

▶ CATHOLIC RESPONSIBLE INVESTING

Screening for Catholic Values

Like all investors, Catholics want to earn competitive returns. But Catholics also care deeply about how those returns are achieved – we simply do not want to benefit from activities that violate our beliefs. The best way to avoid investing in companies whose activities violate Church teachings is through a systematic screening approach.

In practice, a well-designed screening process will apply a detailed understanding of Catholic moral theology to identify products and activities that should cause certain companies to be excluded from an investment portfolio.

Investment screening is applied to a portfolio to filter out companies based on moral or social beliefs. Similar to employing screens to implement a particular investment strategy (e.g., deep value investing or momentum investing), CBIS applies screens based on Catholic beliefs.

THE NEED FOR CATHOLIC INVESTMENT SCREENING

For the Catholic investor, the decision to buy a company's security must involve an evaluation of whether it is appropriate to make money from that company's activities, in light of both the public stance the Church has taken on an issue and the dictates of personal conscience.

An effective screening policy, then, is far more than a 'check-the-box' exercise.

The CBIS approach to screening, a formal process called Catholic Responsible Investing, combines detailed research and continuous portfolio monitoring to carefully apply beliefs and screening criteria to portfolio management.

"Catholic Investment Screens should be the core component of a multi-strategy approach to investment management for any Catholic investor."

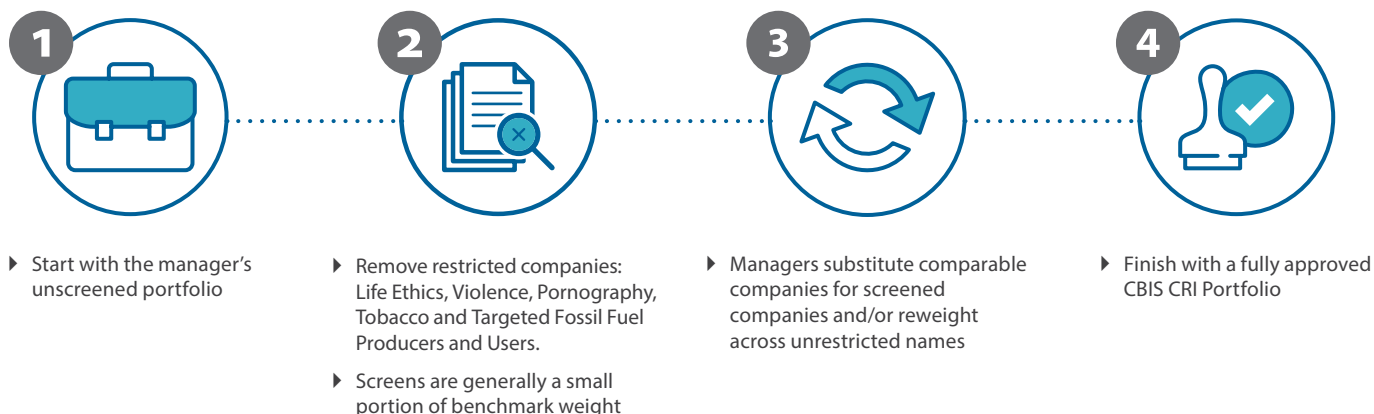
—JOHN GEISSINGER
Chief Investment Officer, CBIS

DETERMINING WHAT COMPANIES TO SCREEN

CBIS has developed screening criteria by examining Catholic teachings, United States Conference of Catholic Bishops (USCCB) Guidelines on socially responsible investing, and the consensus views of Catholic institutional investors. We apply that criteria to equity and fixed income securities of a broad universe of companies, including those in developed, emerging, and frontier markets. Decisions of whether to exclude a company are based on detailed issue-specific criteria along with analysis of third-party data and our own research.

To ensure we cover a wide range of issues of concern to Catholic organizations, we directly engage companies on issues related to human dignity, economic justice, and environmental

INVESTMENT SCREENING OVERLAY



stewardship. Our basic philosophy is to screen out companies based upon what they do, and to use active engagement with companies when our concern is with how they are conducting their business.

Together with diversified asset management and Catholic investment screening, this kind of “active ownership” helps investors earn competitive financial returns while generating social and environmental returns in alignment with the teachings of the Catholic Church.

IMPLEMENTING THE SCREENING PROCESS

On full reflection, the CBIS Catholic Responsible Investing approach addresses FIVE issue categories:

1. Life Ethics:

Derived from the principle of Protecting Human Life, this screen focuses on the respect for innocent human life, both born and unborn. Companies involved with contraceptive drugs and devices, human embryonic stem cell research, fetal tissue research, or human cloning, and healthcare facilities that perform abortions are excluded from consideration.

2. Violence:

While Catholic moral teaching recognizes the legitimate right of self-defense, current levels of weapons production go beyond what is required for general defense. The CBIS screen seeks to

identify the largest weapons manufacturers using quantitative and qualitative criteria based on the amount of revenue a company earns from nuclear weapons, conventional weapons, support systems for weapons and support services, and the level of dependence on weapons production as measured by revenue percentage. Companies identified by this criterion are excluded from consideration.

3. Pornography:

The Church condemns pornography as an assault on the dignity of those who produce it and those who consume it. CBIS screening restricts investments in companies that produce pornographic products or provide pornographic services. Companies that earn 10% or more of their revenue from pornography are excluded.

4. Tobacco:

The Catholic Church does not forbid the use of tobacco products, but Catholic healthcare organizations strongly object to investing in tobacco given the adverse impact of its use on human health. Companies that profit from tobacco-related activities are excluded from consideration.

5. Targeted Fossil Fuel Producers and Users:

Relying on the Vatican's “Journeying Towards the Care for Our Common Home” document and the teachings of Laudato Si, CBIS has

MONITORING SCREEN IMPLEMENTATION



implemented screens to exclude companies that have an outsized impact on carbon emissions and who we believe will be unable to adapt their business model. Specifically, we are excluding from consideration companies generating more than 10% of revenue from certain activities, including the mining and processing of thermal coal, the extraction and processing of oil sands, or the burning of thermal coal for power generation.

MONITORING FOR ADHERENCE

The CBIS approach to Catholic Investment Screening is a continuous and ongoing process. Recognizing that the set of excluded companies will change over a normal course of business, adherence to our screens is carefully monitored. CBIS will contact companies directly to verify and ascertain the extent of a violation.

To verify compliance, CBIS employs a three-tier process:

1. An updated restricted company list is produced each quarter.
2. Portfolio holdings are audited daily to verify compliance with the restricted company list,

including holdings that have become newly restricted as a result of merger and acquisition activity.

3. Trades in restricted securities are put a hold on and are typically reversed before settlement.

ACHIEVING SOCIAL AND MORAL RETURNS IN HARMONY WITH FINANCIAL RETURNS

Over the long term, the CBIS approach to investment screening -- one rooted in Catholic beliefs and incorporating USCCB investment guidelines -- has empowered investors to avoid companies whose activities violate Church teachings. At the same time, the Catholic Responsible Investing approach has not had a material impact on investment returns.

"Screening may cause portfolios to under-perform or over-perform in a given period, but over a complete market cycle, the positive or negative impact has historically been very small."

—JOHN GEISSINGER
Chief Investment Officer, CBIS

▶ **Bottom line: It is possible to confidently avoid investing in companies in fundamental conflict with Catholic beliefs and still earn competitive returns.**

Important Information: This is for informational purposes only and does not constitute an offer to sell any investment. The Funds are not available for sale in all jurisdictions. Where available for sale, an offer will only be made through the prospectus for the Funds, and the Funds may only be sold in compliance with all applicable country and local laws and regulations.