

# Social Impact Pool

## Fact Sheet

### Investment Objective

The Social Impact Pool seeks to provide **competitive financial returns** alongside meaningful, positive social and environmental benefits. Specific impact themes include sustainable global growth, inclusive economies, healthy communities and community development.

Investments are broadly diversified across public equity, fixed income and private market strategies that integrate environmental, social and corporate governance factors (ESG) into the investment decision-making process. The target return objective is 7% to 8% over complete market cycles. Assets are exposed to market risks and may experience significant volatility and principal loss over the short-term. Hence, the pool is appropriate for funds or that portion of a fund that will remain invested for seven years or more.

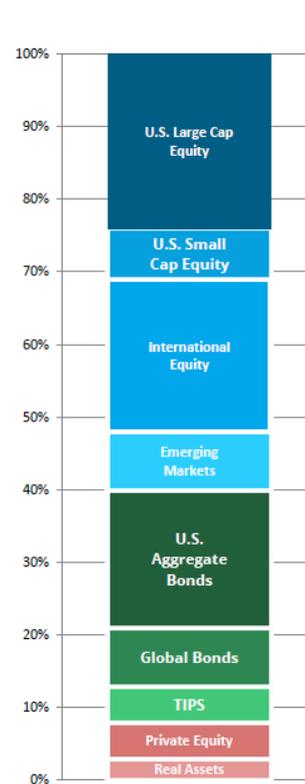
### Asset Allocation

#### Social Impact Pool

##### Asset Allocation & Expenses

12/31/2018

	Fee %
<b>60% Equity</b>	
<b>24% U.S. Large Capitalization</b>	
SSgA U.S. Community Investing Index	0.25
<b>7% U.S. Small Capitalization</b>	
Ariel Fund	0.72
Aperio Group	0.35
<b>21% International Developed Markets</b>	
Boston Common	1.10
Kabouter	1.00
Aberdeen	0.80
<b>8% Emerging Markets</b>	
Generation IM Asia Ex-Japan	1.00
<b>32% Fixed Income</b>	
<b>19% U.S. Aggregate Bonds</b>	
TIAA CREF	0.40
RBC Impact Bond	0.40
<b>8% Global Bonds</b>	
Nikko Global Green Bond Fund	0.45
Microvest	1.50
<b>5% Treasury Inflation Protected Securities</b>	
Vanguard	0.07
<b>8% Alternatives</b>	
<b>5% Private Equity</b>	
HCAP Partners	2.00
TPG Alternative & Renewable Technologies	2.00
Bain Capital Double Impact Fund	2.50
Ecosystem Integrity Fund	2.00
<b>3% Private Real Assets</b>	
	2.00
Investment management (weighted total)	0.71
BNY Mellon custodian bank	0.05
Investment consulting and administration	0.09
<b>Total investment pool expense</b>	<b>0.85</b>



Expenses are subject to change due to changes in policy, investment managers or service providers. Expenses do not include carried interest, incentive fees or the expense of individual managers within fund of funds.

## Investment Strategies

### **Vanguard FTSE Social Index**

#### *Large Cap Equity*

The FTSE Social Index fund seeks to track the performance of the FTSE4Good US Select Index. For inclusion, eligible companies must meet five criteria including working toward environmental sustainability, developing positive relationships with stakeholders, upholding and supporting universal human rights, ensuring good supply chain labor standards and countering bribery. Companies are ineligible if they have business interests in tobacco, weapon systems, nuclear power or the production of uranium.

### **State Street Global Advisors US Community Investing Index**

#### *Large Cap Equity*

The US Community Investing Index is comprised of companies that are net positive contributors to communities through superior track records of community engagement and investment. The Index was developed by the F.B. Heron Foundation in conjunction with an advisory board of community investing leaders and MSCI ESG Research. The index starts with an S&P 500 universe and the screens companies against four pillars of human capital, long-term value creation, core business impact on civic capital, and supply chain multiplier effect. Tobacco companies are excluded.

### **Aperio Group**

#### *Small Cap Equity*

The Aperio Group focuses exclusively on managing customized, low-cost index portfolios with an emphasis on meeting specific client-driven objectives. Aperio utilizes a benchmark tracking philosophy and approach to earn predictable returns while addressing various environmental, social and governance screens. A portfolio optimization process is used to maximize a company's social score while

minimizing its tracking error relative to the benchmark. The Small Cap strategy seeks to track the performance of the S&P 600 index.

### **Ariel**

#### *Small Cap Equity*

Ariel believes ethical business practices make good investment sense: companies that adopt environmentally sound policies are likely to face less government intrusion; those that foster community involvement should inspire community support; and those that cultivate diversity are more likely to attract and retain the best talent and broaden their markets in profitable new directions. Ariel does not invest in corporations whose primary source of revenue is derived from tobacco products, the manufacture of handguns or nuclear energy.

### **Boston Common**

#### *International Equity*

Boston Common invests in public companies with good social records, above-average performance and socially or environmentally beneficial products and services. Through shareholder advocacy, the firm works in coalition with other social investors to engage companies and affect change. They urge companies to improve transparency, accountability and attention to environmental, social and governance issues such as climate change, human rights and corporate governance.

### **Kabouter**

#### *International Small Cap Equity*

Kabouter integrates environmental, social and governance analysis into its investment process through the evaluation of material risks and opportunities. This process tends to favor companies that solve social and environmental problems because these companies benefit from some of the best long-lived growth themes. The firm takes a "friendly activist"

approach by introducing positive improvements that unlock value and accelerating discovery of its portfolio companies by the broader market.

### **Aberdeen**

#### *International Equity*

The fund seeks to track public companies with acceptable social behavior through clearly defined areas of social, ethical and environmental policies and practices. The fund holds 40-60 companies after screening over 350 financially healthy and socially sound investments. Companies are screened for animal testing, gambling, sale of alcohol, tobacco or weapons, and sound environmental record and business practices.

### **Generation Asia Ex-Japan**

#### *Emerging Markets Equity*

Generation invests with the philosophy that social, environmental, and geopolitical issues drive global trends and challenges and that these factors materially impact the ability of companies to deliver sustainable returns. The Asian Equity strategy seeks to integrate sustainability research with fundamental equity analysis to invest in a concentrated portfolio of publicly traded equities. The strategy seeks to outperform the MSCI Asia ex-Japan Index over time. A portion of Generation's profits supports global non-profit sustainability initiatives.

### **TIAA-CREF Social Choice Bond Fund**

#### *U.S. Aggregate Fixed Income*

The Social Choice Bond Fund seeks favorable long-term total return through income and capital appreciation. The fund typically invests at least 80% of its assets in a broad range of investment-grade bonds, including, but not limited to, U.S. Government securities, corporate bonds, taxable municipal securities and asset-backed securities. Investments are subject to environmental, social and governance criteria. A portion of the fund seeks direct and measureable social and

environmental benefits through investments in affordable housing, community and economic development, natural resources, and renewable energy and climate change.

### **RBC Impact Bond Fund**

#### *U.S. Aggregate Fixed Income*

The Impact Bond Fund invests 80% or more of its assets in investment grade fixed income securities including investments that provide affordable quality shelter, good health & well-being, education, reduced inequalities, decent work & economic growth, community development, and environmental sustainability. The fund sources investments from strategic partnerships with housing finance agencies, philanthropic foundations, CDFIs, and government entities. A proprietary impact measurement framework is used to evaluate all investments for influence on the United Nations' Sustainable Development Goals.

### **Nikko AM**

#### *Global Bonds*

The Global Green Bond Fund seeks to achieve capital growth and income by investing in bonds issued and backed by the World Bank. Green bonds have been recognized as a catalyst for the growing market of climate bonds. Bond proceeds fund sustainability projects in developing countries that are designed to tackle the causes and consequences of climate change. Projects may include solar and wind installations, energy efficiency, greenhouse gas emission reduction, waste management, food security improvement, and carbon reduction through reforestation and sustainable forestry.

### **Microvest**

#### *Short Duration Global Bonds*

The Microvest Short Duration Bond Fund seeks to achieve current income by investing in low-income financial institutions (LIFI) in emerging markets. These LIFIs, which may include microfinance institutions and small and

medium enterprise financing institutions, provide a variety of financial services to the working poor. The fund predominately invests in Latin America, Asia, Caribbean, Sub-Saharan Africa and Eastern Europe.

### **Vanguard TIPS**

#### *Treasury Inflation Protected Securities*

This fund seeks to provide inflation protection and income consistent with investments in Treasury inflation protected securities. The fund may invest up to 20% of assets in nominal Treasury and corporate bonds, although this option is generally not used. The fund is actively managed. It provides unique portfolio diversification benefits due to its low correlation to nominal Treasury bonds and stock.

### **Bain Capital Double Impact Fund**

#### *Private Equity*

The Bain Capital Double Impact Fund provides growth capital to businesses that generate a positive social or environmental impact in one of three main areas: Sustainability, including supply chains, solar, water conservation, wind, efficiency; Health and Wellness, including affordable clinics, mental health, addiction treatment, and education; and Community Building, including job creation, promoting ownership and enhancing economic opportunities in distressed communities.

### **Ecosystem Integrity Fund III**

#### *Private Equity*

The Ecosystem Integrity Fund is a sustainably-focused venture capital fund focused on early-stage companies that contribute to environmental sustainability. The fund will pursue superior investment returns within six core areas of resource efficiency, green chemistry, water, waste management, land and species conservation, and environmental remediation and productivity.

### **HCAP Partners Fund III & IV**

#### *Private Equity*

HCAP Partners provides growth capital to lower-middle market companies throughout California and the Western U.S. with a particular focus on lower-income communities. HCAP engages with portfolio companies to create gainful jobs with benefits and growth opportunities.

### **TPG Alternative and Renewable Technologies**

#### *Private Equity*

The TPG ART fund addresses climate change, carbon emissions and greenhouse gases by focusing on technologies that disrupt the oil and gas, chemicals and industrials sectors. The fund invests in companies with proven technology that requires additional capital and partnerships to reach profitability, and where environmental benefits drive business quality. Investments may include, but are not limited to, alternative and renewable technologies, industrial biotechnology, agricultural biotechnology, biochemicals, biofuels, materials, nano-technology, energy efficiency and grid management.