



## Alignment with Guidance Takes Far More Than a Simple Checklist

With the Vatican's publication of Mensuram Bonam in 2022, Catholics responsible for stewarding assets were presented with a proposed set of practical, faith-based investment guidelines. While the guidance includes a good number of specific directives, the Vatican was fully transparent in its intention that Mensuram Bonam represent only a "starting point" for Catholics seeking to apply faith-based criteria in the stewardship of their finances.

The challenging task of alignment with Mensuram Bonam's guidance, then, was left to the investor, institutional and individual alike.

CBIS welcomed the Church's call to fully integrate social and moral teaching into the management of financial assets. Blessed by the Christian Brothers' original vision for active ownership, CBIS has been on the responsible journey for more than forty years. Today, with the infrastructure and experience necessary to align with the call of the Gospel and the wisdom of the tradition of the Church, CBIS is fully prepared to meet the challenge of the Mensuram Bonam. More than that, we as a firm are just as fully prepared to help those whose journey is only beginning.



## CBIS Has Put Good Measures into Practice

As a long-time steward of responsibly managed Catholic assets, CBIS has for years relied on guidance from the eleven Catholic Bishops Conferences around the world in development of its Catholic Responsible Investments policy. Beyond our long-standing relationship and work with the United States Conference of Catholic Bishops, the CBIS team monitors guidance from the Conferences on Human Rights, Life Ethics, Addictive Substances, Climate Change, and Animal Testing.

It's worth noting that Mensuram Bonam does not ask these Conferences collectively to come together as one. The document only encourages those who have not developed guidelines to use Mensuram Bonam as a stimulus to do so. Where investment guidelines and criteria do exist, these Conferences are encouraged to persevere in systematically integrating Catholic Social Teaching into their investment policies and adjust them where necessary from time to time.

The publication of Mensuram Bonam represents the Church’s first effort to incite reflection among all investors on human values for development. We’re proud to have been in position to contribute to the working committee’s efforts in developing a comparison of the Bishop’s Conferences various guidelines. While the Bishop’s Conferences will most assuredly remain a critical component of CBIS inputs, it must be said that, with Mensuram Bonam, we’ve been blessed with a new and primary source of inspiration.

Given our long history of work with issues related to human dignity, economic justice, and environmental stewardship, it’s no surprise our journey has brought us to a place that closely aligns with the Vatican’s call to action. Indeed, Mensuram Bonam’s calls for faith-based investing to “engage, enhance, and exclude” reaffirms the Catholic Responsible Investments strategy CBIS has employed for more than four decades.



## How We Engage

CBIS has long believed that engaged ownership is the most effective way to raise awareness and change perceptions of company management. From our founding, CBIS has assumed what Mensuram Bonam describes as “vote, voice, and exit” to be a core tenant of our business. Well beyond letter writing and proxy voting, CBIS directly engages with company leadership on behalf of investors regarding core issues of concern to Catholics. We believe that companies paying attention to these issues, which we often bring through shareholder resolutions, will be better performing companies. In the end, we want these businesses and our investors to succeed.



## Views on Fossil Fuels from Around the World

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Mensuram Bonam and the German, Austrian, Italian, and U.S. Catholic Conferences specifically express concern about climate change.

- German Bishops mention disrespect for minimum ecological standards.
- Austrian Bishops exclude companies producing natural gas by fracking or producing crude oil by fracking or from tar sands.
- Italian Bishops explicitly restrict companies involved in the extraction, use, and production of energy based on coal.
- USCCB says it will consider divestment from those companies that consistently fail to initiate policies intended to achieve the Paris Agreement goals.

## How We Engage and Divest in the Fossil Fuels Arena

CBIS has heard the Vatican’s call for “progressive divestment” as outline in *Laudato Si’: On Care for Our Common Home*. In recognizing the world’s need for energy, we have discerned the Church’s message that choosing the least harmful fossil fuel alternative is an appropriate approach.

To that end, CBIS has been leading shareholder engagements with the largest players in the oil and gas sector for the last 30 years to influence the industry towards a transformation to a low-carbon future.

Along this journey, the Catholic Responsible Investments team has implemented screens to exclude high-impact companies that it believes will be unable to adapt their business model to climate change.

In implementing our targeted fossil fuel screen, CBIS restricted 53 companies in 2022 and an additional 77 companies in 2023, a 145% increase, bringing the total number of restricted companies to 130.



## Read CBIS’ Inaugural Impact Report

To read the full report, scan the QR code below or visit:



<https://cbisonline.com/us/library/inaugural-impact-report/>



## Screening with Purpose

So, what do we divest from? Transitioning from coal, for example, is a huge reduction in carbon intensity so it's easy enough to divest from coal mines. And it's easy to divest from utilities that burn coal. But what about a utility company that's on its own path of progressive divestment from coal? We want to be in position to encourage and support that movement. To do so requires a "seat at the table."

That's why the CBIS Impact & Justice team continues to engage with companies that demonstrate sufficient progress in the decarbonization of their business models. As an engaged shareholder, CBIS' has sought to change the business models of certain carbon-intense firms, with an eye towards strategies that ultimately reduce demand for fossil fuels.

CBIS screens approximately 30% of the S&P 500 and 20% of the MSCI All Country World Index (ACWI) utilities sector.

**The restricted list includes 130 companies from targeted sectors:**

- **Electric Utilities**
- **Multi-Utilities**
- **Electricity Producers**
- **Consumable Fuels**
- **Metals and Mining**
- **Industrial Conglomerates**  
**Construction Materials**



## Emissions Are Everywhere

# 18%

of greenhouse emissions is from use **in buildings, including our homes.**

# 16%

of greenhouse emissions is from use in **transportation, including trucking and aviation.**

# 24%

of greenhouse emissions is from **basic industry use, including iron and steel.**

# 18%

of greenhouse emissions is from **agricultural, forestry, and land use.**

Remaining emissions are attributed to **waste, chemicals, cement, and other miscellaneous energy sub-sectors.**

Source: [OurWorldinData.org](https://ourworldindata.org), 2020.



## How We Enhance

Enhancing, according to Mensuram Bonam, includes active participation with corporations to help shape policies, reforms, and decisions. CBIS' work in this complex endeavor relies on direction from its Impact and Justice Steering Committee that sets priorities for engagements and monitors the goals for those engagements. The committee, which also oversees the firm's proxy voting and screening practices, helps to ensure that our process is strong and thoroughly reviewed. CBIS also made the strategic decision to include an "impact investing" component to its fixed income funds.

## How We Enhance with Impact Bonds

A greener future requires capital to facilitate the transition. "Impact bonds" are one way we know to effectively allocate capital to help effect that change. CBIS' fixed income funds include impact bond strategies that seek to address social or environmental challenges while generating positive outcomes and positive financial returns. These investments allow us to make substantive investments in positive climate change, renewable energy, and energy efficiency while generating competitive investment returns.

The bonds' structure ties financial returns to the achievement of predefined social or environmental outcomes. Impact bonds encourage innovation, collaboration, and accountability by shifting the risk of achieving outcomes from the funder to the service provider, thus aligning financial incentives with positive social impact.



## How We Exclude

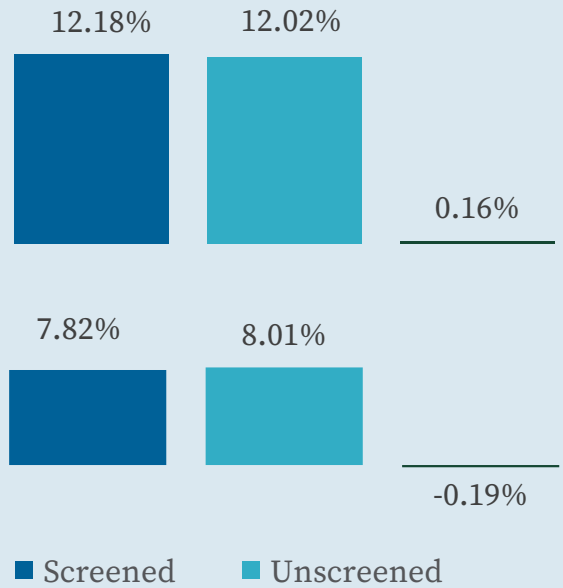
Mensuram Bonam suggests the key to an exclusionary policy is the avoidance of ethical contradictions between an investment and the teachings of the Church. The CBIS approach to that end has, for over forty years, combined a thoughtful consideration of active ownership issues with an analysis of industry data to screen with discernment. Our in-house research has consistently focused on important topics years ahead of other firms.

## How We Exclude with Discernment in the Climate Change Space

CBIS' approach to climate change is more than just dealing with oil and gas companies. Investing in the space addresses a systemic issue about demand and supply. Divestment by itself is insufficient to effect real change. In our view, the industry needs to collectively pressure companies to change. For our part, we divest and we engage. And we work on utilities and agriculture, not just fossil fuels.

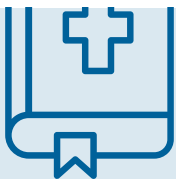
The fact is, there are emissions coming from everywhere. Our response is to employ a multipronged strategy: we're divesting, we're engaging, and we're making positive investments. Executing on the three pieces collectively is critical.

## Screening Has Not Diluted Performance



Investment	CRI Equity	CRI US Small Cap Equity
Period Covered	12/31/13 – 12/31/2023	12/31/13 – 12/31/2023

Source: eVestment





## CBIS Has Structure in Place

Blessed by the insight of the Christian Brothers, CBIS has the benefit of four decades of work on its active ownership infrastructure. Over those years, the firm has accumulated resources. The firm has accumulated talent. And, perhaps, most importantly, the firm has accumulated credibility.

Today, CBIS works in collaboration with faith-based networks like ICCR, PRI, FAIRR, CERES\*, and Investor Alliance for Human Rights. In that work, we share knowledge and lead strategies to strengthen corporate performance on a range of focus issues. Additionally, we leverage our sub-adviser relationships to help promote joint action and advance our engagement goals. Efforts of this sort require capital, established relationships with vocal, like-minded professionals, and the courage to lead.

To ensure a steady alignment of interests between the firm and its Catholic investors, we rely on the CBIS' Charisms Council, an independent advisory body comprised of thought leaders in Catholic moral and social teaching. The Council, essentially a forum for investor feedback, reviews and opines on important CBIS initiatives that touch on the firm's application of Catholic teaching in its investment strategies.

\* ICCR: Interfaith Center on Corporate Responsibility  
PRI: Principles for Responsible Investment  
FAIRR: Farm Animal Investment Risk and Return  
CERES: Coalition for Environmentally Responsible Economies

## Charisms Council



**Sister Patricia Boss, OP**

Retired Chief Financial Officer,  
Sisters of St. Dominic,  
San Rafael, California.



**Rev. Dariusz Garbaciak, SVD**

General Treasurer,  
Society of the Divine Word,  
Rome, Italy.



**Deacon Jeff Trumps**

Chief Financial Officer,  
Diocese of Lafayette,  
Lafayette, Louisiana.



## CBIS Will Be an Evangelist

We're confident in our belief that CBIS is in a special position to evangelize the good news of Mensuram Bonam. The De La Salle Christian Brothers are dedicated to education, and so is our firm. To that end, we are carrying the Vatican's message to our investors, to consultants and advisers, and to Church leadership. Since the document's publication in 2022, CBIS has hosted industry events and panel discussions in a passionate effort to spread the message.

Hearing the good news of Mensuram Bonam will be of great consequence to all of those who desire to invest in accordance with the Catholic faith. To that end, CBIS has made a formal commitment to share the knowledge of this great body of work with the community at large.

While CBIS as a firm has the kind of infrastructure and process necessary to answer Mensuram Bonam's call, we know others among us may not. Recognizing that we still have much to do ourselves, we pledge to help other committed Catholics in their own journeys.

As a call to action, Mensuram Bonam looks forward. We look forward, too, in our ongoing effort to interpret and implement Mensuram Bonam for the Catholic faithful.





## Important Information

**Before investing you should carefully consider the new Funds' investment objectives, risks, charges and expenses. This and other information is available in the prospectus, or summary prospectus. Please read the prospectus carefully before you invest. The prospectus, or summary prospectus, can be obtained by calling 1-866-348-6466.**

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be higher or lower than the performance quoted. For performance current to the most recent month end, please visit our website at [www.cbisonline.com](http://www.cbisonline.com) or call 1-866-348-6466.*

Performance data shown prior to 12/03/2021 is that of the funds of the Catholic United Investment Trust (the "Predecessor Funds"). The Predecessor Funds were managed by the Adviser using investment objectives, strategies, policies and restrictions that were in all material respects equivalent. The performance information has been adjusted to reflect Fund expenses which may result in higher or lower performance.

Net Performance as of 03/31/24	One Year	Five Years	Ten Years
CRI Equity Index Fund	29.97	15.18	13.14
CRI Small-Cap Fund	16.09	9.01	7.98

Source: SEI, FactSet

Catholic Responsible Investments ("CRI") is an investment strategy designed specifically to help investors seek sound financial returns while remaining faithful to the teachings of the Roman Catholic Church. The Fund considers the Adviser'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 Adviser's CRI criteria. Funds may underperform other similar funds that do not consider CRI guidelines when making decision.

Unscreened portfolio use the underlying sub-adviser's actual funds, without CRI screens and provided by eVestment. This research is provided for illustrative purposes of CBIS' screening process and is not meant to represent actual results for the CBIS Funds. There are other CBIS Funds available and the results may vary significantly.

Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment management fees and other expenses that may be incurred.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives. Current and future holdings are subject to risk.

Expense Ratio: CRI Small-Cap Fund 0.29% (Gross), 0.29% (Net). CRI Equity Index Fund 0.11% (Gross), 0.09% (Net).\*

\*Fee waivers and reimbursements are contractual and in effect until 02/2/25.

The Catholic Responsible Investments Funds are distributed by SEI Investments Distribution Co. (SIDCO) which is not affiliated with CBIS.

The securities identified and described do not represent all the securities purchased, sold, or recommended for CRI Funds, CBIS Global Funds, and Separately Managed Accounts. The reader should not assume that an investment in the securities identified was or will be profitable. Visit our website for a complete list of securities offered during the period.