An investment in values

Reform Jewish Values Fund

The only fund based on values upheld by CCAR, URJ, and CSA
INSIDE YOU’LL FIND:

- An introduction to the Reform Jewish Values (RJV) Fund
- Information about RPB’s Jewish Values Investing Policy
- Detailed information on the RJV Fund, for those who want to dig deeper
- A glossary of investing terms used in this brochure

ךדקך צדק תרדוח

Justice, Justice You Shall Pursue
– DEUTERONOMY 16:20
Taking *tikkun olam* a step further

For our plan participants who want to closely align their retirement investments with their Jewish values, RPB created the **Reform Jewish Values (RJV) Fund**. It is our strongest vehicle yet for putting your investment dollars to work in building a better world.

The RJV Fund is a globally diversified fund that invests in the stocks of large- and mid-cap companies located throughout all major regions of the world, including the United States. To create the fund, RPB partnered with Aperio Group, a research-based investment management firm and pioneer in designing custom portfolios, including *socially responsible investing (SRI)* funds. The RJV fund fee is among the lowest of commercially available SRI mutual funds.*

* Based on Morningstar data of 39 actively and passively managed SRI mutual funds.
Aligning RJV Fund investments with values

The Reform Jewish Values Fund’s holdings are guided by Jewish values as defined by the resolutions of the:

- Central Conference of American Rabbis (CCAR)
- Union for Reform Judaism (URJ)
- Commission on Social Action of Reform Judaism (CSA)

The fund uses the following investment screens to incorporate the environmental, social, and governance (ESG) priorities of the Reform Movement into the portfolio:

**Exclusions** (negative screens)
- Avoid companies based on:
  - **Issue**: Predatory lending, civilian firearms, landmines, and cluster munitions
  - **Industry**: Tobacco and coal & consumable fuels
  - **Geography**: Companies that conduct business with the Sudanese government, based on the principles outlined by the Sudan Divestment Task Force

**Place greater emphasis on companies with**
- Better-performing environmental, social, and corporate governance practices
- Practices or businesses that have a positive impact on the environment
- Business ties to Israel

To learn more about the RJV Fund, you can find detailed information toward the back of this brochure, or visit our website at rpb.org/rjvfund.
Getting acquainted with our Jewish Values Investing approach

The RJV Fund is just one part of RPB’s overall Jewish Values Investing (JVI) Policy, the approach RPB has used for years to integrate ESG factors, as well as support of Israel, into our investment process. The five pillars of our policy are:

**Manager Selection & Evaluation**
When selecting investment managers for our funds, RPB considers how they integrate ESG factors into their investment analysis and portfolio ownership practices.

**Investment Screens**
We use positive and negative screens to emphasize or overweight companies that align with our Jewish Values Investing criteria and exclude or de-emphasize companies whose business practices do not.

**Influence on Companies**
Where RPB directly owns shares in a company, we use proxy voting and shareholder engagement* to influence firms’ decision-making.

**Support for Israel**
RPB strives to hold investments directly or through our investment managers that positively impact Israel, its economy, and its people.

**Community Investing**
RPB supports small businesses and affordable housing by investing in community bank CDs and 1.8% of our assets in community development agency bonds under URJ’s Chai Investment Program (CHIP).

*RPB is a member of the Interfaith Center on Corporate Responsibility (ICCR), which engages companies on ESG issues.*

Our JVI Policy is not only about doing what is “right” by our spiritual values; it’s also part of RPB’s fiduciary responsibility to our retirement plan participants. In this fiduciary role, we believe that, alongside financial factors, ESG factors may affect the performance of investment portfolios, either by exposing potential investment risks or providing one indication of management excellence and leadership. As a result, JVI is an important component of our process for selecting the most suitable investments for long-term financial performance.

Our current JVI Policy has been in place since 2014. To read it in full, visit rpb.org/jvi.
Providing a spectrum of investment choices aligned with Jewish values

Because RPB understands that each participant has unique priorities and goals, we provide a range of investments that vary in their focus on social impact. The RJV Fund is our strongest vehicle for ESG investing. On the other end of the spectrum is our Tier 1 Capital Preservation Fund and the Tier 2 Vanguard funds. And in the middle are our other Tier 1 funds.

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**Reminder:** Tier 1 funds are for those who want their assets allocated for them, based on the fund’s objective. Tier 2 funds are for those who want to make their own asset allocation decisions.

**Exclusions (negative investment screens):**
- Avoids companies involved with this issue
- Seeks companies with a positive record of achievement based on RPB’s Social Profile
- Fund cannot screen for this criteria

**Tilts (positive investment screens/ overweights):**
- Avoids companies involved with this issue
- Seeks companies with a positive record of achievement based on RPB’s Social Profile
- Fund cannot screen for this criteria

* Tier 1 negative screens implemented for tobacco in 1997, for companies operating in Sudan in 2007, and for the remaining issue areas in December 2017.
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., developed and emerging 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 RJV Fund’s holdings may differ from its benchmark. As such, returns are expected to be within plus or minus 2.16%* of the benchmark performance approximately 90% of the time. For more information, see the RJV Fund fact sheet at rpb.org/factsheets.

*As of inception and may vary slightly over time.

Historical Performance of the Benchmark
MSCI ACWI Index Annual Performance (%)

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.

PORTFOLIO CONSTRUCTION
Partner
To build the 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 the benchmark index.
Reform Jewish Values (RJV) Fund Details (continued)

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 with the following scoring:
   - **Social Score:** Approximately 30% higher than the benchmark*
   - **Israel Exposure Score:** 2x higher than the benchmark**
   - **Clean Technology Solutions Exposure:** 3x higher than the benchmark
   - **Carbon Footprint:** 80% lower than the benchmark

   * 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

Strategies for Values Alignment

The fund uses multiple strategies to incorporate the environmental, social, and governance priorities of the Reform Movement:

- **Exclusions** (negative screens)
  - Avoid companies based on:
    - **Issue:** Predatory lending, civilian firearms, landmines, and cluster munitions
    - **Industry:** Tobacco and coal & consumable fuels
    - **Geography:** Companies that conduct business with the Sudanese government, based on the principles outlined by the Sudan Divestment Task Force

- **Tilts** (positive screens)
  - Emphasize companies with better-performing environmental, social, and corporate governance practices based on RPB’s Social Profile.
  - **Additional Environmental Tilt:** Tilt toward companies that have a higher percentage of revenue from clean technology solutions, including alternative energy, energy efficiency, sustainable water, green building, and/or pollution prevention as well as those companies that have a lower carbon footprint measured by carbon emissions and carbon intensity.
  - **Additional Israel Tilt:** Tilt toward companies with business ties to Israel using research from BlueStar Indexes, a financial firm that specializes in investing in Israel’s capital markets. Companies are scored based on their level of involvement and include: Israel-domiciled companies, non-Israeli companies with deep business ties and foreign direct investment, and non-Israeli companies with less-significant business relationships.

- **Influence on Companies**
  - **Proxy Voting:** We vote proxies through Institutional Shareholder Services, a leader in SRI proxy voting.
  - **Shareholder Engagement:** Through Aperio Group’s relationship with As You Sow, RPB can join shareholder initiatives that promote change in corporate practices related to ESG issues.

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.
### Reform Jewish Values (RJV) Fund Details (continued)

#### RJV FUND – SUMMARY OF VALUES ALIGNMENT

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<th>Issue Areas</th>
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| **SOCIAL + GOVERNANCE** | 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.  
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. | URJ Resolution on International Rights 2008  
URJ Resolution on Workers’ Rights in the U.S. 2005  
URJ Resolution on Women’s Health 1993  
URJ Resolution on the Human Rights of Homosexuals 1977  
URJ Resolution on Divestment from Sudan 2007 |
| **ENVIRONMENT + GOVERNANCE** | Exclude companies involved in production and mining of coal, related products, and other consumable fuels related to energy generation.  
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. | URJ Resolution on the Environment 1991  
CCAR Resolution on the National Energy Strategy 1992  
URJ Resolution on Toxic Substances in the Environment 1983 |
| **ISRAEL** | Tilt toward companies with involvement in Israel including:  
- Israeli companies  
- Non-Israeli companies with deep business ties and foreign direct investment  
- Non-Israeli companies with less-significant business relationships                                                                                           | URJ Resolution for Economic Support for Israel 1979                                                       |
Jewish tradition teaches that we have a duty to help make our world a better place. Rabbi Tarfon, a great Jewish sage, taught: “It is not your responsibility to finish the work [of perfecting the world], but you are not free to desist from it either.”

– PIRKEI AVOT (Ethics of the Fathers), 2:16.
Glossary of Investment Terms Used in This Brochure

**Investment screens:** The process of eliminating (negative screens) or including (positive screens) companies in an investment portfolio based on certain criteria.

**Jewish Values Investing (JVI) Policy:** A policy created and used by RPB to integrate Jewish values into our investment process, while maintaining our fiduciary responsibility to the retirement plan. Our JVI Policy focuses on the environment, social issues, such as the health and safety of employees, good corporate governance, and support of Israel, along with other issue areas as appropriate.

**Proxy Vote:** A ballot cast by one person on behalf of a shareholder of a corporation who would rather cast a proxy vote than attend a shareholder meeting.

**Social Profile:** A values policy statement created using Aperio Group’s process for translating a belief system into a quantitative data set that can be applied to the construction of a portfolio.

**Social Score:** A way to compare a values-aligned portfolio to its benchmark index. It’s calculated by Aperio based on the Social Profile.

**Sudanese Divestment Task Force (SDTF):** An organization founded in 2005 that launched successful campaigns around the world to get institutional investors to divest from companies doing business with the Sudanese government. SDTF targeted university endowments, asset managers, and city, state, and national governments. It worked closely with and eventually became a part of Genocide Intervention Network (GI-NET).

**URJ Chai Investment Program (CHIP):** Established in 1997 by the Union of American Hebrew Congregations (now URJ) to invest funds in community development initiatives. Under CHIP, 1.8% of the Union’s invested funds will be invested in community development and, so too, will 1.8% of RPB’s assets.

**Values-based investing.** Integrating social or ethical values into investment portfolios is referred to by a number of different terms, the most common of which are SRI and ESG.

- **SRI:** Stands for “socially responsible investing” and considers both financial return and social good. It’s also known as “sustainable investing.”

- **ESG Investing:** Uses environmental, social, and corporate governance factors to measure the sustainability and ethical impact of an investment in a company.

This investing approach has become widely used. In fact, Principles for Responsible Investment, an ESG investor network supported by the United Nations, now has signatories from more than 50 countries, representing approximately $70 trillion total assets under management.*

* Source: www.unpri.org/about

See rpb.org/glossary for more information.