Climate Conversations Investing

St Mark’s Creation Care Ministry
Penelope Jackson and Richard Hartung
November 2022

Agenda

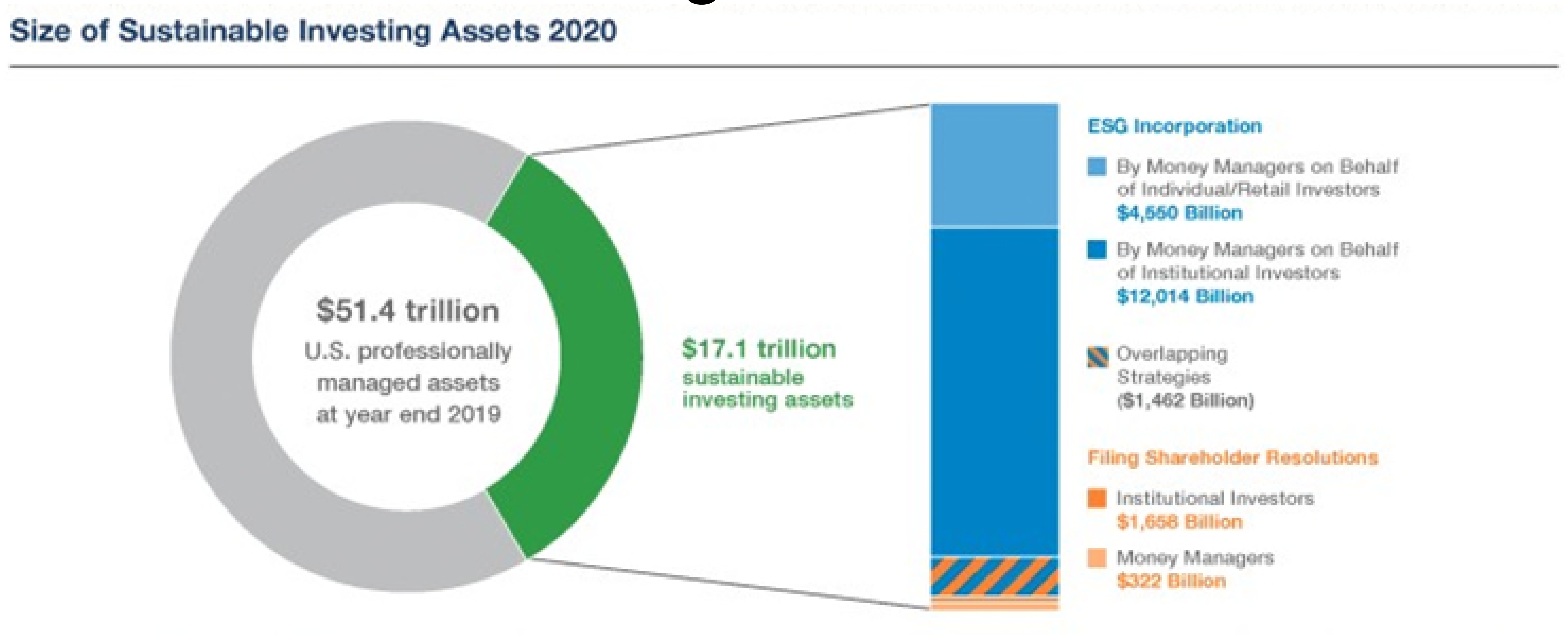
- Land Acknowledgement and Introduction
- Opening Prayer
- Frameworks for Investing (Penelope)
- Faith-Driven and Creation Care Investing (Richard)
- Breakout session and discussion
- How to Invest (Penelope)
- Managing Investments (Richard)
- Sharing and Q&A
- Closing

Framework: Ethical Investing

- Invest based on your core values
  - Moral
  - Environmental
  - Social
  - Religious
  - Other values

- Choose stocks, bonds, unit trusts or other investments based on your ethical values and beliefs

Sustainable Investing Trends



1 in 4 Dollars is invested in the United States utilizes ESG criteria

Source: US SIF Foundation

Sustainable Investing Trends

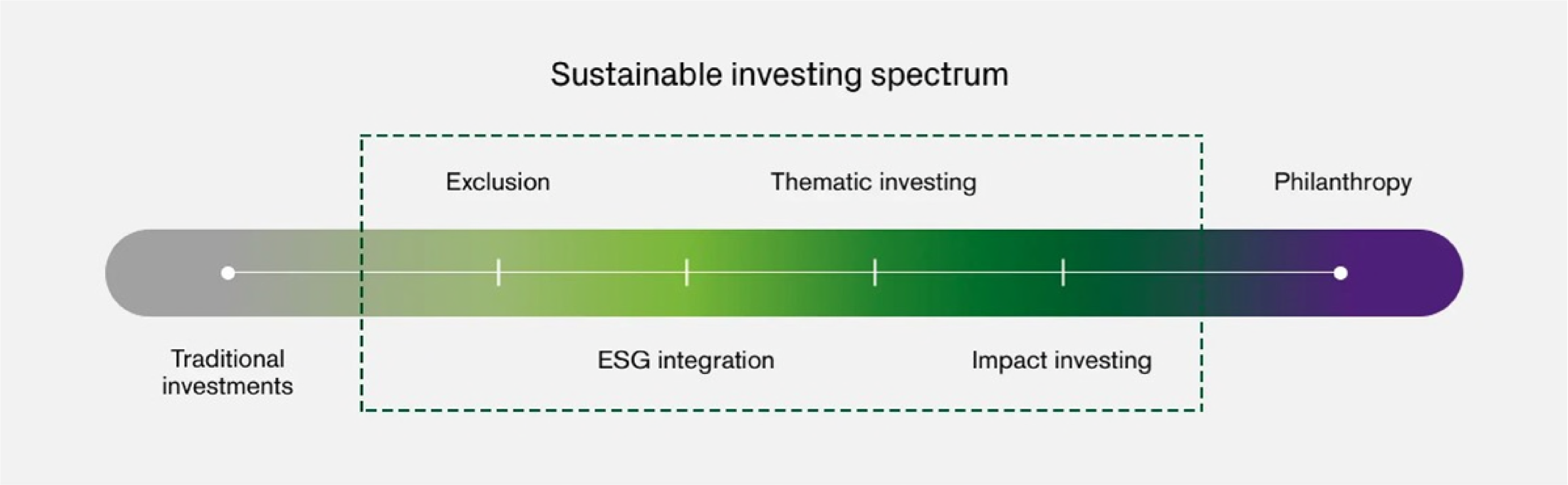
Source: US SIF Foundation

Examples of ESG Criteria Used by Sustainable Investors

Source: US SIF Foundation

The Range of Sustainable Investments

Offers many options to suite a variety of investment needs

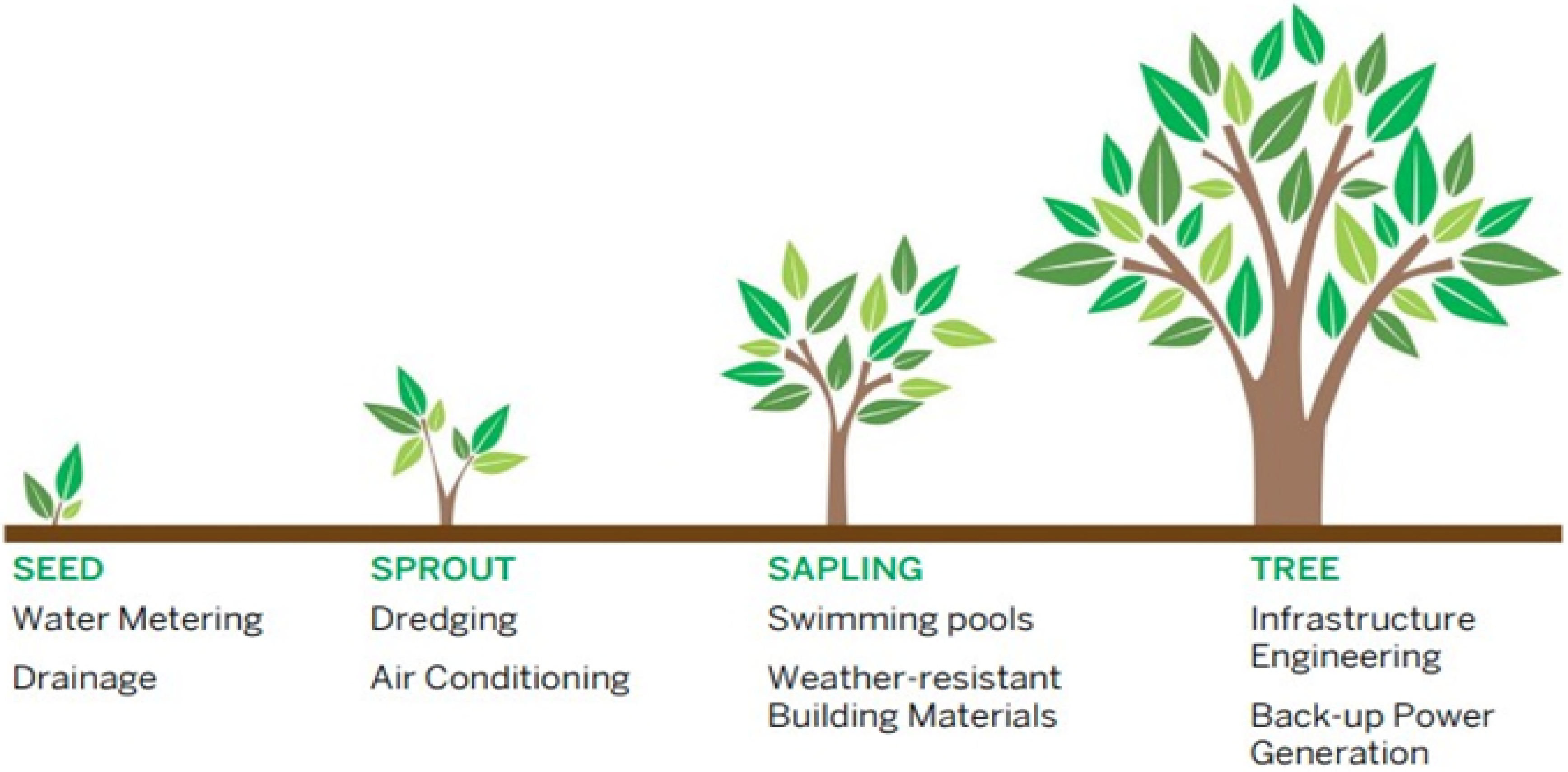


Source: Credit Suisse

Thematic: Climate Investing - alignment to SDG

Source: Wellington Management, www.un.org | Wellington Management supports the UN SDGs. | Updated annually. The chart shows primary SDGs associated with the corresponding sustainability themes for the fund as of 30 April 2022. We do not manage the portfolio to any targeted level of alignment in regard to the UN SDGs. | The data shown is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. | A decision to invest should take account of all the characteristics and objectives described in the offering documents.

Thematic: Climate Investing Tailwinds



Source: Wellington Management

Biblical Framework

- 1 Corinthians 10 23-24: “I have the right to do anything, you say - but not everything is beneficial. I have the right to do anything” - but not everything is constructive. No one should seek their own good, but the good of others.”
- Timothy 6 17-19: “Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share.”

Biblical Framework

- Matthew 25: A man going on a journey called his servants and entrusted his wealth to them… The servant who had received *five* bags of gold went and gained *five* bags more.

- Mark 4: “Other seed fell on good soil. It came up, grew and produced a crop, some multiplying thirty, some sixty, some a hundred times.”

Faith-Driven Investing

- Faith-driven investing aligns our investments with our faith values and with biblical values
- Intentional steps to glorify God
- Seek the good of our neighbor with our investments, to the glory of God
  - *You shall love your neighbor as yourself*
- Am I loving God and my neighbor with my investment decisions?

Source: https://www.faithdriveninvestor.org/blog/investing-with-christian-freedom

A Moral and Spiritual Framework

- Climate change is a moral, spiritual, and human issue
- Poverty, peace, justice and climate change are linked
- Integrate an understanding of the real cost of fossil fuels and climate change into every part of your life, including investing

https://www.brethren.org/ac/statements/2018-creation-care/

Creation Care Investing Framework

- God is the Creator of everything, so everything belongs to Him and should be used without destroying it
- Apply a Christian worldview to investments
  - God created the world
  - This influences the way we look at the world
  - Investing is part of the world
  - Apply this worldview to investments
- Creation care investing is an opportunity to work out the mandate in Genesis 1 & 2

Creation Care Investing Considerations

- We use what God has provided to produce food, clothing, shelter, medicine and goods for enjoyment

- Stewardship of creation ensures our ability to meet these and other needs

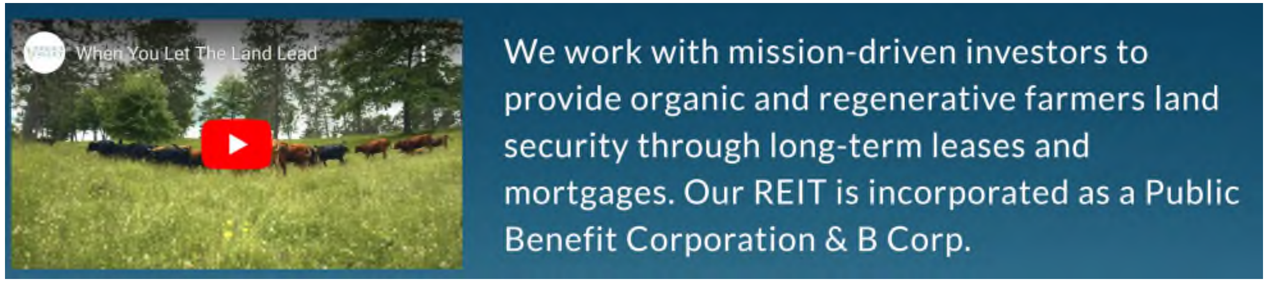
- The assets we invest can be used productive purposes

- Investments should target positive environmental outcomes

Impact Investing

- Generate positive and measurable environmental impact along with a financial return
  - Advance environmental solutions

- Give up some short-term gain by making an investment that will yield a long-term gain for our planet



Discussion & Breakout Session

Questions:

- What goals do you have for your investing?
- Are there changes you might consider to align creation care, your values and your investments?

Apply the Theological to the Practical

- Allocate funds to parts of society that enable us to be productive and good stewards of capital

- Investing practices
  1) Work with a financial advisor
  2) Use ETFs, index funds or mutual funds
  3) Select investments personally

Resource: https://www.ncfgiving.com/stories/how-our-faith-affects-the-way-we-invest/

Working with a Financial Advisor

- Explain your goals to your advisor
  - Financial goals
  - Impact goals
  - Personal values

- Ask for advice and support to match goals to investments

- Track results
  - Financial reporting
  - Impact reporting

Selecting ETFs, Index Funds or Mutual Funds

- Personal investment profile
  - Goals, risk, criteria
  - Financial and impact returns

- Identify funds
  - Research
  - Subscriptions

- Select funds
  - Examples: Pax (ETF) or Sovereign's Capital (Fund)

Managing Investments in Funds

- Regularly review holdings of funds you invest in
  - Read company & analyst reports
  - Review Fund holdings
- Compare funds and your personal profile
- Adjust holdings annually

Environmental Markets Fund

Investing in resource efficiency and environmental solutions.

Source: Pax

What we offer

- Ability to fully diversify your investments across twelve mutual funds, four ETFs and five asset classes.
- The expertise of over forty individual money managers.
- Anyone can invest, $0 minimums on all qualifying plans.
- All funds are morally filtered through Biblically Responsible Investing, helping you align your investments with your Christian values.

Source: Timothy Plan

Individual Investment Selection

- Many categories of investments
  - Shares, bonds, real estate, commodities, startups

- Personal framework
  - Goals and risk profile
- Understand investment
  - Education

Individual Investment Selection

- Analysis of companies
- Sources of information
  - Research: Company, media and publications
  - Subscription: Morningstar or Biblically Responsible Investing Institute or others
- Select shares, bonds or other investments
  - Example: Episcopal Church Pension Fund invested $40 million in the New Energy Capital (NEC) Infrastructure Credit II fund

ServiceMaster's core commitment is to "honor God in all we do."

Returns can be Positive

- ESG investment returns can be better than other investments

- Christian-run companies can outperform the market (per Sovereign's Capital)

ESG AND FINANCIAL PERFORMANCE:

Uncovering the Relationship by Aggregating Evidence from 1,000 Plus Studies Published between 2015 – 2020

By Tensie Whelan, Ulrich Atz, Tracy Van Holt and Casey Clark, CFA

Sources
https://www.stern.nyu.edu/sites/default/files/assets/documents/NYU-RAM_ESG-Paper_2021%20Rev_0.pdf
https://kenaninstitute.unc.edu/kenan-insight/does-esg-investing-generate-higher-returns/

Case Study: USCCB

- Invest in companies whose business models are consistent with the emission reduction goals of the Paris Agreement

- Avoid investing in companies that have caused biodiversity loss

- Avoid investing in companies that directly contribute to water depletion or degradation

Source: United States Conference of Catholic Bishops
https://www.usccb.org/resources/Socially%20Responsible%20Investment%20Guidelines%202021%20(003).pdf

Increasing the Impact

- Active engagement with firms
- Encourage companies via dialogues, votes and support of shareholder resolutions to establish GHG emission reduction goals, disclose low-carbon planning & mitigate climate change (USCCB)
- Send shareholder letters
- Vote on important company agendas

Sharing, Discussion and Q&A

Questions

- How do you learn about potential investments?
- What is your experience with investing for impact?
- What concerns do you have about investing for creation care?

Make a Difference

- *"Every individual matters and has a role to play in this life on earth. The chimpanzees teach us that it is not only human but also non-human being who matter in the scheme of things. Above all we must realize that each of us makes a difference with our life. Each of us impacts the world around us every single day. We have a choice to use the gift of our life to make the world a better place – or not to bother." – Jane Goodall*

Photo by Stuart Clark

Closing

- Closing prayer

Appendix

Thematic: Climate Investing – types of risks

Source: Wellington Management

Negative Screening

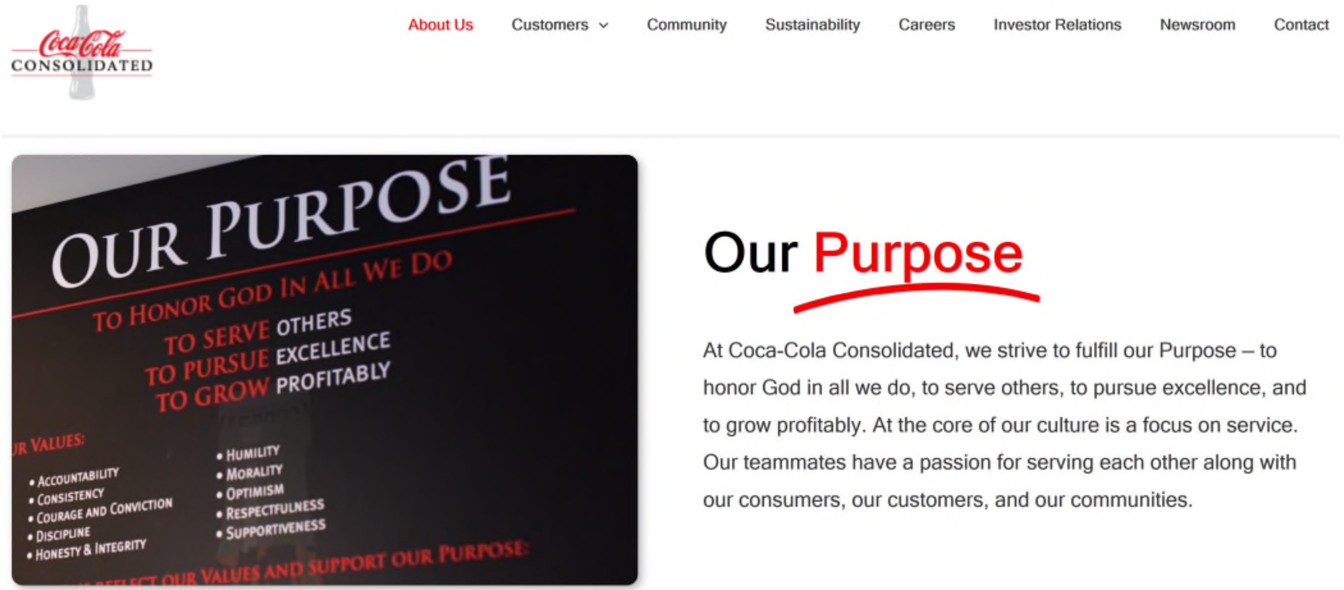
- Do not invest assets in ways that are inconsistent with your faith, values or other criteria

- Identify and avoid companies that damage creation or disrespect life

- Exclusion: Avoid ethically questionable firms such as gambling, weapons or tobacco

Positive Screening

- Screen for the 10% of the market functioning especially well
  - Funnel capital to the best leaders and the most impactful companies
- Screen for (Christian) leadership
- Impact
  - Select firms to advance society and environmental sustainability



Source: https://www.cokeconsolidated.com/about-us/