

Questions & Answers

FOR THE RESOLUTION ON

INVESTING IN SOCIAL VALUES CHOICE FUNDS

Why was the Social Values Choice (SVC) suite of funds started?

Two groups within the United Methodist Church helped to educate annual conferences of the need for stronger screens for human rights and for 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.¹ Fossil Free UMC advocates for avoidance of fossil fuel companies whose practices cause extreme harm to the environment.² These groups of faithful United Methodists focus on the deep connection between our faith, our values and our investments.

Wespath responded in 2015 by starting an equities fund (then called Equities Social Values Plus Fund) which screened out companies involved in settlements and fossil fuel companies. In 2017, they added two additional funds using the same screening criteria – Social Values Choice Bond Fund (SVCBF) and U.S. Treasury Inflation Protection Fund (USTIPF.) In April 2018, they renamed the original equities fund to identify all three funds as a suite of funds.

1. <https://www.kairosresponse.org>

2. <http://www.fossilfreeumc.org>

How are companies chosen for SVC funds?

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.³ These same companies are avoided by many other denominations and interfaith groups.⁴

3. http://www.wespath.org/assets/1/7/investment_policy.pdf, p.22

4. https://www.kairosresponse.org/umkrletter_umcpensionboard_april2016.html

Do these SVC funds comply with Wespath's other screens?

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

6. http://www.wespath.com/investment_philosophy/ethical-exclusions

How does Wespath describe the Social Values Choice funds?

The “Social Values Choice” suite of funds is designed for investors with a heightened focus on corporate environmental and social performance. The suite includes an equity fund and two fixed income funds:⁵

- The **Social Values Choice Bond Fund (SVCBF)** includes global government and corporate bonds, non-U.S. dollar denominated bonds, and high-yield bonds.
- The **Social Values Choice Equity Fund (SVCEF)** contains U.S. and non-U.S. large- and mid-cap stocks.

Both of these funds exclude companies with fossil fuel reserves used for energy purposes and specific companies that are the subject of annual conference resolutions concerning peace in the Middle East.

- The **U.S. Treasury Inflation Protection Fund (USTPF)** consists of U.S. Treasury Inflation Protected Securities (TIPS).

5. https://www.wespath.com/funds_services/our-funds/

Who can invest in SVC funds?

Clergy and lay employees can contact Wespath to inquire about placing their pension in these funds. Conferences and other institutions can choose Social Values Choice funds for investments they hold with Wespath. You can contact Wespath at 1-800-360-2539 to get more information.

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.”⁷

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/

Are these funds 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 Social Values Choice (SVC) funds, please contact Wespath and ask that they incorporate SVC funds into that program. Participants may leave LifeStage and self-select SVC funds 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."⁸

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."⁹

9. 2016 UMC Book of Discipline, ¶717

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

Where can I learn more about the Social Values Choice suite of funds?

You can read about the Social Values Choice funds at Wespath's website:

[hHps://www.wespath.com/funds_services/our---funds/](https://www.wespath.com/funds_services/our---funds/)

Photos: Three companies that have supported Israel's destructive occupation – Caterpillar, HP, and Motorola Solutions – are now excluded from Wespath's Social Values Choice funds, in response to numerous UM resolutions.



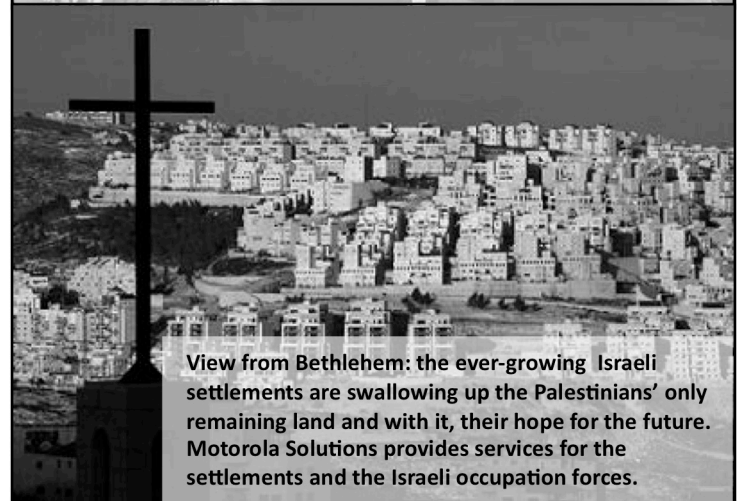
Hundreds of thousands of Palestinians have lost their homes due to Israel's "temporary" occupation (50 years old in 2017). This brutal colonization of their land, forbidden under international law, is knowingly enabled by CAT, HP, and Motorola Solutions with essential products, technology and services.



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



Israel arrests hundreds of children per year, who suffer abuse and torture in Israeli prisons, along with thousands of adult prisoners. Many are never charged or brought to trial. HP Enterprise provides equipment and technology for those prisons; HP Inc provides equipment and technology for the Israeli military who enforce the occupation and who daily violate Palestinians' essential human rights under international law.



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 provides services for the settlements and the Israeli occupation forces.