



# Understanding Wespath's Social Values Choice Funds

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Live From Wespath | May 2026

**Wespath**



# Question to Answer in the Chat

Why do you  
choose to invest  
in the Social  
Values Choice  
funds?

**OR**

Why are you  
considering  
investing in the  
Social Values  
Choice funds?

# About the Social Values Choice (SVC) Funds

The SVC funds provide investment options that adhere to heightened environmental and social investment criteria. The SVC funds DO NOT invest in:



Companies that derive a significant amount of revenue from involvement in the **fossil fuels** industry



Companies with operations in “high risk” countries and areas that demonstrate **human rights** abuses



Certain investments identified by actions of the **UMC General Conference**

Like all investment funds offered by Wespath, the SVC funds also consider environmental, social and governance (ESG) factors to add value, manage risk and support alignment with The United Methodist Church’s values.

# SVC Funds at a Glance

The SVC funds provide **diversified, global exposure** to equities and bonds:

|                    | SVC Equity Fund – P Series<br>(stocks)       | SVC Bond Fund – P Series<br>(fixed income) |
|--------------------|--|--|
| <b>Benchmark</b>   | MSCI World Index                             | Bloomberg U.S.<br>Aggregate Index          |
| <b>Allocations</b> | U.S. and non-U.S.<br>developed market stocks | Diversified mix of bonds                   |
| <b>Strategy</b>    | Passive                                      | Active                                     |

The SVC option in LifeStage also can allocate to:

- U.S. Treasury Inflation Protection Fund — a passively managed, inflation-protected fixed income fund
- Stable Value Fund — an actively managed fixed income fund that seeks to preserve capital and earn steady income

# Investment Process



- Determine fund objectives and asset allocation
- Decide on strategy—active, passive or a blend
- Ensure diversification, complementary strategies, risk mitigation
- Integrate investment research and data
- Use capital market assumptions (CMAs) to optimize allocations
- **Specific impact focused strategies including PSP, etc.**



- Leverage relationships, networks, databases to find top-tier managers
- Prioritize strategic partnerships and inclusive approach
- Conduct desk research and site visits
- **Sustainability-specific due diligence and conviction**
- Present to Investment Committee for collaborative decision



- Daily checks to ensure smooth and efficient fund operations
- Regularly review funds, compare to benchmarks and peers
- Monitor fund risks and manager performance **including sustainability performance and risk**
- Review client asset allocations annually, monitor client IPS compliance

# Social Values Choice (SVC) Funds in LifeStage

Before  
2026

SVC Equity Fund,  
SVC Bond Fund and  
U.S. Treasury Inflation  
Fund only available  
to individuals who  
self-manage

Starting  
2026

An SVC option  
now available in  
LifeStage Investment  
Management  
(LifeStage)

## LifeStage

Allocates a participant's investment portfolio to funds—and automatically adjusts the portfolio over time—based on personal factors like age and risk tolerance

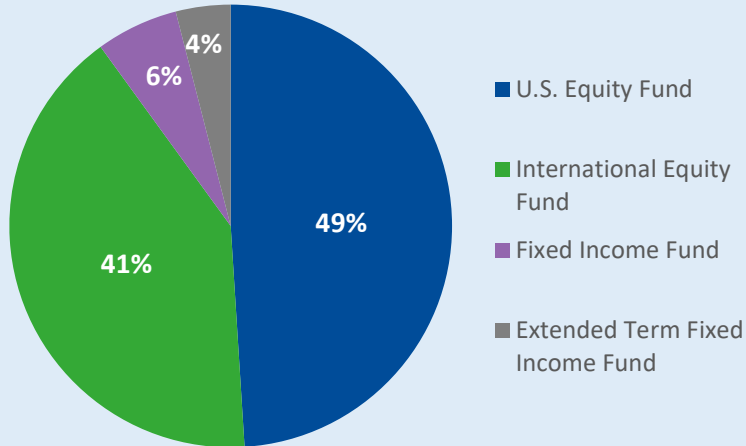
# Standard Funds vs. SVC Funds in LifeStage

## STANDARD FUNDS

Lay Participant 1

**Moderate Risk Tolerance**

Age: 35    Salary: \$40,000    PIP Balance: \$50,000

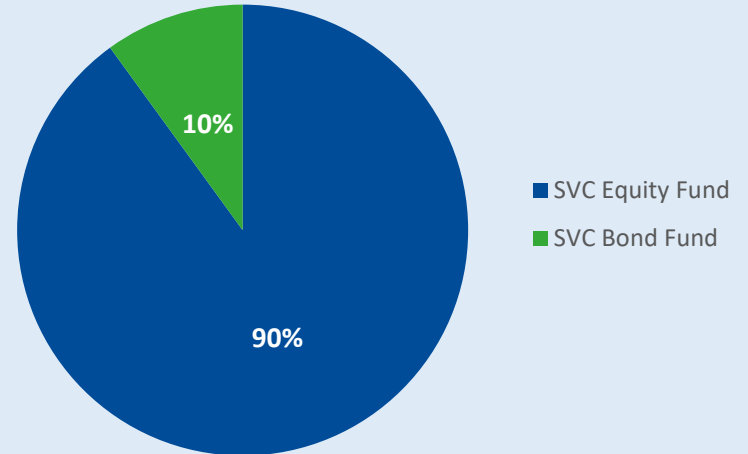


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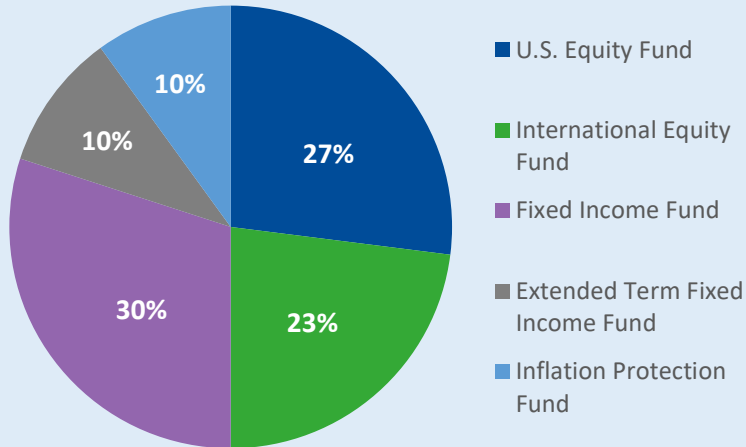
# Standard Funds vs. SVC Funds in LifeStage

## STANDARD FUNDS

Lay Participant 2

**Conservative Risk Tolerance**

Age: 60 Salary: \$50,000 PIP Balance: \$250,000

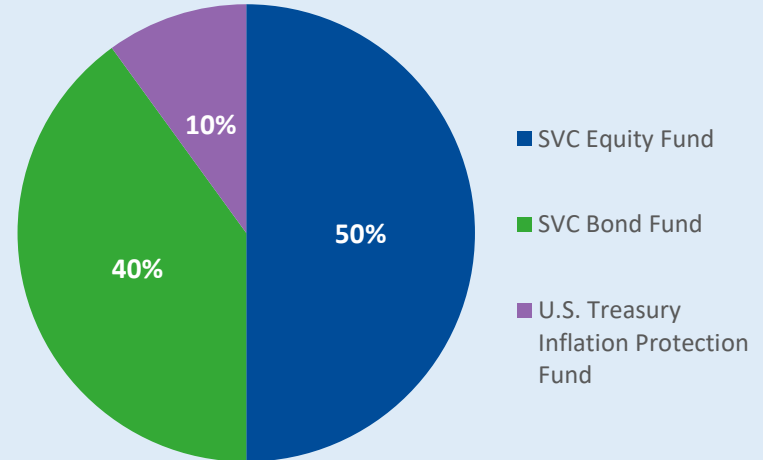


## SVC FUNDS

Lay Participant 2

**Conservative Risk Tolerance**

Age: 60 Salary: \$50,000 PIP Balance: \$250,000



# Exclusions Evaluation on Human Rights

Analysis of Holdings

Qualitative Assessment

Assessing Financial Materiality

Wespath partners with Heartland Initiative annually to evaluate companies based on their geographic, relational, and operational proximity to human rights and international humanitarian law risks in conflict-affected and high-risk areas (CAHRA).

Wespath prioritizes companies flagged for severe risk for deeper qualitative review and considers whether a controversy represents an older reputational overhang or an active, ongoing operational issue with material human rights implications.

Wespath evaluates how company's controversy could materially affect performance or long-term financial outcomes. It also considers the size and relative impact of the holding across strategies to determine the impact of potential exclusion.

# Investment Manager for SVC Equity Fund



## Manager Highlights

- \$23.8 billion assets under management as of September 30, 2025
- Diverse, woman-led, 100% employee-owned firm founded in 1996
- Pricing advantage; exemplifies **fees for value**
- Responsive, flexible **boutique firm** eager to partner with Wespath

# Investment Manager for SVC Bond Fund



## Manager Highlights

- \$2.27 trillion assets under management as of March 31, 2026
- Global leader in active fixed income founded in 1971
- Established asset manager with numerous resources and reach
- Wespath partner for over 20 years

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