

## Memorandum

# Expanded Strategic Relationship with Mercer



CBIS is a Catholic investment firm whose mission is to serve Catholic investors who are looking to transform the world. Pursuit of this ambitious goal demands we effectively provide compelling investment opportunities to devoted Catholics.

While CBIS, with over four decades of experience responsibly managing Catholic investment assets, might be uniquely prepared for the challenge, a goal of this sort in today's market requires abundant resources.

As a firm, we have committed to nearly doubling our annual expenditures on the Catholic Responsible Investments (CRI) Team — the largest financial outlay in CBIS' long history. And we're applying resources in a calculated way, one that acknowledges our future as a global firm serving Catholics around the world. For the first time in CBIS history, we anticipate a good portion of our investment talent, upwards of 40%, to be located in Europe.

And with an informed eye toward cementing our leadership position in the Catholic markets for the long term, I'm excited to announce that CBIS has expanded our relationship with Mercer, one of the industry's largest investment consultants and solutions providers, to help us advance our mission.

Backed by more than 4,700 employees and with over \$15 trillion of assets under advisement\*, Mercer will add significant scale to the CRI Team, and immediately provide CBIS team members more time and resources that will reinforce the integrity of our CRI process.

*\*Source: Mercer, as of 3/31/2024.*

***Importantly, while Mercer will essentially function as an extension of the current CBIS Investment Team, CBIS will retain discretion on all investment decisions, including product integrity, which includes ensuring products pursue their objective, portfolio construction, and manager selection.***

## Why did CBIS decide it needed a strategic relationship?

We determined that a strategic relationship with one of the industry's most respected global investment consultants and solutions providers was the best path forward for a firm of our size. The Catholic Church and Catholic investors — U.S. and non-U.S. alike — have been looking to CBIS for more dynamic investment products. While CBIS is an asset manager of respectable scale, to meet the demand for a more robust product lineup would require more resources and capital than we could ever generate through growth.

This decision to expand our relationship with Mercer followed extensive analysis into industry trends and numerous discussions with leading asset management firms, consultants, custody banks, and trust companies across the industry. Mercer, we determined, was best positioned amongst its peers to meet CBIS' near- and long-term needs. CBIS' Investment Team has utilized Mercer's research for a number of years through their platform, MercerInsight®.



*It's important to note that Mercer has an established practice helping Catholic values-aligned investors meet their objectives. Given our respective places in the industry, this relationship represents a unique opportunity for both firms.*

## What role will Mercer play in the relationship?

To be clear, CBIS retains full discretion over investment decisions, including product integrity, portfolio construction, and manager selection decisions. Mercer will provide us with critical support in solution design and managing sub-adviser relationships including manager research, manager due diligence, and fee negotiation.

Mercer will also be well-represented on our newly formed Catholic Responsible Investments Committee. With a goal of maintaining CBIS' investment independence while benefitting from Mercer's investment resources, the Committee will include voting members and subject matter experts — U.S. and non-U.S. — from both firms. In addition to a number of investment professionals, the Committee will bring into its discussions any internal or external subject matter expert necessary to help make effective investment decisions. These additional voices and participants will include the entirety of CBIS' CRI Team, Mercer asset class specialists, and the funds' sub-advisers.

In the end, our relationship with Mercer does not change our role in managing the CBIS fund complexes. What the resources and experience of a sophisticated global investment consultant and solution provider does do is greatly enhance the resources and capabilities of the CBIS Investment Team as it seeks to develop innovative investment products and strategies aligned with market trends.



## How will Mercer help CBIS?

Mercer will immediately add resources and scale to CBIS. CBIS has operated with a constrained set of resources that have served all our investment activities. Time-intensive work like manager research and due diligence has consumed an outsized amount of those resources. The Mercer relationship with its combined capacities will immediately enable the Investment Team to organize its time around the highest value work: product integrity, portfolio construction, and manager selection.

Mercer will expand our reach and product development capabilities — new strengths that will bring access to a much broader array of asset classes and investment strategies for our investors over time. It has been our long-term strategic plan to further build out our Investment Team, specifically with a dedicated portfolio management resource outside of the U.S. This relationship is allowing us to execute on this plan and we are in the process of hiring a European-based portfolio manager.

In addition, with Mercer supporting us in many of our structural and process-driven activities, the CBIS Investment Team will be much better positioned to support our goal of building a broader lineup to serve a global Catholic audience. We will see direct benefit from Mercer's operational efficiency and product development capabilities, as well as the firm's unmatched insight into our investment management processes, systems, contracting, and implementation.

The resources Mercer will bring to CBIS will also provide an immediate boost to our advocacy efforts. Our work on behalf of investors to engage companies to improve their policies and practices will remain an essential aspect of CBIS' CRI approach. Because the CRI Investment Team will have more capacity overall, we have realistic expectations that the number of shareholder engagements will grow threefold in the near term.



## How will this relationship positively impact investors/funds?

CBIS will be positioned to provide a more complete solution for Catholic investor needs around the world. In anticipation of expanding our non-U.S. business, and as part of our plan to have investment talent outside the U.S., we have begun a search for a Europe-based portfolio manager.

That expansion, we hope, will take us to markets where the Catholic Church is growing the fastest, specifically the Global South. Recognizing that one of our primary missions is to serve the Church, we see great opportunity to reach into these markets — currently under-served by the investment community — in conjunction with Mercer and work with them as they grow.

## Will this change the CBIS investment philosophy?

Our CRI approach remains the same. This expanded relationship will in no way disrupt our well-formed manager-of-managers approach to investing. In fact, Mercer’s “best thinking” approach also aligns with the use of multiple complementary investment managers. A critical component of our relationship is Mercer’s investment philosophy around actively managed products, one which comfortably complements our own investment approach.

***Remember, CBIS retains full discretion over the investment decisions. A key reason for engaging Mercer in a strategic relationship is to ensure we can execute across a much broader array of asset classes and investment strategies to meet market demand.***



## How will this decision to work with Mercer impact your relationship with CBIS?

We're confident that Mercer's depth of knowledge and research in active management resources will enable CBIS to deliver a suite of Catholic investment solutions more robust than anything we have done previously.

Against that backdrop, it's of primary importance that this strategic relationship with Mercer only improves your own existing relationship with CBIS. Your CBIS relationship manager will remain as your key CBIS contact and you should expect the same good service from us you've come to expect.

In combination of all these things, we believe that working with Mercer will enable us to quickly deliver better risk-adjusted outcomes from a broader array of products while opening the door to continuously improving our service offering. And we can do this while improving the firm's prospects for accelerating top-line growth.

*It's the best way we can think of for CBIS to serve Catholic investors looking to transform the world today – and to keep serving them well into the future.*

### Important Information

**Carefully consider the funds' investment objectives, risks, and charges and expenses. This and other information can be found in the funds' full and summary prospectus, which may be obtained by visiting [www.cbisonline.com](http://www.cbisonline.com) or by calling 1-866-348-6466. Please read the prospectus carefully before investing.**

There are risks involved in investing, including loss of principal. Asset allocation may not protect against market risk. There is no guarantee that these strategies will result in positive performance. Catholic Responsible Investment ("CRI") is an investment strategy designed specifically to help investors seek sound financial returns while remaining faithful to the teaching of the Roman Catholic Church.

The Funds consider the CBIS's CRI criteria in its investment process and may choose not to purchase, or may sell, including at inopportune times which would result in losses to the Fund, otherwise profitable investment in companies which have been identified as being in conflict with the CBIS's CRI criteria. Funds may underperform other similar funds that do not consider CRI guidelines when making decision.

The funds are distributed by SEI Investments Distribution Company (SIDCO). SIDCO is not affiliated with CBIS, the adviser, or Mercer, a sub-adviser, to the funds.

## Contact Us

**We want to hear from you!**

If you have any questions, please reach out to your CBIS representative:



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