

Invested in your future



WELCOME

Introducing the Reform Jewish Values Fund

Quarterly Webinar

FEBRUARY 6, 2018

GUEST SPEAKERS FOR TODAY'S WEBINAR



David Baskin, *President and Founder*,
Baskin Wealth Management (BWM)



Rabbi Howard Shapiro, *Vice Chair*,
RPB Board of Trustees; Chair, RJV Fund Values Taskforce



Liz Michaels, *Chief of Staff and Director of ESG/SRI**,
Aperio Group

AGENDA

- Opening Remarks
- Plan and Market Update
- The Reform Jewish Values (RJV) Fund
- Q&A

OPENING REMARKS

יהדות דפורמית • קהילה • חיים •

תולדות עולם

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PLAN & MARKET UPDATE

יהדות דפורמית • קהילה • חיים

2017 Q4 Key Themes

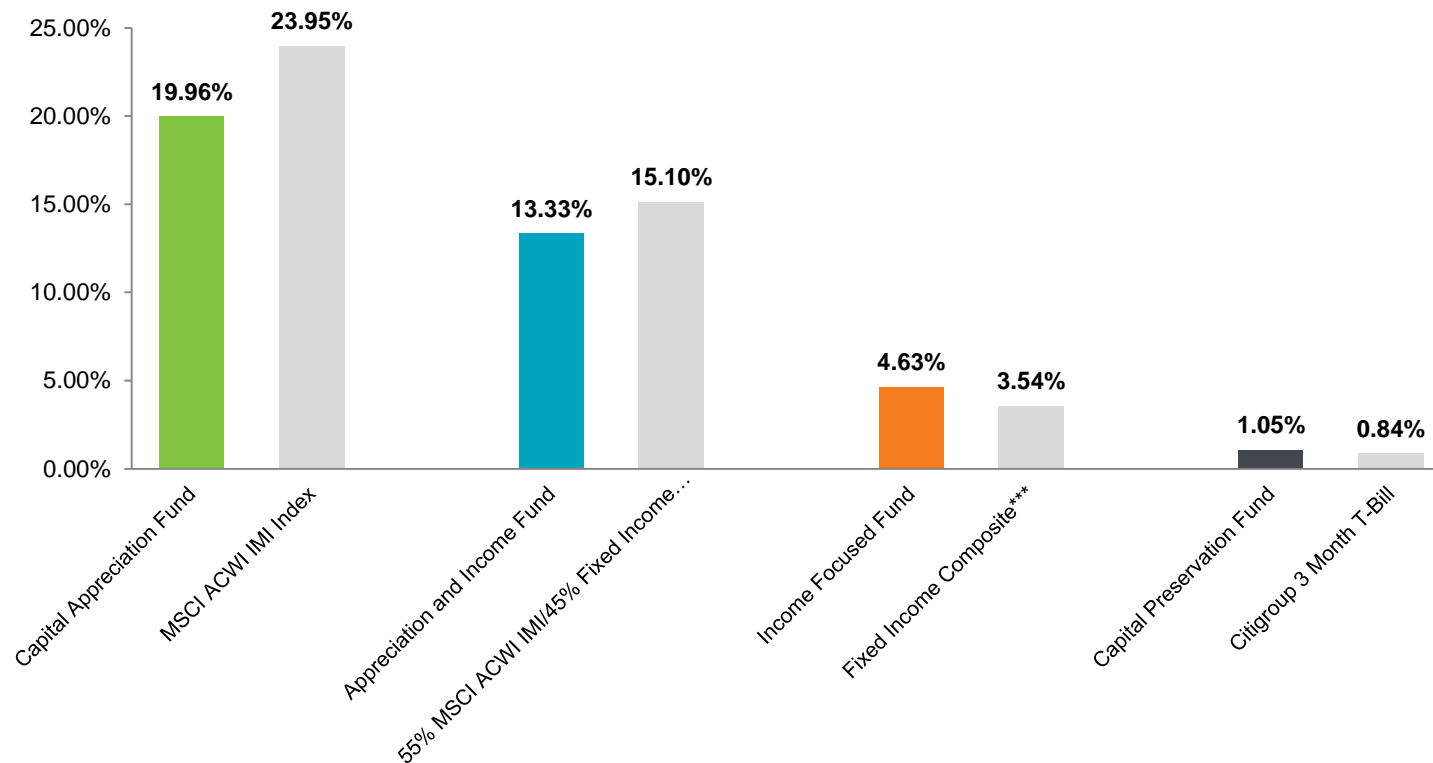
- **Strengthening global economy** led to strong equity performance
- **US tax reform** also contributed to equity market gains and relative outperformance of US assets
- **Strong performance for technology sector** led to relative underperformance of value stocks
- **Continued investor demand for bonds** resulted in muted gains for fixed income investments
- **Further central bank policy tightening** with continued interest rate hikes and exit of QE (quantitative easing)

Asset Quilt – Diversification Matters

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Q4 2017	DESCRIPTION	
Performance ↑ BEST ↓ WORST	MLP 47.9%	MLP 44.4%	Core Bonds 10.3%	EM 55.8%	REITs 31.5%	EM 34.0%	REITs 35.9%	EM 39.4%	Core Bonds 5.2%	EM 78.5%	MLP 35.9%	MLP 13.9%	EM 18.2%	US Equities 33.6%	REITs 30.4%	REITs 2.5%	MLP 18.3%	EM 37.3%	EM 7.4%	Emerging Market Stock Index	
	REITs 26.8%	REITs 12.8%	REITs 3.6%	MLP 41.6%	EM 25.6%	EAFE 15.5%	EM 32.2%	MLP 12.4%	High Yield -26.2	MLP 76.4%	REITs 28.5%	REITs 8.7%	REITs 17.8%	MLP 13.9%	US Equities 12.6%	Core Bonds 0.5%	High Yield 17.1%	EAFE 25.0%	US Equities 6.3%	US Large and Small Stock Index	
	Core Bonds 11.6%	Core Bonds 8.4%	MLP 0.2%	EAFE 38.6%	EAFE 20.2%	REITs 12.1%	MLP 27.6%	EAFE 11.2%	MLP -36.8%	High Yield 58.2%	EM 18.9%	Core Bonds 7.8%	EAFE 17.3%	EAFE 22.8%	Core Bonds 6.0%	US Equities 0.5%	US Equities 12.7%	US Equities 21.1%	EAFE 4.2%	Developed Market International Stock Index	
	High Yield -5.9%	High Yield 5.3%	High Yield -1.4%	REITs 36.8%	MLP 15.9%	US Equities 12.6%	EAFE 26.3%	Core Bonds 7.0%	US Equities -37.3%	EAFE 31.8%	US Equities 16.9%	High Yield 5.0%	US Equities 0.5%	High Yield 7.4%	MLP 4.8%	EAFE -0.8%	EM 11.2%	High Yield 7.5%	REITs 1.4%	Real Estate Investment Trust Index	
	US Equities -7.5%	EM -2.6%	EM -6.2%	US Equities 31.1%	US Equities 11.9%	MLP 5.2%	US Equities 15.7%	US Equities 5.1%	REITs -38.0%	REITs 28.6%	High Yield 15.1%	US Equities 1.0%	High Yield 15.8%	REITs 2.5%	High Yield 2.5%	High Yield -4.5%	REITs 8.6%	REITs 5.1%	High Yield 0.5%	High Yield (Non-Investment Grade) Bonds Index	
	EAFE -14.2%	US Equities -11.5%	EAFE -15.9%	High Yield 29.0%	High Yield 11.1%	High Yield 2.7%	High Yield 11.9%	High Yield 1.9%	EAFE -43.4%	US Equities 28.3%	EAFE 7.8%	EAFE -12.1%	MLP 4.8%	Core Bonds -2.0%	EM -2.2%	EM -14.9%	Core Bonds 2.7%	Core Bonds 3.5%	Core Bonds 0.4%	Core Bonds 0.4%	Diversified US Investment Grade Bond Index
	EM -30.8%	EAFE -21.4%	US Equities -21.5%	Core Bonds 4.1%	Core Bonds 4.3%	Core Bonds 2.4%	Core Bonds 4.3%	REITs -16.8%	EM -53.3%	Core Bonds 5.9%	Core Bonds 6.5%	EM -18.4%	Core Bonds 4.2%	EM -2.6%	EAFE -4.9%	MLP -32.6%	EAFE 1.0%	MLP -6.5%	MLP -0.9%	MLP -0.9%	Master Limited Partnerships (Pipelines) Index

Trailing 12-Months Tier 1 Investment Returns

January 1, 2017 through December 31, 2017



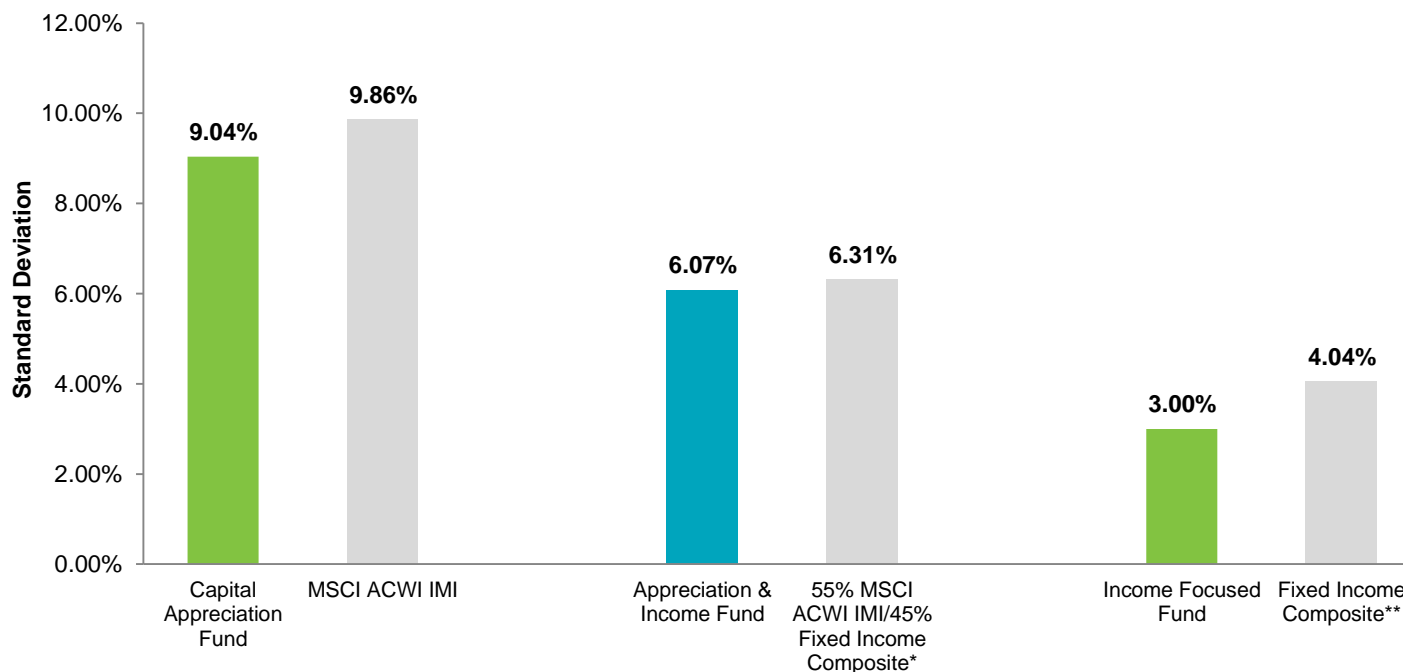
*Net of investment management fees.

**50/50 MSCI ACWI (IMI)/Bloomberg Barclays Global Agg through March 31, 2015; 60/40 MSCI ACWI (IMI)/Bloomberg Barclays Global Agg through September 30, 2016; 60/40 MSCI ACWI (IMI)/Bloomberg Barclays U.S. Agg through September 30, 2017; 55/45 MSCI ACWI (IMI)/Bloomberg Barclays U.S. Agg thereafter.

***Barclays Global Aggregate January 1, 2013 through September 30, 2016, Barclays US Aggregate thereafter.

Since Inception Volatility – Lower is Less Risky

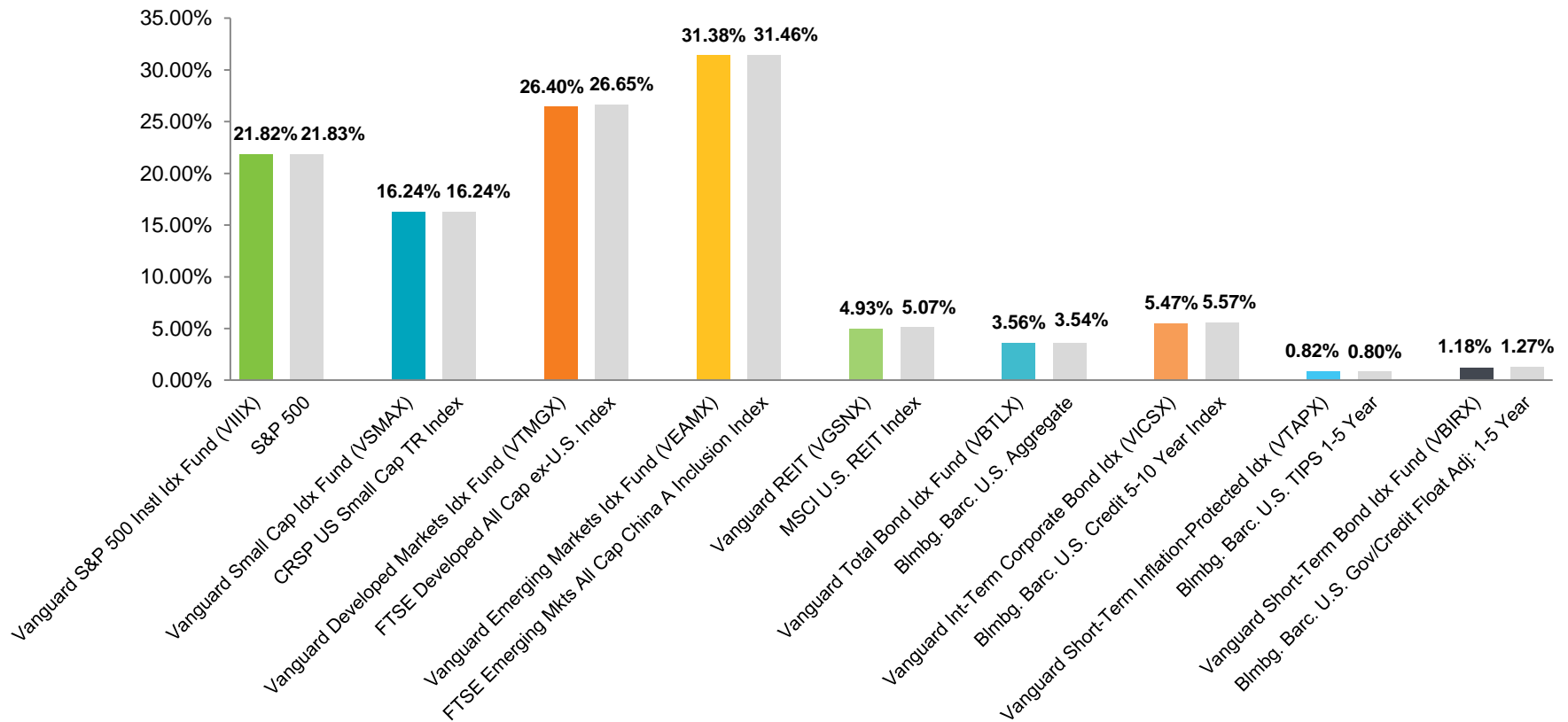
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*50/50 MSCI ACWI (IMI)/Bloomberg Barclays Global Agg through March 31, 2015; 60/40 MSCI ACWI (IMI)/Bloomberg Barclays Global Agg through September 30, 2016; 60/40 MSCI ACWI (IMI)/Bloomberg Barclays U.S. Agg through September 30, 2017; 55/45 MSCI ACWI (IMI)/Bloomberg Barclays U.S. Agg thereafter.
 **Barclays Global Aggregate January 1, 2013 through September 30, 2016, Barclays US Aggregate thereafter.

Trailing 12-Months Tier 2 Investment Returns

January 1, 2017 through December 31, 2017



*Net of investment management fees.

Looking Forward: Key Themes

- Central Banks
 - Tightening in US and other major regions (Europe, Japan, China)
 - New Federal Reserve Chairman – Jerome Powell – and open Committee seats
- Geopolitical risks (i.e., North Korea)
- Economic optimism reflected in market pricing but volatility and inflation showing signs of returning
- Valuations remain high suggesting lower long term returns

תולדות עולם

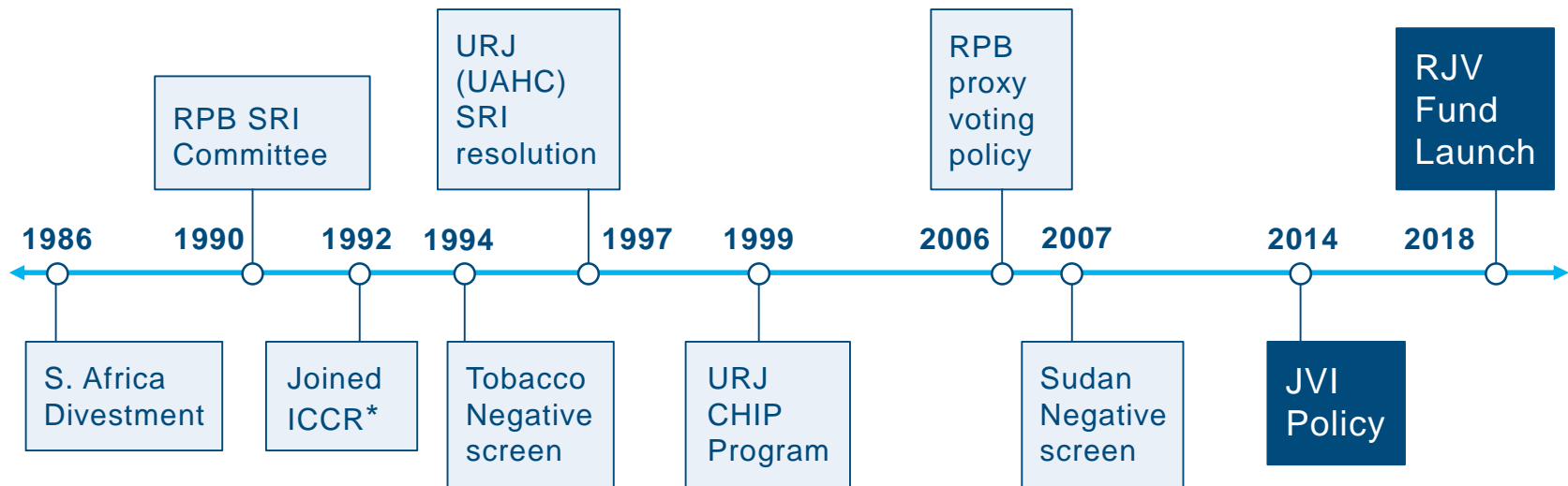
REFORM JEWISH VALUES (RJV) FUND

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Overview of Jewish Values Investing
Methodology & Values
Portfolio
Is This for Me?

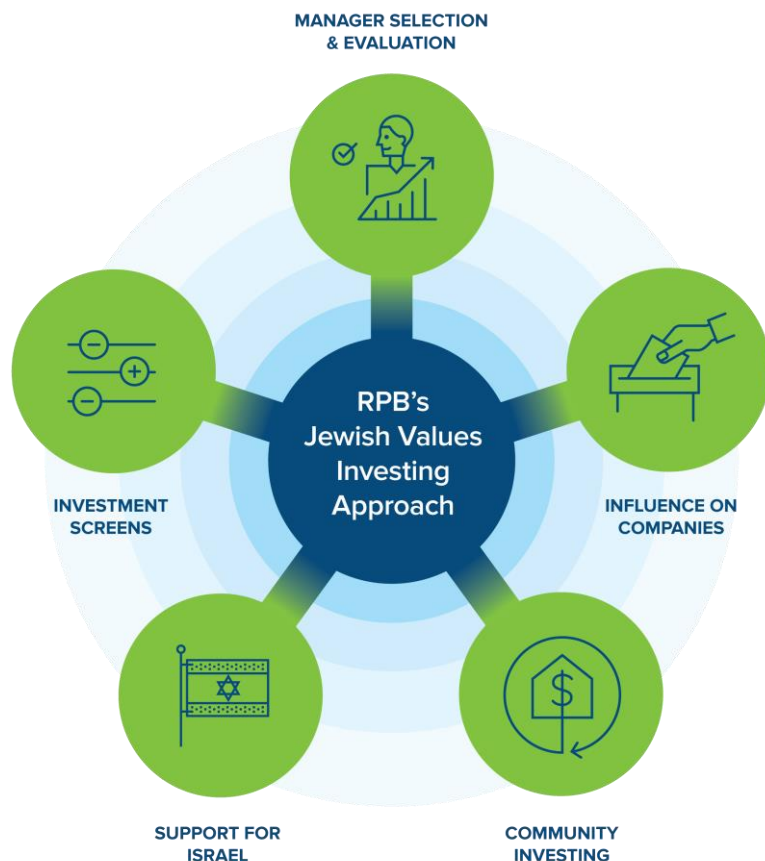
Socially Responsible Investing (SRI) at RPB

MAJOR MILESTONES



*Interfaith Center for Corporate Responsibility

Jewish Values Investing Policy – 5 Pillars



Manager Selection & Evaluation

Review how investment managers integrate ESG factors into their investment analysis & portfolio ownership practices.

Investment Screens

Use positive and negative screens to filter companies that do or don't align with our Jewish Values Investing criteria.

Influence on Companies

Use proxy voting and shareholder engagement to influence firms' decision-making where we own company shares.

Support for Israel

Make investments that positively impact Israel, its economy, and its people.

Community Investing

Support small businesses and affordable housing through community bank CDs and community development agency bonds.

RPB partnered with Aperio Group to create a Jewish values-aligned globally diversified stock fund.

 aperio

\$23.8B AUM

4290 Accounts

Total SRI:

897 Accounts

\$5.8B (24%) AUM

Tools for Values-Aligned Portfolios

- **Exclusions** – (business activity, industry, company)
- **Tilts** – Emphasize companies that closely reflect client values
- **Proxy Voting** – complement to issues incorporated in client values
- **Shareholder Engagement** – support dialogue with companies on issues that are important to the investor

Overview of Jewish Values Investing
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Methodology

- **Formed Values Task Force** (representatives from RPB, CCAR, URJ, CSA)
 - Isabel Dunst
 - Rabbi Stacy Offner
 - Rabbi Bruce Raff
 - Rabbi David Saperstein
 - Rabbi Howard Shapiro
 - Rabbi Martin Weiner
 - Michael Kimmel
 - Len Teitelbaum

Methodology

Aperio's Socially Responsive Portfolio Construction

1

The Social Conversation

Determined issues that matter most to RPB through detailed conversations guided by Aperio ESG specialists

2

Social Scores & Exclusions

Used data from social research databases, to rank or exclude companies according to the unique values of RPB

3

Portfolio Design & Implementation

Built benchmark-tracked portfolio using proprietary model; RPB IC & Board approved. Periodic updates/re-balancing

RJV Fund: Summary of Reform Jewish Values Alignment

- EXCLUSIONS	+ POSITIVE TILTS
<ul style="list-style-type: none">• Tobacco• Companies operating in Sudan• Predatory lending• Civilian firearms• Landmines & cluster munitions• Coal & consumable fuels	<ul style="list-style-type: none">• Board accountability• Human rights• Reproductive rights• Labor• Diversity• Sexual orientation• Stem cell research• Environment & climate change• Clean technology & low carbon footprint• Support for Israel

RJV Fund: Influence on Companies

PROXY VOTING:

Proxies for companies in the fund will be voted through Institutional Shareholder Service's – a leader in SRI proxy voting



SHAREHOLDER ENGAGEMENT:

RPB can join shareholder initiatives that promote change in corporate practices through Aperio's relationship with As You Sow



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The RJV Fund

- Designed to track the global stock market
- MSCI ACWI is the benchmark

Historical Performance of the Benchmark
MSCI ACWI Index Annual Performance (%)



RJV Fund: Characteristics of the Portfolio

	MSCI ACWI	RJV FUND
No. of Holdings	2,490	250
Beta (volatility)	1.00	1.00
Tracking Error	0.00	1.08

RJV Fund: Characteristics of the Portfolio

	MSCI ACWI	RJV FUND
Tracking Error	0.00	1.08

What does it tell you?	<ul style="list-style-type: none">• The range of typical differences in return between a portfolio and a benchmark
How is it used?	<ul style="list-style-type: none">• Understanding deviation from a benchmark
What can't it do?	<ul style="list-style-type: none">• Guarantee outcomes

Returns are expected to be within plus or minus 2.16% of the benchmark performance 90% of the time

RJV Fund: Characteristics of the Portfolio

	MSCI ACWI	RJV FUND
No. of Holdings	2,490	250
Beta (volatility)	1.00	1.00
Tracking Error	0.00	1.08
Social Score		~ 30% higher
Israel Exposure Score		2x higher
Clean Technology Solutions Exposure		3x higher
Carbon Footprint		80% lower
Fund Fee		0.15%

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Is this for me?

- Importance of values
- Asset Allocation
- Risk tolerance

RPB FUND CHOICES					
MORE ← Alignment with Jewish Values → LESS					
RJV Fund (Tier 2)	Capital Appreciation Fund (Tier 1)	Appreciation and Income Fund (Tier 1)	Income-Focused Fund (Tier 1)	Capital Preservation (Tier 1)	All Vanguard Index Funds (Tier 2)

Summary Statement

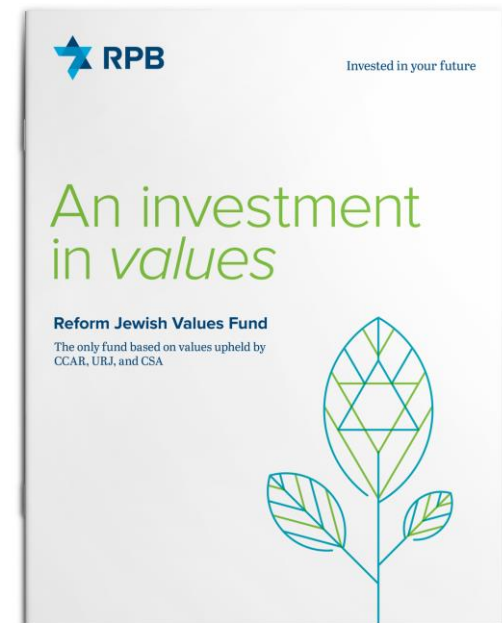
The Reform Jewish Values Fund represents a major milestone in our ongoing commitment to integrate Jewish values into (1) our investing process and (2) the investment choices that are available to our plan participants.

Not only is it a groundbreaking addition to the Movement's retirement plan, it also provides those who work within the Movement a way to support their commitment to tzedek (justice) and tikkun olam (repair of the world) through their investment dollars.

We are honored to offer this fund that represents the values of the Reform Movement organizations that work tirelessly to lead us in building a better world: the URJ, CCAR, and CSA.

Summary

- Fund will launch week of February 12
- RJV Fund brochure and updated Investment Choice Guide
- How to invest:
 - InfoExpress
 - Tier 2
 - Tutorial/website



תולדות עולם

Q&A

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