

Invested in your future



# Invest in Jewish Values

## **Reform Jewish Values Fund** FOR CONGREGATIONAL INVESTING

**An opportunity to diversify your  
congregation's investments while  
working to build a better world.**

The only fund  
that invests  
according to the  
values of Reform  
Judaism, built  
by the Reform  
Movement

Socially responsible investing (SRI) has become a widely utilized and often demanded investment approach—especially for religious organizations that believe in “walking the talk.” That’s why RPB, together with Aperio Group, created the **Reform Jewish Values (RJV) Fund**. It’s a unique opportunity for Reform synagogues to closely align their investable capital with their Jewish values—while generating a rate of return consistent with the global equity markets.

#### FUND AT A GLANCE

- **Fund inception date:** December 21, 2017
- **Objective:** Long-term principal growth
- **Holdings:** Large- and mid-cap stocks in developed and emerging markets
- **SRI criteria:** Jewish values as defined by the resolutions of the Central Conference of American Rabbis (CCAR), Union for Reform Judaism (URJ), and Commission on Social Action of Reform Judaism (CSA)
- **Benchmark:** MSCI AWCI
- **Minimum investment:** \$18,000<sup>†</sup>
- **Investment management fee:** 15 bps<sup>\*\*†</sup>
- **Administrative fee:** 27 bps<sup>†</sup>

#### HIGHLIGHTS & BENEFITS

- Globally diversified equity fund benchmarked to an index
- Guided by Reform Jewish values, including support for Israel
- Answers your community’s mandate for values-based investing
- Low cost\*

\* The RJV Fund investment management fee is among the lowest of ESG strategies managed in separate account vehicles, based on eVestment data of 73 managed ESG separately managed accounts.

\*\*The investment management fee is a blended rate based on the fund’s total pool of assets: 15 bps for the first \$10 million in assets and 10 bps for assets over \$10 million. For example, if the fund value is \$20 million, the annualized fee is 12.5 bps.

<sup>†</sup> As of 9/30/18.

# Aligning values with value

The fund uses a series of **investment screens** to incorporate the Reform Movement’s environmental, social, and governance (ESG) priorities as well as support of Israel into the portfolio. It also employs tactics such as **proxy voting** and **shareholder engagement** to create further impact that aligns with Jewish values.

**KEY:**

- ⊖ **Exclusions** (negative investment screens)
- ⊕ **Tilts** (positive investment screens/overweights compared to benchmark)

## RJV FUND – SUMMARY OF VALUES ALIGNMENT

Issue Areas	Exclusions/Tilts	Sample Resolutions
<b>SOCIAL + GOVERNANCE</b>		
<ul style="list-style-type: none"> <li>⊖ Predatory lending</li> <li>⊖ Civilian firearms</li> <li>⊖ Landmines and cluster munitions</li> <li>⊖ Tobacco</li> <li>⊖ Companies operating in Sudan</li> <li>⊕ Human rights</li> <li>⊕ Reproductive rights</li> <li>⊕ Labor</li> <li>⊕ Diversity</li> <li>⊕ Sexual orientation</li> <li>⊕ Stem cell research</li> </ul>	<p>Exclude companies involved in predatory lending, civilian firearms, landmines and cluster munitions, tobacco, and companies doing business with the Sudanese government or government-created projects following the principles outlined by the Sudan Divestment Task Force.</p> <p>Tilt toward companies with relatively strong accountability of board members for human rights, respect for labor, support for historically marginalized persons including women, minorities, the LGBTQ community, and companies conducting stem cell research.</p>	<p>URJ Resolution on International Rights 2008</p> <p>URJ Resolution on Workers’ Rights in the U.S. 2005</p> <p>URJ Resolution on Women’s Health 1993</p> <p>URJ Resolution on the Human Rights of Homosexuals 1977</p> <p>URJ Resolution on Divestment from Sudan 2007</p>
<b>ENVIRONMENT + GOVERNANCE</b>		
<ul style="list-style-type: none"> <li>⊖ Coal &amp; consumable fuels</li> <li>⊕ Climate change</li> <li>⊕ Environmental management</li> <li>⊕ Environmental performance</li> <li>⊕ Clean technology solutions</li> <li>⊕ Low carbon footprint</li> </ul>	<p>Exclude companies involved in production and mining of coal, related products, and other consumable fuels related to energy generation.</p> <p>Tilt toward companies with relatively strong board accountability for environmental and climate change policies and disclosure, and those with a higher percentage of revenue from alternative energy, energy efficiency, sustainable water, green building, or pollution prevention as well as lower carbon footprints.</p>	<p>URJ Resolution on the Environment 1991</p> <p>CCAR Resolution on the National Energy Strategy 1992</p> <p>URJ Resolution on Toxic Substances in the Environment 1983</p>
<b>ISRAEL</b>		
<ul style="list-style-type: none"> <li>⊕ Support for the state of Israel</li> </ul>	<p>Tilt toward companies with involvement in Israel using research from BlueStar Indexes, a financial firm specializing in Israel’s capital markets. These include:</p> <ul style="list-style-type: none"> <li>⊕ Israeli companies</li> <li>⊕ Non-Israeli companies with deep business ties and foreign direct investment</li> <li>⊕ Non-Israeli companies with less-significant business relationships</li> </ul>	<p>URJ Resolution for Economic Support for Israel 1979</p>

RPB partnered with Aperio to create the Reform Jewish Values Fund so that organizations like yours can embrace their Jewish Values through socially responsible investing.

## **RPB: Serving the Reform Movement for generations**

Your investment capital is vital to the ongoing success of your organization, and we recognize the importance of selecting investment partners whom you can trust. RPB works only and always in the best interests of our investors. We have no shareholders to please nor revenue goals to meet. That's because, in short, we were built for you, by you.

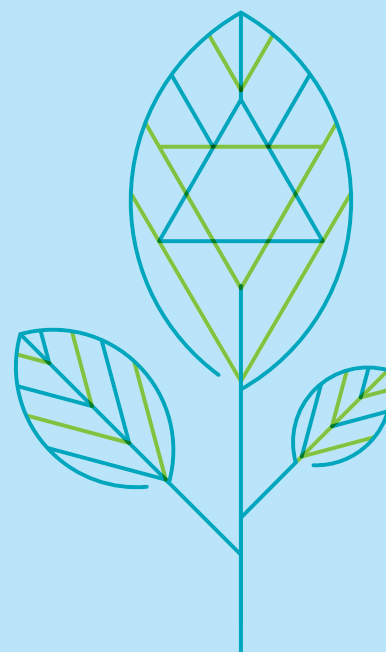
More than 70 years ago, the Union for Reform Judaism and the Central Conference of American Rabbis partnered to create the Reform Pension Board to help ensure that those who dedicate themselves to the betterment of our community have every opportunity to achieve financial security in retirement.

Today, RPB offers a defined-contribution retirement plan, as well as life and disability insurance programs for your employees. With a total portfolio exceeding \$1.3 billion, we assume, with utmost seriousness, fiduciary responsibility on behalf of current and future beneficiaries. A commitment to best practices drives all our thoughts and actions, guided by sound investing principles and the tenets of our Jewish Values Investing Policy.

In 2017, RPB launched the Reform Jewish Values Fund as an additional investment option for our retirement plan participants, in response to the demand for an SRI/ESG investment that aligns with Reform Jewish values. Now, we're offering this fund to you, our Reform Movement congregations, so you too can invest according to these values.

## **Aperio: Investment solutions for complex situations**

To create the RJV Fund, RPB partnered with Aperio Group, a research-based investment management firm with extensive experience in designing socially responsible investing (SRI) portfolios. Aperio integrates leading social research databases and proprietary models to create a portfolio that closely matches the risk and return characteristics of a benchmark index. They manage \$27.8 billion in assets, 24% of which is in socially responsible investment accounts (as of 9/30/18).



# Reform Jewish Values (RJV) Fund Details

## INVESTMENT OBJECTIVE

Long-term principal growth

The Reform Jewish Values Fund seeks growth through investing in stocks of large- and mid-capitalization companies located throughout all major regions of the world (i.e., emerging and developed markets, including the United States). It uses strategies that reduce or eliminate companies whose business practices don't adhere to the ESG principles in the URJ/CCAR/CSA resolutions, and tilt toward companies with better-performing ESG practices and exposure to Israel.

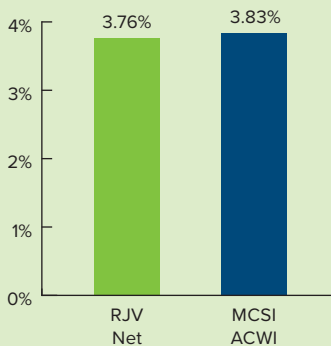
## PERFORMANCE

The RJV Fund's performance is measured against its benchmark, the MSCI ACWI (All Country World Index), a global index that captures large- and mid-cap stocks across 23 developed markets and 24 emerging markets. The index represents approximately 85% of the global equity investment opportunity set.

To achieve the alignment with Reform Jewish values, the fund's holdings may differ from its benchmark. As of 9/30/18, the RJV Fund's tracking error\* was 1.15%. For more information, see the fund fact sheet at [rpb.org/invest](http://rpb.org/invest).

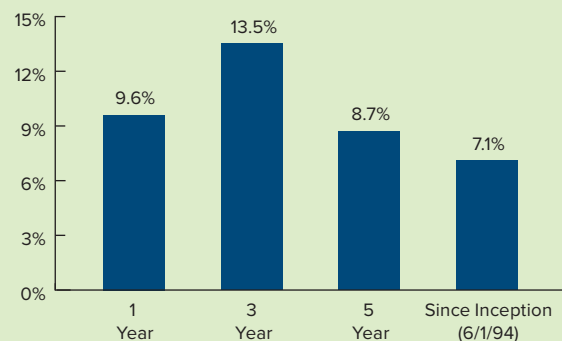
### RJV Fund YTD Performance (Net of Fees)\*\*

Through 9/30/18



### MSCI ACWI IMI (Net) Annualized Performance\*\*\*

For periods ending 9/30/18



\*\* Historical performance data is limited due to 12/21/2017 fund inception date.

\*\*\* Source: <https://www.msci.com/acwi>

*Disclaimer: This chart shows the historical performance of the MSCI ACWI only and does not represent what the performance of the RJV Fund would have been. While the RJV Fund's performance is designed to closely track the benchmark, its performance is expected to vary to some degree from that of the benchmark.*

\* Tracking error measures the range of typical differences in return between a portfolio and its benchmark. As of inception, returns are expected to be plus or minus 2.16% of the benchmark performance approximately 90% of the time.

## PORTFOLIO CONSTRUCTION

To create a values-aligned portfolio that reflects Reform Movement values, we used the following methodology:

- 1. Align values.** RPB's Values Task Force (with representatives from RPB, CCAR, URJ, and CSA) and Aperio interpreted and aligned CCAR, URJ, and CSA resolutions with currently available ESG criteria to create a values policy statement for RPB called a Social Profile.
- 2. Determine target Social Score.** Based on RPB's Social Profile, we identified a desired Social Score for the fund that was better than the benchmark's score and also met our financial risk requirements. The Social Score provides a basis for comparing our values-aligned portfolio to its benchmark, the MSCI ACWI.
- 3. Construct the portfolio.** Aperio used their proprietary model, along with our Social Profile and target Social Score, to select the fund's securities and determine their relative weightings in the portfolio.
- 4. Evaluate and adopt the fund.** RPB's Investment Committee reviewed the portfolio and financial risk metrics, and our board adopted the fund.

### RJV Fund's ESG Profile vs. the Benchmark

- **Social Score:** Approximately 30% higher\*
- **Israel Exposure Score:** 2x higher\*\*
- **Clean Technology Solutions Exposure:** 3x higher
- **Carbon Footprint:** 80% lower

\* The weighted-average RPB Social Score is specific to the MSCI ACWI.

\*\* Israel is a small percentage of the MSCI ACWI's investable equity opportunity set.



Aperio updates its database annually and rebalances its SRI portfolios quarterly to ensure that they continue to achieve the targeted Social Scores. RPB will review and incorporate new Reform Movement resolutions annually.

