

From Values to Investment

A GUIDE TO FAITH-CONSISTENT INVESTMENT POLICY
AND GUIDELINES

... there is the **Business of religions**. The faiths own about 8% of the habitable land surface – about 5% of all commercial forests are owned by faiths. They run, manage or founded around half of all schools worldwide – 64% in Sub-Saharan Africa according to UNICEF. They have more TV and radio stations between them than the whole of the EU and produce more books, newspapers and journals than any other network. They also own an estimated 10% of the world's total financial investment.

The Business of religion involves managing these assets ...

– *The Zug Guidelines to Faith-Consistent Investing, October 2017*

Faith Values

Many faith groups already have officially approved statements or position papers on environment, social justice, health, housing, weapons and other activities, based on your religion's beliefs and priorities.

Faith Investments

Many faith groups have assets and officially approved Policy Statements and Guidelines that govern the oversight and management of the faith's assets.

Bridge Values and Investments





Bridging Values and Investment in Practice

Investment Policy

Overall beliefs, plan purpose, objectives, definitions, governance, reporting, and assessment

Faith Consistent Investing

Intentionally aligning assets available to invest with what the faith wants to achieve

by

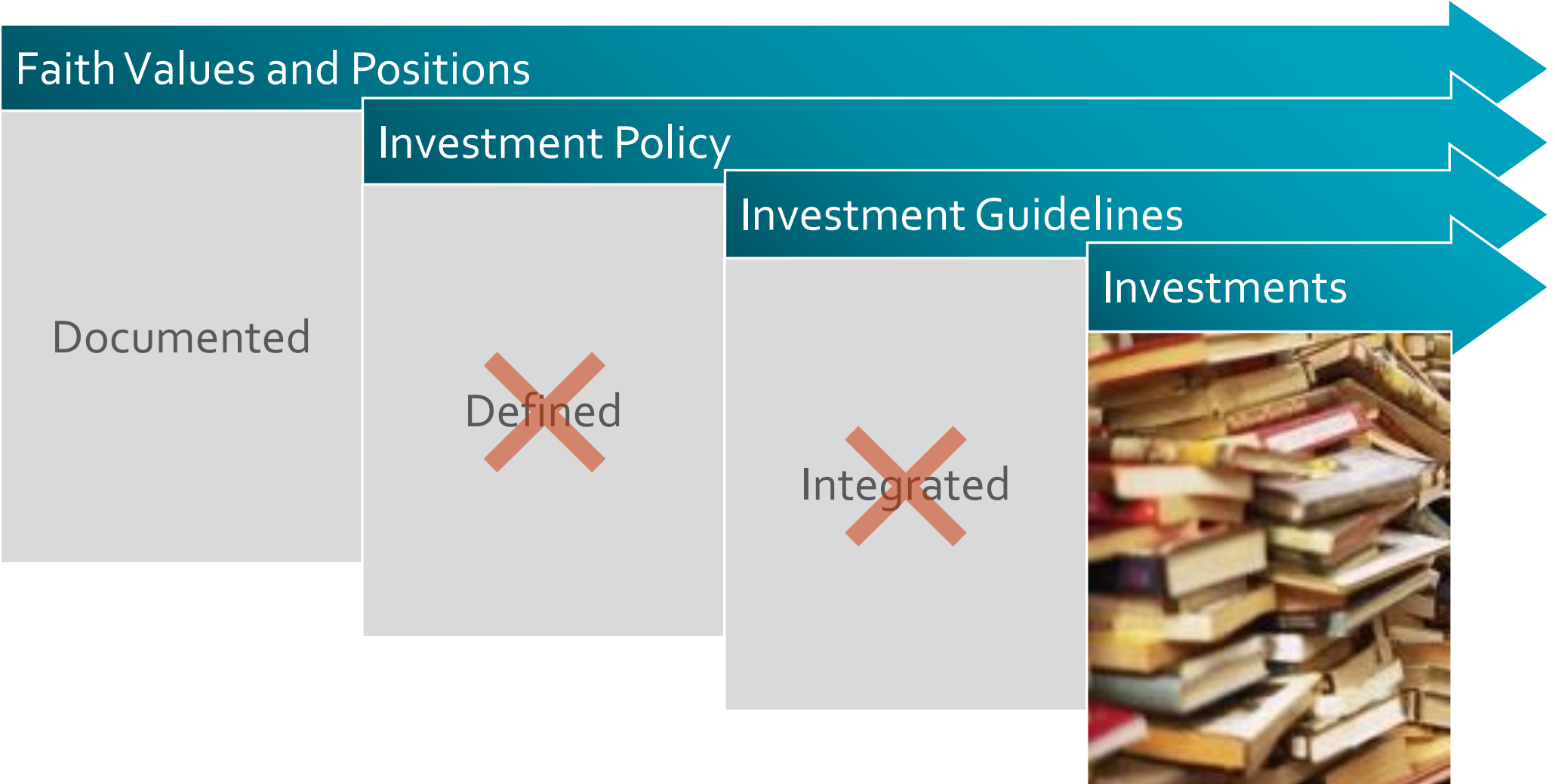
Integrating your faith values and beliefs into traditional investment policy documents

as this

Roots investment decisions, integrates values and investments, translates faith values into traditional investment language



Investment Policy sets out your overarching Goals and Governance
Investment Guidelines “nest” within Policy, as an implementation route map



Comment on Performance and Risk

Investment Policy

Investment Guidelines

Plan
purp
defin
repo

Many Faith-Based Investors strongly believe that investing consistent with faith-values leads to one or more of improved long-term returns, improved risk or lower costs

sk,

What is your position?

Investment Policy

Plan document establishing purpose, objectives, **definitions**, governance, **reporting**, and **assessment**

Investment Guidelines

Asset class or mandate specific performance objective, **benchmark**, risk, **exposures**, and other **portfolio parameters**

Values and Positions

Many faith groups already have officially approved statements or position papers on environment, social justice, health, housing, weapons and other activities, based on your religion's beliefs and priorities.



- Negative actions to avoid or reduce
- Positive impacts to promote or pursue

Faith Positions



Screening

- **What exposures should you fully avoid?**
- What exposures should you emphasize/deemphasize?

Engagement

- **Is your proxy voting policy aligned with your faith positions?**
- What positions are actively engaged with companies?

Impact

- What Environmental or Social outcomes should you directly pursue?

In Practice Example: Screening

- ✓ "Exclude the following sectors [as defined by GICS code]: Exploration & Production, Integrated Oil & Gas, Oil Equipment & Services, Pipelines."
- ✓ "Not invest in any company where more than 10% of its revenues are derived from the extraction of thermal coal or the production of oil from oil sands on the basis that such companies are unlikely to be able to assist with the transition to a low carbon economy."
- ✓ "Managers ... are expected to instead invest in companies that contribute to solving the climate issue in a constructive manner."

Integrated Investment Policy

Definition of Faith Aligned Investing:

- + Screening
- + Engagement
- + Impact

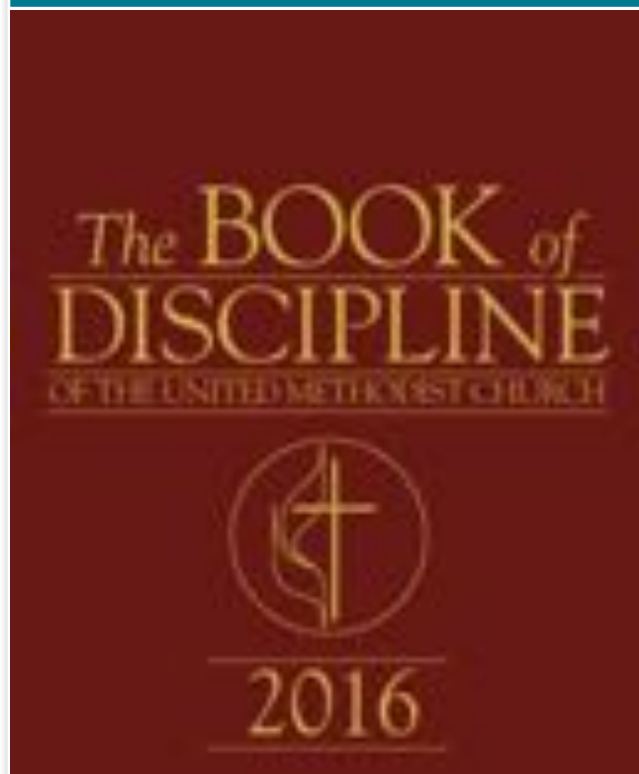


Integrated Investment Guidelines

- + Explicit Exclusions
- + Minimum Aligned Criteria
- + Applicable Asset Classes
- + Criteria for Asset Managers
- + Required Reporting

Connecting in Practice

Faith Positions



Investment Policy Statement



Investment Guidelines



Next Steps From Here ...



Investment

- **Agree and record** your Faith Positions – sectors, themes or issues should you prioritize – based on your faith values and beliefs
- **Review** what proportion of your assets are intentionally managed in a faith consistent manner
- **Be aspirational** in imagining what proportion of your assets could be faith consistent within five years
- **Identify** Where would you benefit most from expertise, exposure to opportunities, mentorship or support



Advocacy

- **Publish** your plans and aspirations in your sphere of influence in terms of
 - the laity
 - asset consultants, asset managers and other investment professionals
 - your networks
- **Engage** with coalitions and organisations who can help your efforts and spread the word

... and how FaithInvest can support



Investment

- Agree and record
- Review
- Be aspirational
- Identify requirements



Advocacy

- Publish
- Engage with others

Curated online engagement through a member portal to find working groups, resources and subject matter experts

Member support through with an experienced, interactive team which ties knowledge of faith traditions with deep experience in the investments landscape

Events to support pragmatic action and collaboration amongst likeminded members and the broader ecosystem

Current Working Groups

Current Working Groups forming:

- **Faith Consistent Policy and Guidelines**
- Faith Asset Manager Database
- Solving for smaller investors (Commingled Fund Platform)
- Building an Impact Investing Program
- Dharmic Investing
- Real Estate Management
- Ethical Banking

Invest with your Values

