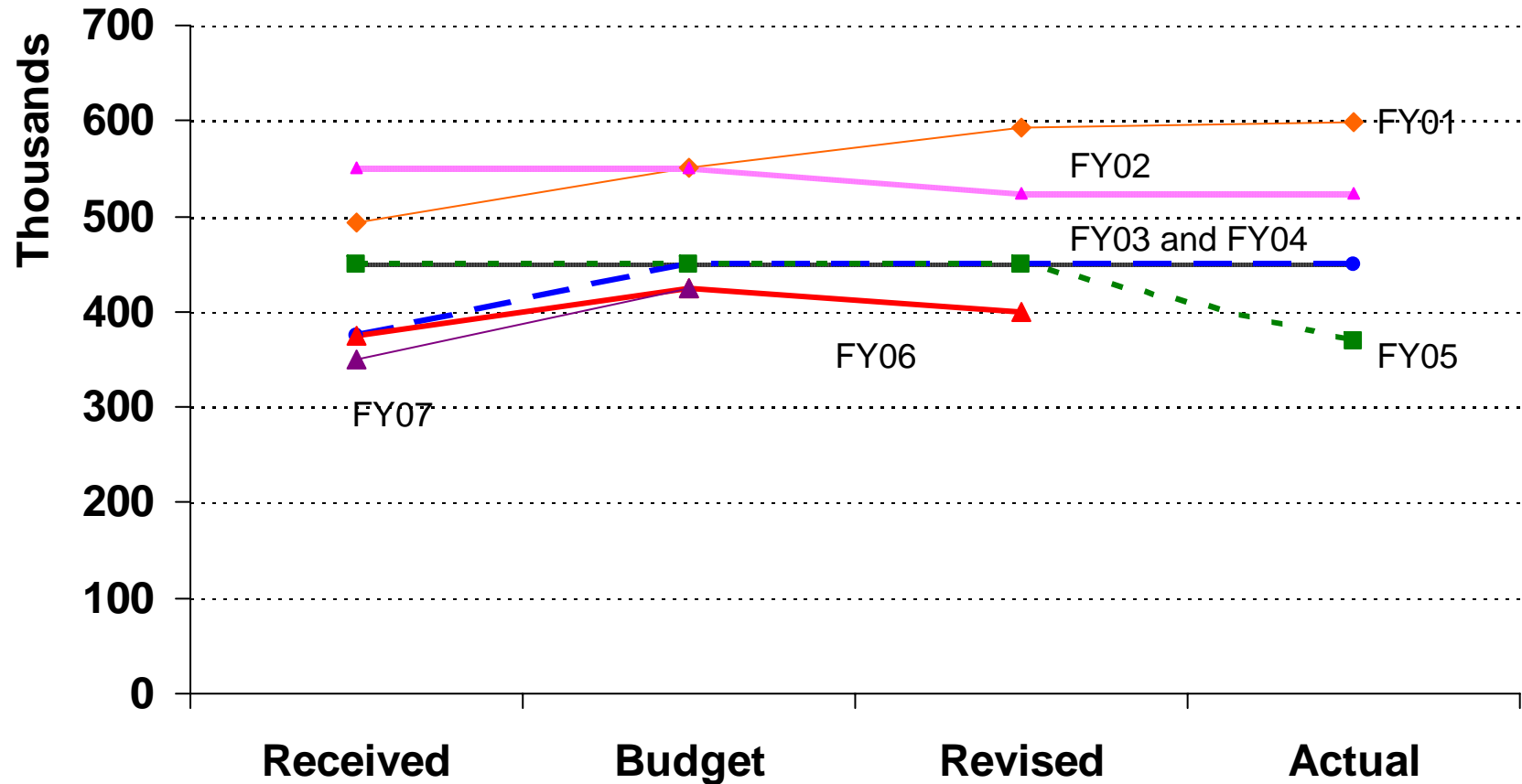


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Unrestricted Bequest Income



GIF Administrative Fee



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General Investment Fund Expenses

	FY05		FY07 est	
	Amount	% of GIF	Amount	% of GIF
Investment Advisors	702	0.63%	702	0.63%
Custodian and Accounting	111	0.10%	111	0.10%
Proxies, Consultant, Audit	119	0.10%	119	0.10%
UUA Reimbursement	441	0.40%	240	0.20%
Total	1,373	1.23%	1,172	1.03%

Amounts are in thousands

CPLC Reserve Fund



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Congregational Properties and Loan Commission

Assets and Liabilities

	Loans to Congregations	Bank Deposits and Loans	UUA Balances (including GIF)	Total
Assets	7,561	554	1,667	9,782
Liabilities	0	(2,311)	(42)	(2,353)
Net Assets	7,561	(1,757)	1,625	7,429

In thousands

January 21, 2006

Financial Advisor's Presentation

6

Socially Responsible Investing



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- Current Status
 - IC/CSRI joint report in board packet
 - IC report in April on future implementation
- Policy Questions
- Organizational Questions

SRI: Current Status



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- Stock screening
- Shareholder activism
- Community investing
 - Proposed policy redraft in April 2006
- Proxy voting

Stock Screening: Current Status



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Asset Class	Target	SRI Status
US Large Cap	25%	UUA “avoid” list to be applied in 2006; UUA “favored” criteria to be applied to 20% of class
US Small Cap	10%	UUA “avoid” list to be applied in 2006
International	15%	Not currently screened
US Bonds	20%	Not currently screened; 80% government bonds
US High Yield Bonds	5%	Not currently screened
Foreign Bonds	5%	SRI not applicable; almost all government bonds
Non-Correlated	20%	Not currently screened
Total	100%	

SRI: Policy Questions



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- Should UUA invest in asset classes (e.g., non-correlated) that cannot easily be screened according to UUA guidelines?
- Should asset allocation decisions take into account the cost and feasibility of implementing UUA SRI guidelines?
- Should policy to “favor” certain companies be given the same weight as policy to “avoid” other companies?
- How should the IC weigh the trade-off between the need to apply UUA SRI criteria and the potential benefit from hiring an “active” manager for a particular asset class?
- Should the IC consider investing money in certain asset classes with managers that apply non-UUA SRI screening criteria?
- What timetable is appropriate for full implementation of SRI policies?

SRI: Organizational Questions



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- Are changes needed in UUA SRI guidelines?
- Should IC and CSRI be merged?
- If not, should changes be made in liaison roles or other communications between the two committees?
- What conflict-of-interest rules should apply to investments with managers with links to IC or CSRI members?

Capital Campaign Financing



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- Previous campaigns
 - Borrow against unrestricted assets
 - Repay by charging fee as cash is received
- Current campaign
 - October 2004 Board vote to spend up to 2% of market value of restricted endowment funds each year to cover capital campaign costs
 - Status of endowment funds that pay income to congregations and districts

Issues for 2010 and Beyond



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- Need for ongoing funding source for future capital campaigns
- Investment in capital campaigns will more than repay itself over time
- How to balance overall well-being of UUA against duty to protect the value of existing restricted endowment funds
- Importance of making all programs funded with restricted income pay their fair share of UUA administrative and fundraising costs



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Future Agenda Items

- Health insurance plan
- Financial reporting and chart of accounts
- Budget process and timing
- LRCS
- Socially responsible investing
- Unrestricted bequest income
- Short-term investments in GIF
- GIF administrative fee
- Debt management
- Conflict of interest policies
- Role of audit committee
- Capital campaign “spend-down”
- Depreciation and capital budgeting
- Internal rent allocations
- Beacon Press
- Cash management
- Compliance with state registration rules concerning planned giving
- ... and more