

# Questions & Answers

FOR THE RESOLUTION ON

## INVESTING IN ESVPF

### **Why was ESVPF started?**

Wespath opened the Equity Social Values Plus Fund (ESVPF) in early 2015 and revised it in April 2017, partially in response to requests by annual conferences who made it known that they wanted to avoid certain companies. Two groups within the United Methodist Church helped to educate annual conferences of the need for stronger screens for human rights and the environment.

United Methodists for Kairos Response works toward peace in Israel and Palestine and discourages profit-making from companies whose products sustain and maintain the occupation and illegal settlements.<sup>1</sup> Fossil Free UMC advocates for avoidance of fossil fuel companies whose practices cause extreme harm to the environment.<sup>2</sup> These groups of faithful United Methodists focus on the deep connection between our faith, our values and our investments.

1. <https://www.kairosresponse.org>
2. <http://www.fossilfreeumc.org>

### **How are companies chosen for ESVPF?**

Wespath uses research from independent ratings and analysis firms focused on environmental, social and governance (ESG) issues to help them select companies that are highly rated in these areas. In addition, for this fund Wespath has removed several companies that have been the subject of divestment resolutions in various conferences.<sup>3</sup> These same companies are avoided by many other denominations and interfaith groups.<sup>4</sup>

3. [http://www.wespath.org/assets/1/7/investment\\_policy.pdf](http://www.wespath.org/assets/1/7/investment_policy.pdf), p.22
4. [https://www.kairosresponse.org/umkrletter\\_umcpensionboard\\_april2016.html](https://www.kairosresponse.org/umkrletter_umcpensionboard_april2016.html)

### **How does Wespath describe ESVPF?**

“The Equity Social Values Plus Fund (ESVPF) seeks to attain long-term capital appreciation from a passively-managed portfolio of U.S. and non-U.S. domiciled publicly owned companies that fulfills investor preferences for a heightened focus on corporate environmental and social performance.”<sup>5</sup>

5. [www.wespath.com/funds\\_services/our\\_funds/investment\\_performance/esvpf/](http://www.wespath.com/funds_services/our_funds/investment_performance/esvpf/)

### **Does this fund also comply with Wespath’s other screens?**

Yes. The United Methodist Church avoids investments in tobacco, alcohol, pornography, weapons, gambling and private prisons.<sup>6</sup>

6. [http://www.wespath.com/investment\\_philosophy/ethical-exclusions](http://www.wespath.com/investment_philosophy/ethical-exclusions)

### **What does Wespath say about financial performance?**

Financial performance is often linked to business practices that reflect respect for human rights and the environment. Wespath says: “The business community shows growing recognition of the strategic link between ESG [environment, social, and corporate governance] best practices and favorable financial performance.”<sup>7</sup>

7. <http://www.wespath.org/assets/1/7/4631.pdf>, P.4

### **How do I learn about avoiding fossil fuel companies?**

Contact Fossil Free UMC:

[www.fossilfreeumc.org/contact/](http://www.fossilfreeumc.org/contact/)

### **Who can invest in this fund?**

Clergy and lay employees can contact Wespath to inquire about placing a portion of their pension in this fund. Conferences and other institutions can choose ESVPF for investments they hold with Wespath. You can contact Wespath at 1-800-851-2201 to get more information.

### **Is this fund available to individual participants who elected LifeStage Investment Management at Wespath?**

Not at this time. If you are in LifeStage and you wish to use ESVPF, please contact Wespath and ask that they incorporate ESVPF into that program. Participants may leave LifeStage and self-select ESVPF from Wespath’s funds.

## **What do our Social Principles say about corporations' responsibilities?**

"Corporations are responsible not only to their stockholders, but also to other stakeholders: their workers, suppliers, vendors, customers, the communities in which they do business, and for the earth, which supports them. We support the public's right to know what impact corporations have in these various arenas, so that people can make informed choices about which corporations to support. We applaud corporations that voluntarily comply with standards that promote human well-being and protect the environment."<sup>8</sup>

8. <http://www.umc.org/what-we-believe/economic-community>

## **What else does The Book of Discipline say about investing?**

"United Methodist institutions shall endeavor to... protect human rights...avoid human suffering...give careful consideration to environmental, social, and governance factors when making investment decisions...while also considering exclusion if companies fail to act responsibly."<sup>9</sup>

9. 2016 UMC Book of Discipline, ¶1717

## **What does Scripture say about making profit from oppression?**

"He will not enjoy the profit from his trading. For he has oppressed the poor and left them destitute; he has seized houses he did not build." Job 20:18-19

## **If I want to avoid profiting from Israel's occupation, which of Wespath's funds should I avoid?**

- To avoid CAT, HP and Motorola Solutions, avoid Extended Term Fixed Income, Fixed Income Fund, US Equities, Multiple Asset Fund, US Equities Index Fund (only for institutions), or Stable Value Fund (only for participants).
- To avoid Israeli bonds, which help to fund settlements, avoid Inflation Protection Fund.
- To avoid international companies including Israeli companies operating inside settlements, avoid International Equities Fund.

Above information is based on Dec 31, 2016 holdings of Wespath funds.

## **Where can I learn more about this fund?**

You can read about ESVPF at Wespath's website:

[http://www.wespath.com/funds\\_services/our\\_funds/investment\\_performance/esvpf/](http://www.wespath.com/funds_services/our_funds/investment_performance/esvpf/)

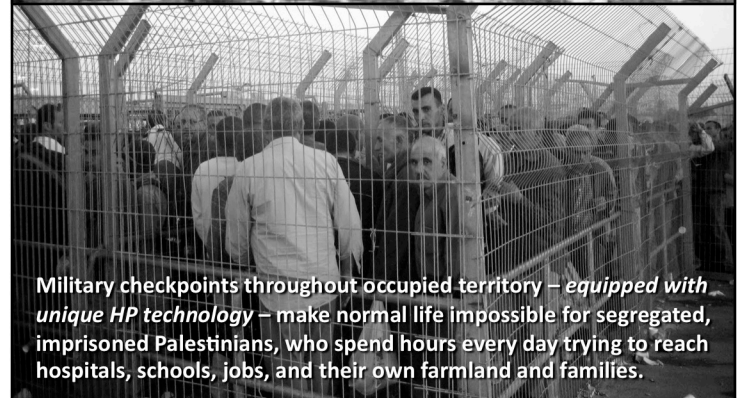
**Photos:** Support for the destructive Israeli occupation by three companies – Caterpillar, HP, and Motorola Solutions – that are now excluded from Wespath's ESVPF, in response to numerous UM resolutions.



Hundreds of thousands of Palestinians have lost their homes due to Israel's "temporary" occupation (50 years old in 2017). This brutal colonization of their land, forbidden under international law, is knowingly enabled by CAT, HP, and Motorola Solutions with essential products, technology and services.



Caterpillar provides specially armored, massive bulldozers for the Israeli occupation forces, enabling the destruction of thousands of homes and over one million olive trees.



Military checkpoints throughout occupied territory – equipped with unique HP technology – make normal life impossible for segregated, imprisoned Palestinians, who spend hours every day trying to reach hospitals, schools, jobs, and their own farmland and families.



View from Bethlehem: the ever-growing Israeli settlements are swallowing up the Palestinians' only remaining land and with it, their hope for the future. Motorola Solutions and HP provide essential services for the settlements and the Israeli occupation forces.