

Investment Funds Committee Annual Report for 2025-26

Prepared by Lindsey Hedrick, Church President; and Amanda Banner, Church Treasurer

The members of the Invested Funds Committee are appointed by the Board of Trustees to provide fiduciary responsibility for an oversight of the Church's invested funds.

The largest portion of the church's invested funds is managed by the Bank of America's Wealth Management Group. We receive quarterly status reports and meet with the managers of our account quarterly to assure that the decisions by the Wealth Management Group are made within the values of Unitarian Universalism. We also insure that investments are made in accordance with the total return principle (income plus capital gains, if any) which will allow the church to withdraw a small percentage of the funds for the current operating budget without deleting the principal.

General Fund

There are two funds being managed by Bank of America for UU Nashua. The largest, referred to as the "General Fund", is a combined fund shared with the cemetery funds to increase meaningful diversification that the increased value of the combination can provide to both entities. As of March 31, 2026, 12% of the total value belongs to the cemetery. The total value of the endowment was \$4,152,125. Church income on this in 2025-2026 was \$173,400.

Regarding the 4.5% we currently withdraw from the principal of the "General Fund", the "principal" is considered to be the average value of the church's portion of the fund over the past 28 quarters. This time frame is considered to be long enough to smooth out much of the short-term volatility which could distort the amount available for withdrawal. The goal is for our investments to grow more than any change to the Consumer Price Index (CPI) plus the amount of our annual withdrawal so that our investments will continue to grow long term without losing purchasing power. If the average value over 28 quarters starts to trend down, the committee may recommend withdrawing less than the 4.5%.

In previous years, the Cemetery Association had been withdrawing based on income from the fund. New this year, the Cemetery is operating the same way the church does by withdrawing 4.5% based on the average value of the past 28 quarters. This means the church and cemetery withdraw from the fund at the same rate.

In October 2025, the church withdrew a loan on the endowment of \$475,000 in order to pay off the remaining costs of construction. Because this withdrawal lowered the church's portion of the endowment, the Board of Trustees decided to keep our 2026-2027 budgeted withdrawal of unrestricted funds flat to 2025-2026 levels. To withdraw by the same percentage would have resulted in less income for next year. Repayment on the loan began in November 2025 with a 4.5% annual interest rate. Tracking on this repayment is included in the Capital Campaign Annual report separately.

Restricted Funds

Historically, the church occasionally received donations for specific purposes. Examples include care of or musical instruments, providing sanctuary flowers for Sunday services, and funds to assist the membership committee. For convenience, six small restricted-use funds have been combined into one

portfolio for investment purposes but tracked and adjusted individually by the treasurer of UU Nashua to ensure compliance with their stated purpose. As of the end of the first quarter of 2026, the total value of the combined funds was \$114,326. A value currently amounting to 4.5% of each of the six individual funds could be put towards operating budget expenses. Each year in the budget there is a dedicated line for Restricted Endowment income. In 2025-2026 it was \$1,790, although the funds are not withdrawn unless there is a specific expense that is in line with the purpose of the donation that created the fund.

In addition to the restricted funds that are managed by the Bank of America, the church has three small funds over which we have no management control, although withdrawals have no restrictions as to use. The Balcom Fund is managed by TD Bank, and we are required by the IRS to withdraw 5% of the value each year. There are also two Boutwell Funds that are pooled with all of the Unitarian Universalist Association funds. We currently withdraw 4.5% of the value of each Boutwell fund annually.

Selection of Investments

ESG (Environmental, Social, and Governance) and SRI (Socially Responsible Investments) are an important part of our General Fund portfolio. As of March 31, 2026, 64.8% of our investments are in equities, of that, 44.9% of the funds invested are generally defined as ESG and SRI investments. Bank of American continues to research ESG and SRI investments for us to add to our portfolio.

In addition, the General Fund portfolio includes \$144,000 in loans to the [New Hampshire Community Loan Fund](#) which helps residents of mobile home parks purchase land on which their homes exist. We have 6 investments that range in maturities from 4-6 years with an average interest rate of 3%. This year one of the investments, valued at \$25,000, became mature. We chose to reinvest it for another 6 years at 3%.

Annual 1st quarter Market Value of our funds from March 31, 2023 to March 31, 2026.

Fund	March 2023	March 2024	March 2025	March 2026
Bank of America General Fund*	\$3,903,679	\$4,201,135	\$4,138,553	\$4,193,599
Restricted Funds	\$99,412	\$107,989	\$111,460	\$114,326
Balcom Trust (TD Bank)	\$228,856	\$235,436	\$231,122	\$239,120
UUA Boutwell Funds	\$30,858	\$33,124	\$32,620	\$34,515

*Total value of the General Fund. 12% is cemetery commingled funds.

Current members of the Investment Review Committee are: June Haskell, Steve Hedges, Jon Lasselle, and Harry Purkhiser.

Ex-officio members include: Allison Palm, Minister; Amanda Banner, Church Treasurer; Lindsey Hedrick, Church President; and Kim Steele, Cemetery Treasurer.