

Jewish Advocacy Strategy

Mission: Launched by Jewish institutions in 2015, the Jewish Advocacy Strategy aligns with Jewish values and advocates for communal concerns in the SRI (Socially Responsible Investing) and CSR (Corporate Social Responsibility) movements – two influential arenas previously void of Jewish leadership. Investors include Jewish Community Foundations, Federations, nonprofits, foundations, family offices, and DAFs.

Management: Lens Investments (oversight), JLens (Jewish values overlay and advocacy). The strategy is offered through separate accounts with two subadvisory firms:

Subadvisor Firm Name	RhumbLine	Parametric
Firm Assets Under Management	\$60 Billion	\$246 Billion
Years in Business	29 years	32 years
Jewish Advocacy Strategy Fees	0.30% for \$1-5M, 0.25% for \$5-10M, 0.15% for \$10M+	Negotiated
Minimum Investment	\$1,000,000	\$250,000

Performance & Portfolio Characteristics for initial investor accounts currently subadvised by RhumbLine. As a values-enhanced index strategy, gross returns closely track the US equity market.ⁱ

Time Period	Jewish Advocacy Strategy	S&P 500 Index (benchmark)
Since Inception (12/3/15-9/30/19)	57.45%	57.02%
2019 Year to Date	20.52%	20.56%
2018 (Full Year)	- 3.83%	- 4.38%
2017 (Full Year)	21.63%	21.83%
2016 (Full Year)	11.82%	11.96%

Portfolio Characteristics: (as of 9/30/19)	Jewish Advocacy Strategy	S&P500 Index (benchmark)
Number of Holdings	305	505
Weighted Market Cap (\$MM)	\$252,925	\$242,415
P/B Ratio	3.00	3.02
P/E Ratio	21.64	22.07
Dividend Yield	2.03%	1.97%
5 Year Earnings Growth	10.97%	10.92%
Return on Equity	52.27%	50.65%
Beta	1.00	1.00
Sector Weights:		
Communication Services	10.50%	10.36%
Consumer Discretionary	9.71%	10.11%
Consumer Staples	7.56%	7.60%
Energy	4.69%	4.52%
Financials	13.13%	12.94%
Health Care	13.69%	13.65%
Industrials	8.96%	9.34%
Information Technology	21.86%	21.93%
Materials	3.04%	2.73%
Real Estate	3.27%	3.22%
Utilities	3.59%	3.59%

Current Overweights: (Metzuyan)
1.Accenture
2.Aon
3.Cisco
4.Ecolab
5.General Mills
6.Hilton
7.Intel
8.Kellogg
9.Kimberly Clark
10.Marriott
11.Merck
12.Microsoft
13.Motorola Solutions
14.Nvidia
15.Prologis
16.Schein Henry
17.Starbucks
18.Xcel Energy

Jewish Values-Based Investing

The overarching Jewish value guiding JLens' approach to investing in public companies is *hocheach tocheah* (constructive rebuke). As there is no perfect company, attempts to solely screen out 'bad actors' or only invest in 'good actors' miss the greatest opportunity for impact through the constructive rebuke inherent in investor advocacy. JLens utilizes six pillars from Judaism's framework of *mitzvot* (obligations) to evaluate companies and engage in long-term investor advocacy:



1. **Obligation to Investors - Nosei Ve'notein Be'emunah (conduct business in good faith)**

Ethical business, expressed as good governance and transparency, is of paramount importance in Judaism. The rabbis of the Talmud remarked: "at the moment of Divine judgment in the World to Come, the first question a person will be asked is not 'did you pray', nor 'did you keep kosher', but 'did you transact your business dealings ethically?'" (BT Shabbat 31a) According to Jerusalem's Business Ethics Center, more than 100 of the 613 commandments in the Torah relate to business conduct, far exceeding all the commandments concerning kosher food.

2. **Obligation to Society - Dei Machsoro (help those in need with whatever they lack)**

Jewish tradition speaks with a compelling moral voice about a range of obligations to society, motivating JLens' advocacy on issues such as human trafficking, the opioid epidemic, and women and girls' empowerment. The Torah obligates a society to sustain everyone's basic needs: "If, however, there is a needy person among you...you must open your hand and give him sufficient for whatever he needs." (Deut. 15:7-8) This includes access to medicine, nutrition, water, and healthcare. Jewish law prohibits businesses from charging exorbitant prices for consumer staples, and historically every Jewish community paid for healthcare for those who could not afford it (Shulhan Arukh, Yoreh De'ah 336:3; Tzitz Eliezer 5, V, Ramat Rahel - Collection of Responsa on Medical Issues #4.)

3. **Obligation to the Worker - Lo Ta'ashok**

Jewish tradition prizes dignity of the worker, particularly defined by employer obligations. Deuteronomy 24:14-15 states: "You shall not abuse a needy and destitute laborer, whether a fellow countryman or a stranger in one of the communities of your land." The rabbis of the Talmud added a theological basis for this obligation: "'For the people of Israel are servants to Me' – they are servants to Me, and not servants to other servants." (BT Bava Metzia 10a, quoting Leviticus 25:55). JLens advocates on a range of worker issues, from the gender pay gap and fair wages, to child labor and paid family leave policies, all grounded in Jewish tradition's obligation to respect the worker.

4. **Obligation to the Environment - Bal Tashchit (do not destroy)**

The mandate to cultivate, protect, and nurture the environment is deeply rooted in Jewish tradition. The rabbis of the Talmud extended a prohibition from destroying fruit-bearing trees while in conflict to

encompass a general prohibition against the wasteful consumption or destruction of any natural resource, termed *bal tashchit*. Jewish tradition emphasizes that human dominion over nature does not provide a license to abuse the environment; rather we are called to “till and tend” God’s Earth (Genesis 2:15) and reminded that if we fail to do so, there will be nobody after us to repair our damage (Ecclesiastes Rabbah 7:13). Jewish tradition inspires JLens’ advocacy on many environmental issues, from reducing carbon emissions, chemical pollution, and food waste to expanding renewable energy capacity and ensuring clean watersheds.

5. **Obligation to Coexistence – Rodef Shalom (pursuing peace)**

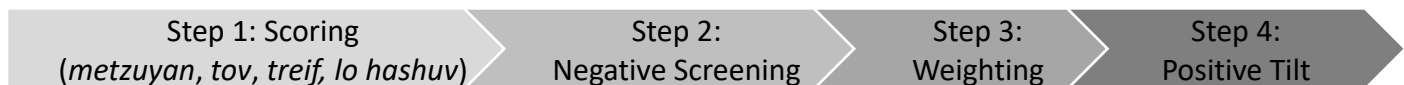
The rabbis saw the commandment to pursue peace as uniquely important within the pantheon of Jewish values. The Sages taught, “The Law does not order you to run after or pursue the other commandments, but only to fulfill them on the appropriate occasion. But peace you must seek in your place and pursue it even to another place as well” (Jerusalem Talmud, Pe’ah 1:1 [4a]). Corporations have a unique role to play in fostering coexistence in the many areas around the world where conflict exists among people. Examples include respect and equal treatment of clients of diverse backgrounds; having a religious inclusion policy in the workplace as well as clear policies against hate speech; coexistence and peacebuilding initiatives; and operating responsibly in—rather than divesting from—conflict regions to bring economic development and social stability to lay the groundwork for peace.

6. **Support for Israel – Yishuv Eretz Yisrael**

Jewish tradition values productive economic development within the Jewish homeland of Israel. JLens encourages companies to expand their economic ties with Israel in alignment with Jewish social and environmental values. Additionally, JLens is the only organization counteracting the BDS campaign’s economic warfare efforts against Israel by educating responsible investors and companies *before* they fall victim to BDS pressure and divest their Israeli investments. JLens’ role as the representative of the Jewish community in the socially responsible investing and corporate social responsibility movements makes JLens uniquely positioned to advocate for Israel as these movements become increasingly popular and influential.

Portfolio Selection Methodology

JLens’ internal research process ensures alignment with Jewish values and avoids the value judgements and biases embedded in industry standard ESG (environment, social, governance) research. Analysis includes meetings with management and corporate social responsibility teams.



Step 1: Scoring. Portfolio construction begins with the universe of the 500 largest US public companies. Each company is evaluated on the criteria described above, guided by Jewish values and law (*halacha*) as well as JLens’ annual investor and community survey. Each company receives a score of *metzuyan* (excellent), *tov* (good), *treif* (not a fit), or *lo hashuv* (not significant for advocacy).

Step 2: Negative Screening. The approximately 200 companies that fail to receive a score of *metzuyan* or *tov* are excluded from the portfolio. Companies that are antithetical to Jewish law or values receive a *treif* score. Examples include the tobacco, coal, and for-profit prison sectors. Additionally, companies receive a *lo hashuv* score if they are not presently deemed influential enough to warrant shareholder advocacy efforts by the Jewish community. While the core Jewish Advocacy Strategy owns and advocates with (non-coal) energy companies, a fossil fuel free option is also available.

Step 3: Weighting. The approximately 280 companies that receive a score of *tov* are held in the Jewish Advocacy Strategy portfolio in accordance with their weight in the benchmark.

Step 4: Positive Tilt. The approximately 18 (*chai*) companies that receive a score of *metzuyan* (listed on page 1) are slightly overweighted compared to their benchmark weight. The *metzuyan* score is given to companies that are sensitive to religious minorities, have strong economic ties to Israel, and demonstrate corporate behavior that aligns with Jewish social and environmental values. These companies also have demonstrated solid corporate governance and a robust commitment to maintaining positive working relationships with shareholder advocates. In the long-term, these companies are expected to outperform financially and serve as examples of good corporate citizenship for other companies in their sectors. An option is available to add an additional positive tilt to Israeli companies with strong social and environmental metrics. Positive tilts with RhumbLine accounts only.

Tactics to Achieve Positive Impact

Investor Advocacy: Investors in public companies generate positive impact by improving corporate behavior. JLens is the only organization conducting investor advocacy on behalf of Jewish communal concerns through frequent discussions with corporate leaders, participation in shareholder campaigns, and resolution filings. Advocacy priorities align with JLens' six pillars framework detailed above.

Jewish Communal Representation: Values-based investing now accounts for over 25% of all professionally managed assets worldwide. While other faiths are key leaders in the field, the organized Jewish community lacked representation in this influential economic arena prior to JLens. JLens represents Jewish concerns at dozens of interfaith and values-based forums annually and strengthens relationships with other faith communities by collaborating on shared values.

Proxy Voting: Annual shareholder proxy statements are carefully researched and voted to ensure alignment with Jewish values. Unlike most responsible investing organizations, JLens votes against the growing number of anti-Israel shareholder resolutions.

Jewish Engagement: The growth of values-based investing is an untapped gold mine for Jewish engagement providing a modern context for the exploration of Jewish wisdom. JLens' engagement opportunities, such as the Jewish Impact Investing Summit, articles, surveys, and advocacy meetings, are in high demand. Compared to the top-down approach of most values-based investments, JLens intentionally seeks input and provides participation opportunities for investors and the community.

ⁱ Performance figures are gross of management fees and include trading expenses and the reinvestment of all income for an institutional client relationship established December 3, 2015 and currently managed by RhumbLine. Performance figures incorporate a subadvisor change that occurred Q4 2017. Past performance is not indicative of future results. JLens Investments makes no performance guarantees. Every investment program has the potential for loss as well as gain. Investing involves risk. Accounts are not insured by the FDIC. Review JLens Investments' Form ADV prior to investing. Composition of the strategy's portfolio is subject to change.

This information is for educational purposes only and should not be interpreted as investment advice or an investment offering. Investors should consult with an advisor to determine the suitability of any investment option or strategy.