

Wespath Transition Ready Strategy

The world is changing. We're investing in the companies changing with it.

Transition Ready Strategy—A Primer

- Wespath and BlackRock, the world's largest investment manager, have joined forces to create a new way of investing for a low-carbon future. As climate change concerns drive people toward cleaner and cheaper sources of energy, the strategy identifies companies adapting to this new future.
- The strategy seeks to improve investment performance by identifying 'Transition Ready' companies—those preparing **now** for the low-carbon transition. It scores companies based on plans for energy use and management and recommends investing in companies with higher scores.
- Participants have exposure to the strategy through Wespath's U.S. Equity Fund, International Equity Fund and Multiple Asset Fund.

1 How does the Wespath Transition Ready Strategy identify investments that will benefit from the low-carbon future?

The Transition Ready strategy increases Wespath's funds' exposure to companies that are adjusting their business models to be better prepared for a cleaner future.

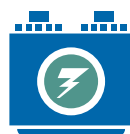
Scores companies based on behavior around:



How it uses or creates energy



Involvement in carbon efficient technologies



Energy management



Water management



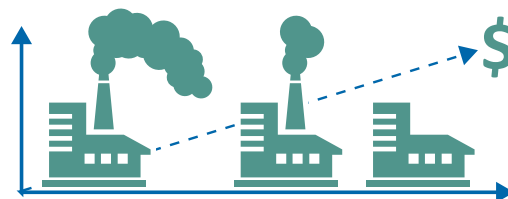
Waste management

This strategy results in slightly more investment in companies with a higher score compared to the company's benchmark weight, and slightly less in those with lower scores.

2 How does this impact investment returns?

Companies that are preparing now for a low-carbon future are better long-term investments.

For example, recent data by BlackRock shows that companies that have lowered their carbon footprints the most year-over-year outperformed those that have not.¹



3 Who can invest in the Wespath Transition Ready Strategy?

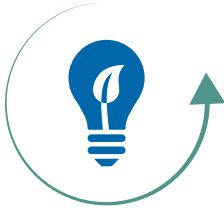
Wespath's participants benefit from this strategy through Wespath's U.S. Equity Fund, International Equity Fund and Multiple Asset Fund.

More information on these funds is available on our website at wespath.org/investments/funds/.

4 What does a low-carbon future look like?

Many refer to the low-carbon future as the '*low-carbon economy*.'

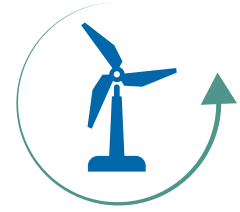
This refers to a society that works by:



Using goods and services made in a more efficient and cleaner way



Using fewer services and products that give off high amounts of carbon dioxide (CO₂)



Procuring energy from renewable sources

5 How do we know that the shift to a low-carbon future is happening?

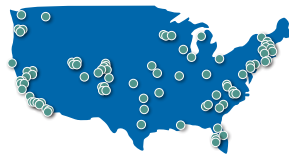
Countries, cities, companies and individuals are concerned about the impact of climate change and are taking action. Meanwhile, public policies, new technology and high demand are making renewable energy cheaper than before.

A snapshot:



Countries

51 programs are underway worldwide that price CO₂ emissions²



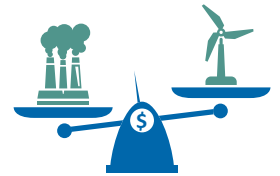
Cities

More than 100 U.S. cities are committed to 100% renewable energy³



Companies

Dozens of industry leading companies around the globe are moving to renewables⁴



Cost

It is more costly to keep a coal plant running than it is to build a new wind farm⁵



To learn more about the Wespath Transition Ready Strategy, please read our **Press Release** and **Frequently Asked Questions** at wespath.org/transitionready/news/

Additional Resources at [Wespath.org](https://wespath.org)

- [Wespath's Investment Beliefs](#)
- [Wespath's Climate Change page](#)

¹ Philipp Hildebrand (January 31, 2019). Better Data Makes Sustainable Investing Pay. *Financial Times*

² Source: World Bank Group: State and Trends of Carbon Pricing 2018.

³ <https://www.energymanagertoday.com/us-cities-renewable-energy-0180660/>

⁴ <https://www.theclimategroup.org/partnerships/business>

⁵ <https://www.cbsnews.com/news/its-now-cheaper-to-build-a-new-wind-farm-than-to-keep-a-coal-plant-running/>