

FIDUCIARY FOCUS

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As we approach the UCC's 33rd General Synod, leaders of the United Church of Christ are diligently preparing for the first (and possibly only) all-virtual biennial national meeting of the Church. These important gatherings impact the way our denomination operates and provides space for discussions centered on building consensus on issues of justice, polity, faith formation and relationships. Delegates from each conference may speak to and ultimately vote on resolutions and mission-critical issues. In 2021, those issues range from amendments to the UCC's bylaws, naming racism as a public health crisis, commitments to gender safety and equity and a call for a return to Hawaiian self-governance, among other important discussions.

Critical to the resolution process – and to the UCC's polity – is that the proposed resolutions spring up from UCC member constituents. This bottom-up approach ensures that the National UCC leadership, including leaders at United Church Funds, can clearly hear and ably respond to the needs and concerns of the entire denomination. At United Church Funds, our team plays an active role in many of the resolutions that come before the delegates, particularly those that could impact the way we invest the portfolios of over 1,100 UCC churches and organizations, currently totaling over \$1 billion in assets. Our team arrives at Synod conversations prepared to listen and offer our resources and expertise in responsible investing to ensure that the calls for equity, justice and sustainability can be prudently implemented within an investment portfolio.

One example of UCF's commitment to being responsive to the voice of the Church was the creation of the Beyond Fossil Fuels family of funds. Months before the 2013 General Synod, UCF worked together with leaders of the denomination on a resolution that placed climate justice as a primary priority. Indeed, climate resolutions had been before Synod since the 1950s; but with passage of this resolution, the UCC became the first denomination to endorse divestment in the fight for climate justice. In 2014, UCF announced the creation of the Beyond Fossil Fuels Fund, initially funded with commitments from existing UCF clients of \$20 million. As of June 2021, dozens of clients have joined in committing assets to the fund, which now holds over \$110 million of client assets. Also, in response to the resolution, UCF has broadened its climate-focused screens across our entire fund family to include divestment from exploring for or producing thermal coal or oil from tar sands and setting standards for divestment from negative environmental or greenhouse impacts.

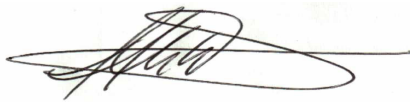
Why did UCF participate in this commitment to climate justice? The response is a simple one: UCF has a **fiduciary** responsibility to invest with strategies that align with the broadly held values of the UCC denomination and those of our clients. UCF's fiduciary responsibility to our clients extends beyond prudent investment management; ours is a double-bottom line of values-aligned returns that create a more Just World for All.

This covenant has led UCF to divest our portfolio from firearms, private prison operators, tobacco manufacturers and more. For companies we own in the portfolio, UCF actively engages with corporations across a range of industries in an effort to hold them accountable to the way their profits might negatively impact the environment, our society and our government.

And don't take our word for it – in a November 2020 UNPRI (Principles for Responsible Investment) report entitled "*Fiduciary Duty in the 21st Century*," the authors proposed new language for Modern Fiduciary Duty, which includes understanding and supporting clients' sustainability preferences, incorporating ESG factors into investment decision-making processes and supporting active ownership and high ESG standards as pillars of the traditional fiduciary duties of loyalty and prudence.

As we prepare for the 33rd General Synod, our team is ready to listen, share and respond to a vision of the denomination's future regarding sustainable and values-aligned investments. Are your church's investments aligned with your values? If your church or organization is not a UCF client, is your current investment professional a fiduciary? Your organization's leadership has a fiduciary responsibility to understand how your investment portfolio mirrors your mission and work with investment professionals that make supporting your mission a priority. Through a relationship with UCF, our clients can be confident they have an experienced fiduciary partner, and we are here to serve you.

Wishing you a happy and fruitful Synod!

A handwritten signature in black ink, appearing to be 'John' or similar, written over a light blue horizontal line.