

11/8/2023

To the UUA Board of Trustees:

Please find the UUA Investment Committee (IC)'s proposed update to the Investment Policy Statement (IPS) attached. The updated IPS has been reviewed by the Values and Resources Working Group (VRWG). The VRWG suggested changes to the IPS that have been incorporated by the IC.

The VRWG recommends that Board of Trustees accept the IPS as currently drafted so that it can be immediately used to inform the work of the IC by:

- Increasing the specificity of our ongoing Socially Responsible Investing efforts.
- Focusing efforts of the IC to seek specific outcomes via our active ownership.

This version of the IPS is the culmination of three years of writing and editing among many past and current members of the IC. Changes from the previous IPS most prominently include:

- The integration of the Socially Responsible Investment (SRI) Guidelines into the IPS, rather than as a separate document bolted on 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 issues in financial management and community impacts on IC decision making.

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 welcome and appreciated.

I am also very pleased to report that a third party, FaithInvest, graciously agreed to review this IPS. They scored the IPS a 7.9 out of 10, with only 5 out of 86 recently assessed organizations as scoring higher than we did. They also stated that we have "One of the most thoroughly documented proxy voting guidelines reviewed." There are areas to improve, of course, and the IC will be working on those items for the next IPS revision.

I want to express my thanks to members of the IC for their work, persistence and patience with this process. I also thank the Board for its thoughtful review and consideration of the updated IPS.

Faithfully Yours,

David Stewart

Co-Financial Advisor to the UUA on behalf of the VRWG and the IC