The Trustees Committee is charged with managing the Meeting’s market investments as well as a group of alternative investments (see back of page).

We currently have investments in three mutual investment funds, all of which screen the companies that make up their portfolios for “social responsibility.” The funds are:

**Trillium Asset Management.** Trillium is a socially responsible fund that is very active in shareholder advocacy. We decided in 2015 to move our funds into Trillium’s “greenest” investment portfolio, Sustainable Opportunities, which not only screens out fossil-fuel-business companies (our original portfolio did that) but also emphasizes businesses that offer alternatives to fossil fuels. We realized that the performance returns might not be as good, but the adherence to our values seemed to be greater. Trustees have generally assessed Trillium’s advocacy work to the strongest of our current three funds. They have a greater focus on corporate governance than our other funds. Their funds generally perform well overall, but better in a downward-trending stock market than Pax (see below). The fund’s management fees are clearly listed each month and are pegged at the industry average of 1%.

**Pax World Balanced Fund:** Pax is a long-standing socially responsible fund. Many other Quaker organizations have invested with Pax. They are not as active in shareholder advocacy as other funds, but they have been improving over the years. Pax is generally the best performer of our three funds, particularly in an up market. Their management fees, pegged at 0.95%, are not reported directly but rolled in to the overall value of the fund at reporting time.

We sent a letter to Pax in 2014 suggesting that they divest several of the worst pollution-generating companies in their portfolio. Using 350.org’s list, we determined that Pax stood out among our three mutual funds for its comparatively large holdings with polluters. In 2015 Pax’s percentage of “pollution investments” dropped from 2.3% to less than 1%.

**Friends Fiduciary Fund:** Friends Fiduciary is a Quaker-run fund that has the highest level of screening of our three funds. Trustees made the decision to add this fund to our investments in 2014 and we have gradually transferred funds from Pax to Friends Fiduciary. We are invested in their Sustainable Opportunities Fund and will consider their relatively new Green Fund after it has had a chance to develop more of performance track record. They have a unique management approach in that they hire independent fund managers with expertise in market areas to manage portions of the overall portfolio, and they communicates its screening standards to those managers and changes managers if they fail to comply sufficiently. Their advocacy work seems to be only slightly behind that of Trillium and is gradually getting more comprehensive. Their management fees, though not explicitly stated in reports, are pegged at .75%, the lowest of our three funds.

(over)
Alternative Investments

The Trustees have designated a small portion of Homewood’s endowment funds to offer loans to Quaker and local community organizations at interest rates below market. This practice has been in place for decades and allows our Meeting to share the blessings of our large endowment. Currently we have five active loans with a total balance as of 12/31/2016 of $223,373.

- Midlothian Friends Meeting in Richmond -- two loans for capital improvements to their meeting house.
- Friends Meeting House Fund -- a BYM subsidiary which provides small loans to meetings in the Yearly Meeting community.
- Stadium Place – a non-profit providing affordable rental housing and residential nursing care for seniors in our local community.
- St. Ambrose Housing Aid Center – a local non-profit which provides renovated homes for sale, home ownership counseling, rental services, home sharing resources, and other housing related programs.