



Conference Forum—March 2021



Wespath

BENEFITS | INVESTMENTS

Investments Update

Sustainability and Institutional Solutions

Meet the Presenters



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Sustainable Investment Services



Sustainable Investment in Action

Guided by Fiduciary Duty

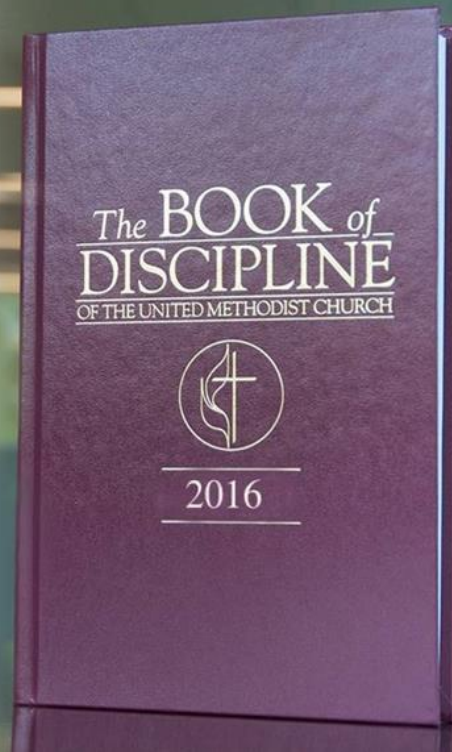
The UMC asks that Wespath:

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“...discharge its fiduciary duties... solely in the interest of the participants and beneficiaries... with care, skill, prudence and diligence...”

¶717

“...make a conscious effort to invest... with the goals outlined in the Social Principles”



Achieving Return Expectations Requires a Sustainable Economy

We define a **sustainable global economy** as one that promotes:



Social cohesion



Long-term prosperity for all



Environmental health



Invest – Engage – Avoid

As one of 25 original signatories to the United Nations' Principles for Responsible Investment in 2006, we've chosen to lead.



Invest



Engage



Avoid

Net-Zero Momentum



Resilient Ecosystems



Expanding Focus on Workforce



Focus on Human Rights



**Reliable Access to
Basic Necessities**



Intersectional Issue—Just Transition



Environmental Health



Economic Prosperity for All



Social Cohesion



Conference Forum
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Investment Solutions for United Methodist Organizations

Doing Well Together

Wespath



Financial success



Social impact



Mission advancement



A better future

As a result, clients and participants have entrusted Wespath and its subsidiaries to manage their assets totaling over

\$28
billion

As of December 31, 2020, Wespath Institutional Investments (WII) is a wholly-owned subsidiary of Wespath Benefits and Investments (Wespath), a not-for-profit 501(c)(3) organization. Total assets featured include those managed and administered by Wespath and its subsidiaries.

Clients That We Serve



**Faith-based
non-profits**



**Foundations
and endowments**



**Higher education
institutions**



**Healthcare
organizations**

From left to right: Florida United Methodist Children's Home (Enterprise, Florida), The United Methodist Foundation of Arkansas (Little Rock, Arkansas), United Theological Seminary (Dayton, Ohio), Methodist Le Bonheur Healthcare – Le Bonheur Children's Hospital (Memphis, Tennessee)

This is a sample of the more than 100 institutional clients of Wespath and its subsidiaries, including WII. Inclusion of a client is not a representation that the client endorses or recommends Wespath or WII as an investment manager. Performance based criteria were not used to determine which clients to include in this list.

We Understand Your Unique Needs

Guided by the **values** of
The United Methodist Church

Unique product and
service offering

Depth and breadth of
experience working with
non-profit institutions

Collaboration and **diversification**
through access to world-class
investment managers



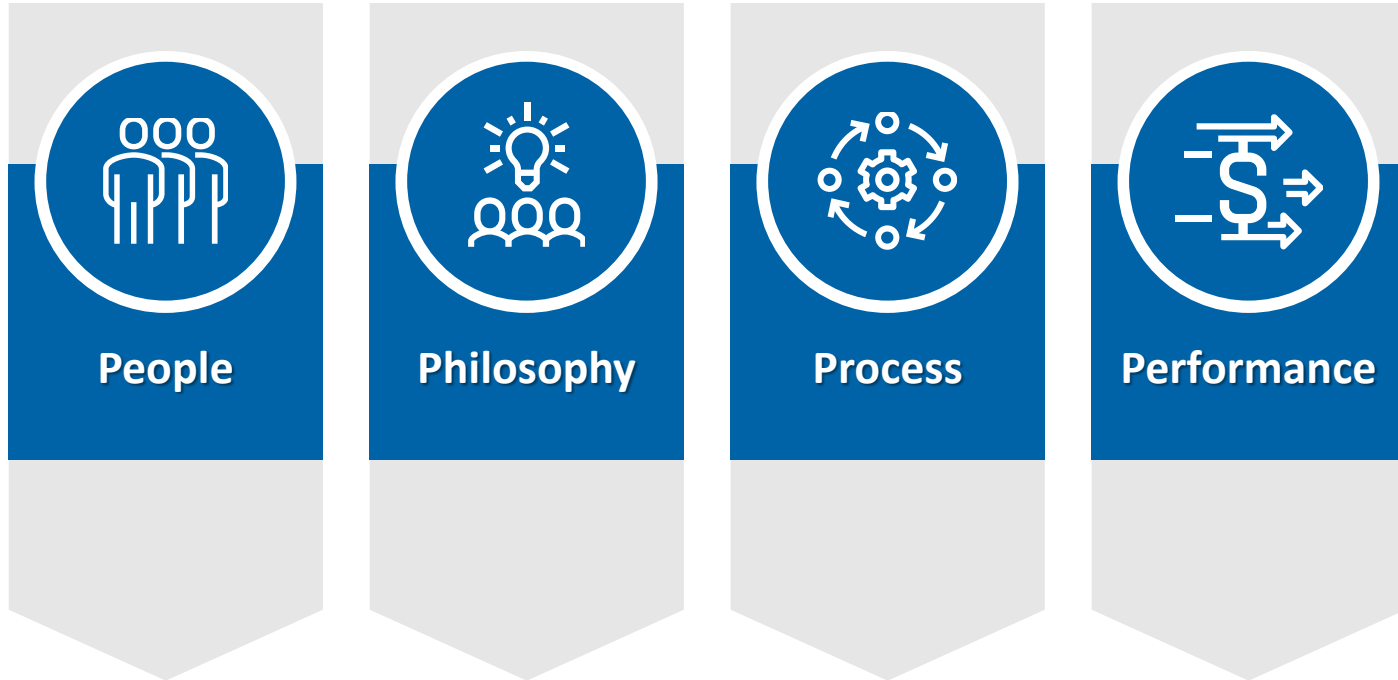
International **recognition** as a
sustainable investment leader

Team of industry **professionals**
focused on client support

Alignment of interests and
operations **efficiencies**

Cost-effective, bundled
service that provides
administrative simplicity

Wespath's Fundamentals of Investing



Investment Beliefs

Philosophy



Investor focus



Optimistic worldview



Sustainability



Low-carbon transition



Long-term perspective

Megatrends:



Demographic shifts



Shift in economic power



Accelerating urbanization



Climate change and resource scarcity



Technology advancement



Diversification



Stewardship



Culture

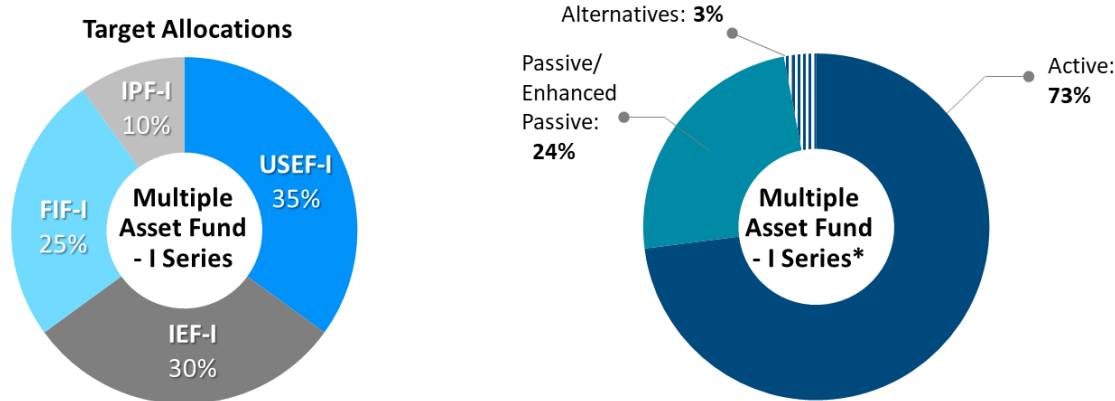


Expertise



Active management

Broad Global Diversification of Investment Funds



U.S. Equity Fund – I Series (USEF-I)	International Equity Fund – I Series (IEF-I)	Fixed Income Fund – I Series (FIF-I)	Inflation Protection Fund – I Series (IPF-I)
<ul style="list-style-type: none"> • Large-Cap Core (Passive) • Large-Cap Growth • Large-Cap Value • Mid-Cap Core • Mid-Cap Growth • Small-Cap Value • Small-Cap Growth • Private Equity • Private Real Estate 	<ul style="list-style-type: none"> • Developed Core • Developed Growth • Emerging Market • Small-Cap Core • REITs • Private Equity • Private Real Estate 	<ul style="list-style-type: none"> • Core Plus (Active) • Credit • Affordable Housing Loans/Agency CMBS • High Yield • Global • Emerging Markets 	<ul style="list-style-type: none"> • U.S. TIPS (Passive) • Global (Inflation-Linked) • Emerging Market (Inflation-Linked) • Commodities • Senior Secured Loans

***As of December 31, 2020, based on current portfolio allocations.** Cash included in passive/enhanced passive allocation. The active, passive/enhanced passive and alternatives allocations for each underlying fund of Multiple Asset Fund-I Series are as follows: **USEF-I:** active: 49%, passive/enhanced passive: 47%, alternatives: 4%, **IEF-I:** active: 83%, passive/enhanced passive: 14%, alternatives: 3%, **FIF-I:** active: 100%, passive/enhanced passive: 0%, alternatives: 0% and **IPF-I:** active: 66%, passive/enhanced passive: 34%, alternatives: 0%. Future asset allocations may be different than those stated above.

TRP Performance Results: / Series

Inception-to-Date Annualized Return (Gross of Fees) As of December 31, 2020

Strategy/Benchmark	ITD Returns
Russell 1000 Value TRP	+15.02%
Russell 1000 Value Index	+14.05%
Account Excess Return	+0.97%
Ethical Exclusions	+0.11%
Strategy Excess Return	+1.08%

Inception: January 1, 2019

Strategy/Benchmark	ITD Returns
Russell Top 200 TRP	+27.99%
Russell Top 200 Index	+26.64%
Account Excess Return	+1.35%
Ethical Exclusions	-1.14%
Strategy Excess Return	+0.21%

Inception: October 1, 2019

Strategy/Benchmark	ITD Returns
MSCI World ex USA TRP*	+17.75%
MSCI World ex USA Index	+14.80%
Account Excess Return	+2.95%
Ethical Exclusions	-0.05%
Strategy Excess Return	+2.90%

Inception: January 1, 2019

* Excludes daily NAV adjustment

Historical returns are not indicative of future performance.

ESG Performance Results: / Series

Inception-to-Date Annualized Return (Gross of Fees) As of December 31, 2020

Strategy/Benchmark	ITD Returns
Impax Low Carbon Energy Solutions	+36.34%
MSCI USA SMID Index	+23.89%
Account Excess Return	+12.45%
Ethical Exclusions	+0.06%
Strategy Excess Return	+12.51%
Inception: January 1, 2019	

Strategy/Benchmark	ITD Returns
Impax Non-US Low Carbon Energy Solutions*	+34.06%
MSCI ACWI ex-US SMID Index	+17.07%
Account Excess Return	+16.99%
Ethical Exclusions	-0.11%
Strategy Excess Return	+16.88%
Inception: January 1, 2019	

Strategy/Benchmark	ITD Returns
Wellington Low Carbon Energy Solutions*	+34.90%
MSCI ACWI IMI Index	+21.20%
Account Excess Return	+1.37%
Ethical Exclusions	-0.39%
Strategy Excess Return	+13.31%
Inception: January 1, 2019	

* Excludes daily NAV adjustment

Historical returns are not indicative of future performance.

Fund Expense Ratios

Fund Name	2019 Expense Ratios ¹
Multiple Asset Fund – I Series	0.58%
U.S. Equity Fund – I Series	0.55%
International Equity Fund – I Series	0.74%
Fixed Income Fund – I Series	0.49%
Inflation Protection Fund – I Series	0.45%
U.S. Equity Index Fund – I Series	0.31%
Short Term Investment Fund – I Series	0.36%
Fees include:	
<ul style="list-style-type: none">• Investment Management/Advisory (includes Exclusions/Proxy Voting/Engagement)• Custody	<ul style="list-style-type: none">• Administration• Overhead Expenses

Each fund's expense ratio includes all management fees (both internal and external), custody fees and administrative and overhead expenses. For more details please see the Investment Funds Description – I Series.

1. Expense Ratios reflect actual and accrued Annual Fund Operating Expenses for the one-year period from January 1, 2019 to December 31, 2019. Calculations exclude carried interest charges/credits, interest expense, UBTI, miscellaneous tax, dividend and interest withholding tax, and alternative miscellaneous expense, which are all netted against income.

In Conclusion—Why Wespath?

We offer customized service, guided by a framework of financial and social values that help us make a difference—together.

- ▶ Designed **exclusively** for faith-based non-profits
- ▶ **Competitive**, long-term investment performance*
- ▶ **Leader** in sustainability
- ▶ Focus on **client support**
- ▶ Inherently **unconflicted**
- ▶ Team of investment **experts**
- ▶ Partner in **asset growth**



* Data as of December 31, 2020. Source: BNY Mellon Master Trust Universe total fund composites for endowments and foundations. BNY Mellon provides a fund-level tracking service used to compare the Multiple Asset Strategy's actual gross of fees performance to the performance of similar asset pools of foundations and endowments. Competitive long-term outperformance is based on the Multiple Asset Strategy's 10-year returns versus the BNY Mellon peer group median (9.5% versus 8.2%). **Please see the Disclosures at the end of this presentation for additional information about the Strategy performance.**

Disclosures

General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois ("Wespath Benefits and Investments" or "Wespath") is a not-for-profit, administrative agency of the religious denomination known as The United Methodist Church.

Wespath is responsible for the general supervision and administration of retirement, disability, death and health benefit plans, and programs and for investment of the related assets and also provides certain investment services to institutional investors organized for religious, benevolent, or charitable purposes that are related to The United Methodist Church (sometimes referred to as the "Church") as authorized by General Conference, the highest legislative authority of the Church. All funds under Wespath's supervision are held in the Wespath Funds Trust, a Delaware statutory trust. Each of the funds available to investors is a series of the Wespath Funds Trust. The *P Series* funds are for investment of Church benefit plan related assets and the *I Series* funds are for investment of other assets of not-for-profit entities related to the Church such as foundations, children's homes, older adult facilities, higher education institutions and healthcare organizations. UMC Benefit Board, Inc. (Benefit Board), a not-for-profit subsidiary of Wespath, is the trustee and investment adviser for the *P Series* funds. Wespath Institutional Investments (WII), a not-for-profit subsidiary of Wespath, is the trustee and investment adviser for the *I Series* funds.

Wespath, WII and Benefit Board are not registered investment advisers under the Investment Advisers Act of 1940, as amended, or under any comparable local, state or federal law or statute. Neither the Wespath Funds Trust nor the funds are registered as an investment company under the Investment Company Act of 1940 in reliance upon exclusions from the definition of an investment company under the Investment Company Act of 1940. Wespath, WII, Benefit Board, Wespath Funds Trust and the funds are not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934 or the Investment Advisers Act of 1940. Investors, therefore, will not be afforded the protections of those provisions of those laws and related regulations.

The investment funds referred to in this document are neither insured nor guaranteed by the government. No government entity has approved or disapproved these funds or passed upon the adequacy of this document.

This presentation is for informational purposes only, it does not constitute an offer to sell any investments, and may be subject to changes and corrections. The material in this document contains summary information and is not a complete description of the investment guidelines, investment objectives, policies and risks or other matters associated with the investment funds. An offer for the sale of interests in the *P Series* funds will only be made through the Investment Funds Description – *P Series*. An offer for the sale of interests in the *I Series* funds will only be made through the Investment Funds Description – *I Series*. Any decision to invest with Wespath should be preceded by a complete review of the applicable disclosure documents as referenced above, which are available upon request or online at wespath.org or wespath.com.

Historical returns are not indicative of future performance. Except as otherwise noted, the performance in this presentation is presented net-of-fees—that is, with the deduction of investment management fees, custody fees, and administrative and overhead expenses. The fees and expenses for the *P Series* funds are described in the Investment Funds Description – *P Series*, and for the *I Series* funds in the Investment Funds Description – *I Series*.

The returns will be reduced by the amount of fees and expenses charged to the funds. As part of the Wespath organization, WII and Benefit Board utilize certain shared personnel, including the WBI investment team. All WII shared personnel must comply in all respects with WII's policies and procedures.

Benchmarks and Universes: Throughout this document, the terms "benchmark" and "universe" are used to refer to comparisons of each fund's performance. A benchmark is a standard that investors use to evaluate how well a fund has performed. Comparing a fund to this fixed standard allows investors to evaluate how well the fund did in terms of meeting its goals, whether the goal was to match returns of the benchmark or to attain a return above the benchmark. A universe is a group of comparable funds that have a similar investment strategy and similar benchmarks to the subject fund. A universe comparison is useful because it allows the investor to compare the performance of the subject fund to funds offered by other providers. Wilshire Associates, a data provider for the Benefit Board, provides universe data from the Lipper Inflation Protection Funds Universe (composed of a group of comparable mutual funds to IPF). BNY Mellon, a data provider for the Benefit Board, provides universe data from the BNY Mellon U.S. Master Trust Universe, which consists of corporate, foundation, endowment, public, Taft-Hartley and health care plans. The investment fund performance benchmarks have varied over the years. The return of the performance benchmark represents the linked returns of the benchmark(s) in place at the time of the fund's performance. The universes have also varied over the years, but the rankings noted are based on universes provided by the vendors at the time of the report. The fund performance information for the BNY Mellon Master Trust Universe is provided gross-of-fees because the fees of the institutional investors that comprise the Universe varies.

Disclosures

Strategy Performance: Reflects the historical performance record of the strategy employed by: (a) Wespath Institutional Investments (WII) through funds called the I Series funds available as of January 1, 2019; and (2) an affiliated entity through funds called the P Series funds and available to certain Institutional Investors (as defined below) prior to January 1, 2019. The strategy for the applicable P Series fund before January 1, 2019 and the strategy for the applicable I Series fund have substantially similar investment objectives and investment strategies and are referred to collectively as “the Strategy.” Thus, the Strategy performance presented reflects the actual returns of the applicable P Series fund through December 31, 2018, and the actual returns of the applicable I Series fund from January 1, 2019 onward. The performance of the applicable P Series fund after January 1, 2019 is excluded from the performance of the Strategy because, as of January 1, 2019, all Institutional Investors invest in the Strategy through the I Series fund. The P Series funds are not available to Institutional Investors other than in exceptional circumstances agreed to by the P Series funds adviser.

Historical returns are not indicative of future performance. Except as otherwise noted, the Strategy performance is net-of-fees—that is, with the deduction of investment management fees, custody fees, and administrative and overhead expenses. The I Series funds’ fees and expenses are described in the [Investment Funds Description – I Series](#), and the P Series funds’ fees and expenses are described in the [Investment Funds Description - P Series](#). The performance shown is for the stated time periods only. Differences in timing of transactions and market conditions prevailing at the time of investment by the applicable I Series or P Series fund could lead to divergence between the results of the I Series and P Series fund. The future performance of the I Series funds may be better or worse than the performance of the P Series funds. Factors that could affect performance differences between the I Series funds and the P Series funds include, but are not limited to, portfolio composition, strategy constraints, investor universe, size of the portfolio, fees, expenses and the timing of cash flows.

Units of the I Series funds are available to organizations related to The United Methodist Church and organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purpose: (1) no part of the net earnings of which inures to the benefit of any private shareholder or individual; or (2) which is or maintains certain pooled income funds, collective trust funds, collective investment vehicles or similar funds for the collective investment and reinvestment of assets of certain designated vehicles available for charitable investments. All such organizations shall qualify as permissible investors in a fund excepted from the definition of “investment company” contained in Section 3(c) (10) of the Investment Company Act of 1940, as amended (and are referred to as “Institutional Investors”). Certain, but not all, Institutional Investors were eligible to invest in the P Series prior to January 1, 2019.



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