

IMPACT OBJECTIVE

Overall goal of the portfolio

Advance solutions to global challenges, including financial inclusion, climate change, conservation, access to healthcare, equity and inclusion, and proper corporate governance.

SDG ALIGNMENT

Alignment with the United Nations' Sustainable Development Goals



ASSET CLASS


Types of underlying assets


Public Equity, Fixed Income


Strategy

Impact strategies utilized by the portfolio

A diversified public equity and fixed income portfolio, including private investments, that collectively:

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Funds organizations that **advance equity** by lending to low-income families and small businesses that lack access to traditional banking
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Supports businesses that are **developing solutions** to aid the least advantaged and/or help combat **climate change**
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Screens out companies with poor track records in treating their employees and suppliers fairly, environmental stewardship, and responsibility to local communities; **engages with** companies to advocate for best practices in those areas

ESG Integration

All funds employ some element of ESG Data Integration.

MORE EXPOSURE TO GREEN TECHNOLOGIES AND SOCIAL IMPACT

24% greater than benchmark in clean energy companies¹

25% greater than the benchmark in access to nutrition score²

LESS EXPOSURE TO CLIMATE RISKS

74% less than benchmark in deforestation producers exposure³

64% less than benchmark in fossil fuel industry exposure⁴

49% less than benchmark in scope 1+2+3 GHG emissions⁵



LESS EXPOSURE TO SOCIAL AND GOVERNANCE RISKS

17% less than benchmark in forced arbitration for sexual harassment⁶

44% greater than benchmark in political transparency voting support⁷

54% less than benchmark in CEO pay relative to median worker pay⁸

Holdings

Select investments supporting impact:⁹

EQUITY



As of 2022, 213 of **Apple's** suppliers — representing the majority of its direct supplier spend committed to using 100 percent renewable energy for their Apple business. In the last year, Apple more than doubled the amount of clean energy used to manufacture Apple products.¹⁰



As of June 2022, **Microsoft** reached 116% of its 2025 commitment for representation of people managers who are Black or African American, and 92% of its 2025 commitment for Black or African American directors, partners, and executives. For the first time this year, Microsoft is now reporting on workforce exits by gender and race relative to headcount representation.¹¹



John Deere reduced its greenhouse gas emissions by 29% in 2022 relative to its goal of 15% through 50% renewable electricity supply and excellence in energy efficiency.¹²

FIXED INCOME



As part of its Minority Cares Initiative, **CCM** purchased an issuance of The Council of Europe Development Bank's \$1B Social Inclusion Bond to support its member states in assisting millions of Ukrainian refugees with transportation, shelter, food, and medical care as a result of the crisis.¹³

Taking Action

Shareholder engagement and proxy voting

Notable funds in portfolio using this strategy:

- Brown Advisory Sustainable Growth Fund
- Parnassus Core Equity
- Calvert US Large-Cap Core Responsible Index
- Calvert Small-Cap Fund
- Trillium ESG Global Equity Fund
- Impax Ellevest Global Women's Leadership Fund
- Calvert Emerging Markets Equity Fund



Parnassus, Manager of the Parnassus Core Equity Fund, engaged Cerner (acquired by Oracle), an electronic medical record software and data analytics company in 2021–2022. Parnassus raised concerns that **applications of artificial intelligence and machine learning (AI/ML)** may reinforce disparities and **historical discrimination against marginalized communities**, including communities of color. Parnassus filed a shareholder proposal to escalate the engagement, withdrawing only after Cerner agreed to make public a list of guiding principles on AI/ML, as well as a description of its governance structures, internal processes and monitoring efforts.¹⁴



Trillium, manager of the Trillium ESG Global Equity Fund, continues to press companies to conduct **racial justice audits**. In 2022, several of Trillium’s shareholder proposals to secure commitments on timing, scope, and next steps towards implementing racial justice audits came to a vote and earned high levels of support. This includes Johnson & Johnson (62%), Anthem (41%), Travelers (47%), and American Water Works (48%).¹⁵

Advancing Impact Outcomes

Strategic investments in impact outcomes

Notable funds in portfolio using this strategy:

- CCM Community Impact Fund
- TIAA-CREF Core Impact Bond Fund

ADVANCING CLIMATE SOLUTIONS



Nuveen, the Manager of the TIAA-CREF Core Impact Bond Fund, reported that the Fund invested \$1.6 billion into renewable energy and other climate-related opportunities last year. In composite, the strategy has led to **161.5 million metric tons of CO2-equivalent emissions avoided**, which Nuveen estimates to be equivalent to emissions generated by 43 coal-fired power plants in one year.¹⁶



Brown Advisory, manager of the Brown Advisory Large Cap Sustainable Growth Fund, is a leader in advancing the **Science-Based Target Initiative**. This collaborative effort to improve corporate carbon strategies emphasizes actual reductions — as opposed to offsets — by aligning corporate targets with the broader global Paris Agreement goals.¹⁷

ADVANCING EQUITY



Community Capital Management, manager of the CCM Core Impact Bond Fund, invested **\$308 million in 533 unique majority-minority census tracts** in 2022.¹⁸



Impax, manager of the Impax Ellevest Global Women’s Leadership Fund, led 59 engagements focused on human capital management, including equity, diversity, and inclusion. The Manager engaged with investees about the diversity of their workforce and **boards of directors**, as well as **pay equity, worker safety** and **environmental justice**.¹⁹



Important Information and Disclosures

FOOTNOTES

¹ Source: YourStake Data as of 12/31/22 compared to compared to Portfolio Specific Benchmark. YourStake is a provider of ESG data from 200+ underlying sources to help investors align their investments with their values. CapShift uses YourStake to track and report on impact metrics of clients' public portfolios. The Portfolio Specific Benchmark is created by weighting each underlying funds' benchmark in accordance with that fund's weighting in the portfolio. Top 200 companies by clean energy economy revenue, including energy efficiency and finance of low-carbon solutions, and companies with business models and revenue sources fully in support of the clean energy economy.

² Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. The Access To Nutrition Index scores how well food & beverage companies provide access to healthy products and responsibly influence consumers' healthy choices and behaviors. Companies are scored based on factors including governance, healthy products, and transparent labeling/marketing. Scores range from 0 (worst) to 10 (best). 1 in 3 people worldwide are malnourished. Companies can provide better labelling and access to healthy products around the world, and encourage more nutritious diets to combat malnutrition.

³ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. Refers to companies involved in producing and trading palm oil, paper/pulp, rubber, timber, cattle, and soy, and having a past record or a significant risk of contributing to deforestation, land grabbing, and human rights abuses.

⁴ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark.. Refers to companies in the coal or oil/gas production, refinement, distribution, or services industries, or utility companies that burn fossil fuels to generate power receive a score of 100%. Other companies receive a score of 0.

⁵ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark.. Greenhouse gas emissions, in Carbon Dioxide Equivalents, total of scope 1, 2, and 3 emissions. These are total emissions as reported by the company. Please note some companies report "scope 3" as only part of their scope 3 emissions, and may not report all scopes of emissions.

⁶ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark.

⁷ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. Percent of mutual fund proxy votes in support of increased political spending disclosure.

⁸ Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark

⁹ Select top holdings are stories of impact selected from the top 10 equity companies or fixed income investments comprising the largest share of the portfolio that align with the fund's intended strategy.

¹⁰ Source: "Apple Environmental Progress Report 2022." Pg. 3,

https://www.apple.com/environment/pdf/Apple_Environmental_Progress_Report_2022.pdf

¹¹ Source: "Microsoft Global Diversity & Inclusion Report." Pg. 25, <https://www.microsoft.com/en-us/diversity/inside-microsoft/annual-report?activetab=innovation-spotlights%3aprimar4>

¹² Source: "John Deere Sustainability Report 2022." Pg 5. <https://www.deere.com/assets/pdfs/common/our-company/sustainability/sustainability-report-2022.pdf>

¹³ Source: "CCM 2022 Impact Report." Pg 30. <https://www.ccminvests.com/impact/reporting/>

¹⁴ Source: "Parnassus 2022 Stewardship Report." Pg 9: https://assets-us-01.kc-usercontent.com/094ee837-48bb-001c-6959-053670061ebf/97292c2f-27ac-44b0-ba76-22325d300dfa/Parnassus%20Investments_2022%20Stewardship%20Report.pdf

¹⁵ Source: "2022 Advocacy Report," Trillium. Pg 1: <https://www.trilliuminvest.com/leadership-corporate-engagement/trilliums-q1-q2-2022-advocacy-impact-report>

¹⁶ Source: "Measuring Impact in Public Fixed Income," Nuveen. Pg 1: <https://documents.nuveen.com/Documents/Nuveen/Default.aspx?uniqueId=a1a3498b-5238-4226-824e-92e2cd2f830f>

¹⁷ Source: "Brown Advisory 2021 Large Cap Sustainable Impact Report," Brown Advisory. Pg 8: <https://info.browoadvisory.com/2021-lcsg-impact-report-wp>

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¹⁸ A majority-minority census tract has a population that is at least 50% minorities, which means that more than half of individuals in the census tract are Black, Asian, Hispanic, Asian Pacific Islander, and/or Native American. Source: "CCM 2022 Impact Report." Pg 26-27: <http://www.ccminvests.com/wp-content/uploads/2023/01/CCM-2022-Impact-Report-FINAL.pdf>

¹⁹ Source: "Impax Engagement and Policy Advocacy Report 2022," Impax. Pg 9: <https://impaxam.com/assets/pdfs/sustainability/us-impax-engagement-report.pdf?pwd=9465>

Note on YourStake Sources: YourStake gathers data from publicly available sources and cites every data point to ensure verifiability. YourStake looks for data that meet the following criteria:

- Hosted by government, SEC, academic, or trusted NGO sources.*
- Applies to a broad set of companies, either across a sector, geographical region, or the whole economy.
- Contains quantitative, comparable measures.
- Updated frequently to reflect the current state of the world.

In general, YourStake chooses not to gather data from voluntary company reporting because companies often use different methodologies to report similar metrics, leading to the inability to compare, or worse, misleading comparisons that are not apples-to-apples. Instead, by using third-party and standardized data sources, YourStake can ensure fair comparability. YourStake frequently updates and improves its list of data sources. YourStake has also put together a proprietary database of shareholder engagement actions. This database draws from company reporting, including fund manager impact reports, websites, press releases, blog posts, and the general news media.

* YourStake determines that an NGO source is a trusted source if it:

- Has a detailed and transparent methodology.
- Is updated frequently,
- Is already used by government regulators or the investor community to analyze, evaluate, or engage with companies.

Note on ESG and Impact Definitions:

ESG data integration: Refers to funds that systematically and explicitly include material ESG factors into investment analysis and investment decisions, including exclusion of certain sectors or overindexing towards positive social or environmental focused sectors

Advocacy & engagement: Refers to funds who reported on taking actions such as shareholder engagement or proxy voting with underlying holdings in the past year at either the fund or firm level

Impact outcomes: Refers to funds who produce reports showing progress against explicit impact goals and targeted metrics in the past year at the fund level

About CapShift

CapShift partners with National Philanthropic Trust to help donors align their donor advised funds' investments with their values to create meaningful impact from the moment capital is donated until it reaches their preferred nonprofit. Learn more about CapShift's partnership with National Philanthropic Trust by visiting [this page](#) or by reaching out to us at hello@capshift.com.



DISCLOSURES

The above information does not constitute an offer to sell or a solicitation of an offer to purchase any security. All investments entail a high degree of risk and no assurance can be given that the investment objective will be achieved or that investors will receive a return of their capital. Any investment opportunities highlighted in this document are presented for illustrative purposes only. Additionally, investments may not achieve stated social, environmental, or similar objectives. Opportunities may not be suitable for all investors and past financial or social returns are not indicative of future results.

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