



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced reporting</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> Other: specify</p>	

# RI TRANSPARENCY REPORT

## 2014/15

United Church Funds

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓						✓
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	✓	Private	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# United Church Funds

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2

Additional information. [Optional]

United Church Funds invests on behalf of the churches and endowments of the United Church of Christ. Our mission is to invest responsibly, strengthen ministry. We are a church organization.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

11

OO 03

Mandatory

Descriptive

General



OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

30/09/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			786	000	000
Currency	USD				
Assets in USD			786	000	000

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	>50%
Fixed income – corporate	0	10-50%
Fixed income – government	0	<10%
Fixed income – other	0	<10%
Private debt	0	0
Private equity	0	0

Property	0	<10%
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	<10%
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 10.1**

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 11.2**

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Hedge funds
- Cash
- None of the above

**OO 12****Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

## Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

**RI implementation via external managers**

## Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Fixed Income - Other

**Closing module**

- Closing module

# United Church Funds

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes
- No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

In addition to the responsible investing statement within our statement of investment policy, we are guided by our social and corporate governance proxy voting guidelines. We follow the United Church of Christ's General Synod pronouncements in determining how to structure corporate engagements and we use these pronouncements as a way to imagine the next offerings to our clients.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://ucfunds.org/wp-content/uploads/2013/10/UCF-Statement-of-Investment-Policy-October-2011-Revised-FI-Guidelines.pdf>

- No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
  - Yes, all
  - Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Social Issues Proxy Voting Guidelines	<a href="http://ucfunds.org/wp-content/uploads/2011/11/UCF-Proxy-Voting-Guidelines.pdf">http://ucfunds.org/wp-content/uploads/2011/11/UCF-Proxy-Voting-Guidelines.pdf</a>
Corporate Governance Proxy Voting Guidelines	<a href="http://ucfunds.org/wp-content/uploads/2011/08/UCF-Corp-Gov-Guideline.pdf">http://ucfunds.org/wp-content/uploads/2011/08/UCF-Corp-Gov-Guideline.pdf</a>
Economic Leverage	<a href="http://ucfunds.org/2013/05/economic-leverage/">http://ucfunds.org/2013/05/economic-leverage/</a>

No

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**OA 04** **Mandatory** **Core Assessed** **General**

**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

<http://ucfunds.org/wp-content/uploads/2011/08/Conflict-of-Interest-Policy-102312.pdf>

No

## Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

OA 06

Voluntary

Descriptive

General

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	By Q4 2014, offer fossil fuel free fund.
Key performance indicators	investing policy determined, manager selected, participating United Church of Christ entities identified, fund opened.
Describe the progress achieved	The Beyond Fossil Fuels fund was opened on November 3, 2014. <a href="http://ucfunds.org/investment-funds/beyond-fossil-fuels-funds/">http://ucfunds.org/investment-funds/beyond-fossil-fuels-funds/</a>

Add responsible investment objective 2

Objective 2	By Q4 2014, offer Inclusive Finance vehicle for clients.
Key performance indicators	asset classes determined, managers selected, performance benchmarks/targets set, fee structure determined, consultant or advisor identified
Describe the progress achieved	Inclusive Finance options have been examined by the social responsibility and investment committees of United Church Funds, but have not been determined as yet.

Add responsible investment objective 3

Objective 3	Determine how to respond to upcoming resolution on divesting of companies profiting from the occupation of Israel/Palestine
Key performance indicators	UCF being able to support an investment-related resolution at the next General Synod regarding Israel/Palestine.
Describe the progress achieved	United Church Funds entered into an agreement with research firm giving human rights violations guidance for the region. Preparing now for General Synod June 2015.

<b>OA 06.2</b>	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
----------------	---

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Determine a best-in-class portfolio-wide policy for investing in fossil fuels companies
Key performance indicators	research partners determined, policy written, roll-out of policy to external managers.

Add responsible investment objective 2 for the next reporting year



Objective 2 for the next reporting year	Determine ongoing exclusionary screening policy
Key performance indicators	Gather key leaders to determine UCC theology, examine portfolio impacts of current and potential screens, write policy, roll-out to external managers

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Encourage socially responsible investing within the United Church of Christ.
Key performance indicators	SRI General Synod resolution supported in June 2015, increasing entities of the UCC committing to SRI principles, increasing numbers of investors with United Church Funds.

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
---------	---

UCF is governed by a volunteer Board of Directors made up of ministers and lay people of the United Church of Christ. The Board has two standing committees which have "touch" with the socially responsible investing program - the Social Responsibility Committee and the Investment Committee. There are members who serve on both of these committees, so there is a continuity of presence.

The Director of Social Responsibility reports to the President of UCF and is the liaison to the Social Responsibility Committee of the Board. The Chief Investment Strategist reports to the President of UCF and is the liaison to the Investment Committee of the Board. The President has explicit socially responsible investing performance goals.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Director of Social Responsibility**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
  - Investment analysts
  - Dedicated responsible investment staff
  - External managers or service providers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Other role, specify
  - Other role, specify

**OA 08.2** Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

1

**OA 08.3** Additional information. [Optional]

Beyond the 1 person dedicated to responsible investment, 1/5 of another employee's time is dedicated to SR.

**Promoting responsible investment**

**OA 10** **Mandatory** **Core Assessed** **PRI 4,5**

**OA 10.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced
- Asian Corporate Governance Association  
 Association for Sustainable & Responsible Investment in Asia  
 Australian Council of Superannuation Investors  
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

signatory

- CDP Forests  
 CDP Water  
 CFA Institute Centre for Financial Market Integrity  
 Council of Institutional Investors (CII)  
 Eumedion  
 Extractive Industries Transparency Initiative (EITI)  
 Global Investors Governance Network (GIGN)  
 Global Real Estate Sustainability Benchmark (GRESB)  
 Institutional Investors Group on Climate Change (IIGCC)  
 Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Director, Social Responsibility is current Secretary of the ICCR Board

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify **USSIF**

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 12

Voluntary

Additional Assessed

PRI 4,5,6

<b>OA 12.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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- Yes
  - Yes, individually
  - Yes, in collaboration with others

<b>OA 12.2</b>	Select the methods you have used.
----------------	-----------------------------------

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

<b>OA 12.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available

	provide URL
--	-------------

[http://www.ceres.org/files/bicep-files/investor-carbon-pollution-standard-support-letter/at\\_download/file](http://www.ceres.org/files/bicep-files/investor-carbon-pollution-standard-support-letter/at_download/file)

	provide URL
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[http://20nagd2iv3kl3tlgmf32bvkf.wpengine.netdna-cdn.com/wp-content/uploads/2014/09/GlobalInvestorStatement2014\\_Final.pdf](http://20nagd2iv3kl3tlgmf32bvkf.wpengine.netdna-cdn.com/wp-content/uploads/2014/09/GlobalInvestorStatement2014_Final.pdf)

- No
- No

## ESG issues in asset allocation

<b>OA 13</b>	Voluntary	Descriptive	PRI 1
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<b>OA 13.1</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- Yes
- No

<b>OA 14</b>	Voluntary	Descriptive	PRI 1
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**OA 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

No

**OA 14.4**

Additional information.

In the reporting timeframe we did not allocate assets to specific ESG areas, but we did open a fund free of fossil fuel companies on November 3, 2014.

# United Church Funds

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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## Overview

<b>SAM 01</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1-6</b>
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<b>SAM 01.1</b>	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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United Church Funds uses its investment policy statement on socially responsible investing to both direct its managers and to determine whether managers are appropriate for managing our assets.

"When selecting investments for the Funds of UCF (with the exception of the Alternatives Fund and by extension the Alternatives Balanced Fund), the investment manager should favor securities of companies and organizations, which in their policies and actions, work to promote human health and dignity, environmental integrity and moral responsibility. In its selection process, the investment manager should avoid securities of companies which derive a significant portion (as defined below) of their revenues from the manufacture, sale or distribution of alcohol, tobacco, gambling or military products or services."

In determining whether a manager is appropriate, our consultant, chief investment strategist, and chief investment officer will make sure that these exclusions can be met. An annual list of the exclusions are then sent to the managers chosen.

United Church Funds has also sent questionnaires to our managers asking to explain whether and how they incorporate ideas about ESG into their investment process at the firm level, at the portfolio level, and at the individual security level.

<b>SAM 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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<b>SAM 02.1</b>	Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.
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Yes

<b>SAM 02.2</b>	Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]
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We use investment consultants in our selection and appointment of external managers

Asset class
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- Listed Equity (LE)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Other asset classes

We use investment consultants in our monitoring of external managers



Asset class
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- Listed Equity (LE)
- Fixed income - corporate (FIC)
- Fixed income - government (FIG)
- Other asset classes
- We use fiduciary managers

<b>SAM 02.3</b>	Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.
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- Responsible investment is included in the selection process for investment consultants
- Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them
- Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring
- We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

No

<b>SAM 03</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>SAM 03.1</b>	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring
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Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

<b>Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)</b>
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<b>Overview</b>
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<b>SAM 05</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1,2</b>
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**SAM 05.1** Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 05.2** Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 05.3** Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

**Selection**

<b>SAM 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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**SAM 06.1**

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

**General**

	<b>LE</b>	<b>FIC</b>	<b>FIG</b>
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the type of ESG reporting you expect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**ESG incorporation**

	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Monitoring

<b>SAM 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
<b>SAM 08.1</b>	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:		
	General		

	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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**SAM 16.1**

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly
- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

# United Church Funds

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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☉ Yes



**LEA 05.2**

Describe how you identify and prioritise collaborative engagements.

United Church Funds Social Responsibility committee, a formal standing committee of the Board of Directors, oversees the prioritization of engagements in coordination with the resolutions - or pronouncements - of the biennial meeting of the United Church of Christ. In addition to this, UCF taps the coordinating power of groups like the Interfaith Center on Corporate Responsibility in order to prioritize its shareholder engagements.

No

**LEA 06****Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

**LEA 06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

United Church Funds uses corporate social responsibility reports, regulatory filings, and voluntary disclosures for determining the effectiveness of our engagement.

No

**General processes for all three groups of engagers****LEA 10****Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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**LEA 15.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<http://ucfunds.org/social-responsibility/>

provide URL

<http://ucfunds.org/beyond-fossil-fuels/>

**LEA 15.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 15.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.4** | Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**(Proxy) voting and shareholder resolutions**

**Process**

LEA 17	Mandatory	Descriptive	PRI 2
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**LEA 17.1** | Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

**Approach**

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

**Based primarily on**

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
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missed the voting deadline.

- We do not track or collect this information

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
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- We disclose it publicly

provide URL

<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=PBUCC>

**LEA 26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

**LEA 26.3**

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries