



Wespath Benefits and Investments serves as a fiduciary on behalf of plan sponsors, plan participants, and institutional investors affiliated with The United Methodist Church (UMC) and other Methodist denominations. Wespath Institutional Investments serves as a fiduciary on behalf of institutional investors related to the UMC.

We aspire to be recognized as an industry-leading asset management not-for-profit organization with an investment approach that honors the values, mission and traditions of the UMC. We seek to help those we serve achieve their investment objectives by providing products and services aligned with the principles of the UMC, which are consistent with many other faith-based investors.

## Our investment approach is guided by the following five Investment Beliefs:

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**Fiduciary  
Focus**

2

**Integrated  
Sustainability**

3

**Active  
Management  
and Engagement**

4

**Diversified,  
Long-Term  
Perspective**

5

**Culture  
Based Upon  
Professionalism,  
Integrity and Diversity**



### Fiduciary Focus

- As a fiduciary, our work supports the long-term financial well-being of our participants, and the missions, principles, goals and needs of our institutional clients. We seek to deliver exceptional investment returns aligned with our clients' goals by integrating the assessment of sustainability factors within a disciplined investment process. Our fiduciary responsibility influences everything we do. All our decisions, resources and actions must align with the financial interests and goals of our participants, beneficiaries and institutional investors.



### Integrated Sustainability

- We believe informed investment decisions, those that consider all material, relevant information available, result in better investor outcomes. As sustainability disclosures improve and more reliable information becomes available, together with our asset managers we seek to include traditional fundamental information alongside sustainability information in the risk/reward assessment of investment decisions.
- Achieving the long-term investment objectives of those we serve requires a sustainable global economy, defined as one that promotes social cohesion, long-term prosperity for all and environmental health, resulting in inclusive financial markets, more resilient companies and greater financial security for our stakeholders. We endeavor to fulfill *The Book of Discipline's* call to "make a conscious effort to invest... with the goals outlined in the Social Principles" (§1717).

(continued)

## Investment Beliefs (continued)



### Integrated Sustainability (continued)

- The intentional consideration and integration of available information affecting the value of investments, including environmental, social and governance (ESG) factors, enhances and improves risk-adjusted returns. Notably, public policies, emerging technologies and physical impacts associated with concerns about climate change are creating winners and losers across companies, industries, and countries, impacting investment returns. As prudent fiduciaries, we integrate these global risks and opportunities into the management of our funds and use engagement with our asset managers to consider these additional financial risks in their investment decisions.



### Active Management and Engagement

- Market efficiency varies; we seek to add value by identifying selective opportunities through active management in less efficient markets and taking advantage of available illiquidity premiums. We will use passive strategies in efficient markets.
- Wespath's investment professionals apply a thorough, disciplined investment process in selecting and monitoring skilled asset managers to execute differentiated and innovative active strategies in less efficient markets.
- Active ownership and stewardship are powerful tools. We engage with companies, asset managers, public policy makers and other stakeholders to reinforce the importance of considering all information, including ESG factors, which we believe will result in positive outcomes aligned with a sustainable economy.



### Diversified, Long-Term Perspective

- Asset allocation is the predominant driver for achieving risk-adjusted, long-term performance that meets or exceeds the expectations of our stakeholders. We build diversified portfolios of assets based on our long-term (30-40 years) risk and return assumptions. We may overweight or underweight sectors within asset classes based on valuation parameters compared to historic norms. Our asset managers are better positioned to assess near-term risks and take advantage of near-term opportunities.
- Global diversification across a broad range of asset classes, investment styles and asset managers improve risk-adjusted returns to our investors.
- We are cognizant of global "megatrends," large-scale, disruptive changes that will influence how economies and markets evolve over long time horizons. We believe that the adaptability and resilience of humans, as evidenced by continued technological innovation, will continue to successfully address global problems. In addition, the continued expansion of the middle class will result in increased economic development across the globe for many years to come.



### Culture Based Upon Professionalism, Integrity and Diversity

- We strive to build, sustain and grow an inclusive organization. An inclusive culture and decision-making process drives diversity of thought, resulting in improved investment decisions and better client outcomes. We measure our progress and engage with industry participants to advance best practices.
- A disciplined and innovative strategy executed by experienced investment professionals utilizing robust investment tools and information will add value relative to performance benchmarks.
- Our success depends on exercising sound judgment and making ethical decisions aligned with Wespath's core values of integrity, teamwork, mutual respect, customer satisfaction, spirituality and stewardship.