



RELIGIOUS/SOCIAL/IMPACT INVESTING THREATENED BY ACOSTA'S WILLINGNESS TO OVERSTEP AUTHORITY

Potential ramifications for social and Christian investors.

STATEMENT BY TIMOTHY PARTNERS, LTD.

Millions of investors in America want to align their investment strategy with their conscience or faith. The investment market has long recognized this important group, and several investment alternatives have been created to serve these investors.

Unfortunately, Department of Labor (DOL) Secretary Alex Acosta has made serving this investor base much more difficult. He recently stated that investments based on social, environmental and governance issues aren't always a "prudent choice" and that such factors shouldn't "too readily" be considered as economically relevant by fiduciaries (investment advisors and account managers who assist investors in choosing appropriate investments).

With such a sweeping and general statement, Mr. Acosta assumes that economic relevancy is the first and most important consideration in every investor's selection of an investment vehicle or portfolio. Further, the statement implies that every fiduciary is required to view the world through that lens. Even though Mr. Acosta's assumption is demonstrably inaccurate, his statement is placing fiduciaries, who are subject to DOL oversight, in an untenable position: that of possibly being forced (by their employer who is afraid of being sued) to impose his (Acosta's) investment agenda as a priority over the client's desires and stated goals.

Mr. Acosta relegates a client's religiously-based or other socially conscious priority into a secondary position. In the case of a BRI (Biblically Responsible Investing) priority, this may constitute a government imposition against the religious freedom to select a portfolio based on biblical beliefs. The idea that fiduciaries should ignore the desires of their clients, if there is an investment vehicle that is deemed more "prudent" by his standards, is a real concern. To be a fiduciary, one must maintain an intimate knowledge of the priorities clients desire to employ, not what a bureaucrat decides is best for them.

If performance is the genesis of Mr. Acosta's concern about SRI (Socially Responsible Investing) and ESG (Environmental, Social, Governance) investing, then additional data must be considered. ESG and SRI investment models have been tested extensively and found to be long-term competitive. For example, a 2014 report by Envestnet | PMC investigated the differences in SRI and non-SRI domestic equity mutual fund performance. It analyzed average (mean) performance, and also compared total and risk-adjusted returns at points on distributions away from the means. Among its findings, were that "SRI and non-SRI fund performances are nearly identical at the mean, supporting the conclusion by SRI proponents that, on average, socially conscious investing does

'no harm' relative to unconstrained, conventional investing."

Timothy Plan, Ave Maria, Eventide and other mutual funds provide Christians and other principled investors with a safe haven to earn competitive returns without compromising their most dearly held values. Approximately $\frac{3}{4}$ of Americans self-identify with a Christian faith, many of whom may now be subjected to unnecessary and, in their minds, irrelevant questions concerning their investment portfolio selections, should they choose to reflect their beliefs in their investment strategies. Because of Mr. Acosta's ill-considered announcement, they may be subjected to more intense scrutiny, possibly forced to sign disclaimers, and may even be denied the right to select the portfolio they desire. Mr. Acosta's remarks, compounded by his position, can serve only to impede free and uninhibited investment selections. Any person holding the position of Secretary of the DOL should weigh his comments more carefully before releasing them.

BEFORE INVESTING, CONSIDER THE FUNDS' INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. CONTACT TIMOTHY PLAN OR YOUR FINANCIAL PROFESSIONAL FOR A PROSPECTUS CONTAINING THIS INFORMATION. PLEASE READ IT CAREFULLY. DISTRIBUTED BY TIMOTHY PARTNERS, LTD., MEMBER FINRA.