



## CHRISTIAN

### OBLATE INTERNATIONAL PASTORAL INVESTMENT TRUST

The Missionary Oblates of Mary Immaculate are a Roman Catholic congregation of priests and brothers founded after the French Revolution by St. Eugene De Mazenod to work among the poor. Today there are nearly 4,000 missionaries working in more than 60 countries and in the USA there are more than 300 priests and brothers. They care for the spiritual needs of people at shrines and retreat houses. They care for the material needs of the poor at hospitals, soup kitchens and other social service programs. For the year ended June 30, 2015 they had US\$4.9 million in unrestricted net assets. At the present moment 32% of the fund is in private market and one-third of that amount fits into our working impact investing definition.

The Oblate International Pastoral Investment (OIP) Trust [www.oiptrust.org](http://www.oiptrust.org) was established by the Missionary Oblates in 1992 and it's investment philosophy is rooted in the Catholic faith tradition and strives to be consistent with that faith tradition.

It retains Sustainalytics, a provider of ESG research and ratings, to use the guidelines to screen over 10,000 companies that are constituents of the recognized market indices, which include developed, emerging and frontier markets. The guidelines serve as a basis for discussion with the general partners of alternative (e.g. private equity, venture capital, mezzanine debt) investments that are pooled.

The OIP actively votes its proxies and engages corporations, many times in

collaboration with other faith-based investors through its membership in the Interfaith Center on Corporate Responsibility [www.iccr.org](http://www.iccr.org). It participates in public policy debates and advocacy as they affect the rights and long-term interest of shareholders and their investment philosophy.

### *Negative Screening Criteria*

Based on its faith-based principles and commitment to active ownership of shares the OIP does not invest in mutual funds, ETFs, or other investment products that would preclude the effective application of the guidelines.

#### *1. Assault Weapons/Handguns*

Companies that derive any of their revenue from the production or retail sale of assault weapons and/or the components of such weapons with the intent directly or indirectly for sale and/or distribution to the general public. In addition we avoid companies that have made lobbying contributions over the most recent fiscal year in opposition to legislation with the proposed intent of strengthening current regulations concerning the retail sale and distribution of firearms, including handguns.

#### *2. Business Ethics*

Companies involved in major controversies related to unethical business practices or identified as Non-Compliant or Watch List by the Global Compact Compliance Service.

#### *3. Climate Change/Global Warming*

Companies in developed markets that derive 50% or more of their annual revenues from the extraction of thermal coal; electric utilities companies that derive 50% or more of their overall owned capacity fuel mix from coal unless 20% or more of that capacity is from renewable sources. In developing markets: companies that derive 50% or more of their annual revenues from the extraction of thermal coal, unless their overall ESG performance rank is within the top quartile of their peer group; electric utilities companies that derive 75% or more of their overall owned capacity fuel mix from coal, unless their ESG performance rank is in the top quartile or they derive 10% or more of their overall owned capacity fuel mix from renewable sources. Also companies with 25% or more of their weighted reserves and/or production assets in the Oil Sands or with a stranded asset

risk (determined by the company's exposure to, and management of, carbon risk) in the lowest 50% of their peer group, unless their management of such risk is in the top quartile.

#### *4. Employees*

Companies involved in major controversies over discrimination, labour rights and/or working conditions.

#### *5. Adult entertainment*

Companies involved in adult entertainment

#### *6. Environment*

Companies involved in major controversies or incidents related to the environmental impact of their operations, contractors, supply chain, products or services. Businesses should support a precautionary approach to environmental challenges; they should undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

#### *7. Human Rights*

Companies identified as complicit in human rights violations. OIP pays special attention to jurisdictions where there is a high likelihood that companies may be complicit in human rights violations i.e. Central African Republic; Equatorial Guinea; Eritrea; North Korea; Saudi Arabia; Uzbekistan.

#### *8. Life Ethics*

Companies that own and/or operate one or more acute care hospitals or surgical centres that provide abortion services; that manufacture abortifacients; that derive 25% or more of their revenues from the manufacture of contraceptives (except condoms). The OIP supports research that utilizes adult or somatic stem cells, but will not invest in companies involved in the use of embryonic stem cells or tissue derived from human embryos or fetuses.

#### *9. Military Weapons*

Companies that derive any revenues from the production of weapons of mass destruction or indiscriminate targeting, or components of such weapons. Also

that derive 50% or more of annual revenues from conventional weapons, weapons systems, weapons components, weapons services.

#### *10. Relationships with Local Indigenous Communities*

Companies involved in major controversies over their relationship with or impact on local indigenous communities. Compliance with the principles of Free, Prior and Informed Consent.

#### *11. Tobacco*

Companies that manufacture tobacco products; derive 10% or more of revenues from the supply of tobacco-related products including pipes, rolling papers, acetate tow or specialized packaging materials; derive 10% or more of revenues from the distribution and/or retail sale of tobacco products.

#### *Positive Screening – Impact Investing Vision and Strategies*

OIP has been engaged in the Impact Investing conversation and project from the inception of the discussion. In the Investment Guidelines Document crafted and published by the US Conference of Catholic Bishops in 1986 the principles of Do No Harm and Avoid evil were paramount but the guidelines also encouraged investment committees to adopt positive strategies to promote the common good. The Global Impact Investing Network (GIIN) launched in 2009 provided an initial framework, guiding principles and set of categories to increase the scale and effectiveness of impact investing. The strategies target a range of returns from below market to market rate.

The OIP has been supportive of these initiatives, especially through microfinance, low interest loan funds and targeted social impact funds. Investing in Private Equity (Market) funds and in Debt (private market) funds have been important vehicles. The OIP has followed the SDGs with great interest through our UN partner VIVAT and many of the themes and objectives resonate with our vision and mission. The OIP has worked from a broad set of categories including:

- sustainable agriculture,
- access to capital,
- access to medicines and invention of new medicine to address specific diseases,
- clean energy,

- infrastructure
- education

At the same time, the founding mission of the OIP and the religious charisms of our participants have informed this conversation. In addition, we have privileged geographies where our participants may have boots on the ground while recognising the risks and forecasts that some regions and market sectors display.

*The original version of this paper was submitted by Father Seamus Finn of OIP*