

## BROAD ESG IMPACT POOL

Seeks to invest in best-in-class passive funds targeting leading social, environmental, and governance factors.

### Weighted Average Fee<sup>1</sup>

0.53% (53 basis points)

### Objectives

**Risk Profile:** Aggressive

**Strategy:** The Broad ESG Impact Pool invests in organizations that tackle global challenges through commitments to environmental action, diversity and inclusion, and proper governance. This diversified portfolio of passive funds allows you to align your public investments with core ESG principles that support responsible companies and drive positive impact.

**Impact:** The Pool consists of a globally diversified mix of passive index funds and ETFs that:

**Invest** in companies developing solutions to improve resource efficiency and help combat climate change.

**Screen Out** companies that have poor governance, health, and humane safety standards as well as a lack of diversity at the board and executive level.

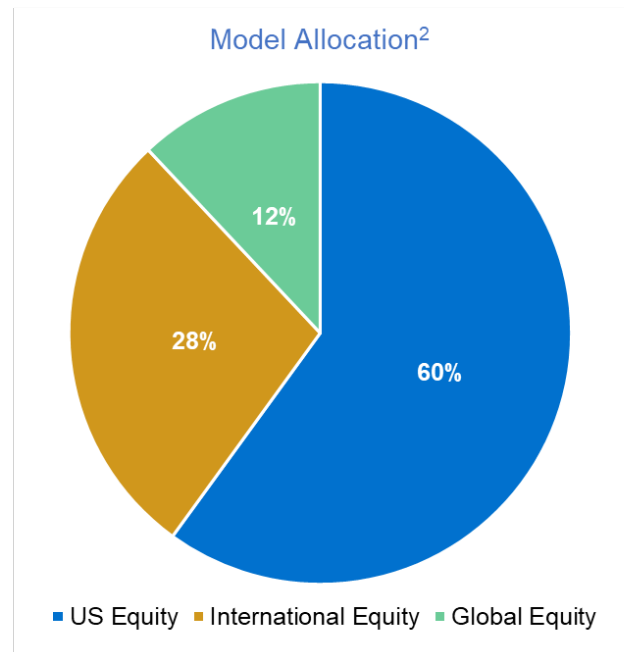
**Select companies** that treat their employees and suppliers fairly and take the lead in workforce equity and shrinking gender and racial pay gaps.

**Engage** with companies to improve how they treat employees, communities, and the environment.

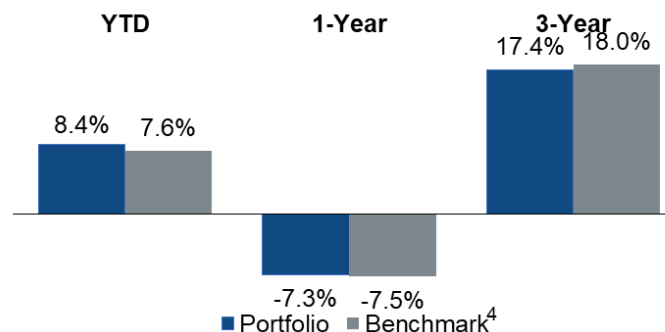
**Grantmaking:** Appropriate for donors with long- and short-term time horizons for granting priorities.

### Investments

Calvert US Large Cap Core Responsible Index  
 Vanguard FTSE Social Index  
 Calvert International Responsible Index  
 Goldman Sachs JUST US Large Cap ETF  
 iShares Global Clean Energy ETF



### Performance<sup>3</sup> (as of 3/31/2023)



### Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at [service@growyourgiving.org](mailto:service@growyourgiving.org) or 816.842.7444.

Contact Trey Corbett at [corbett@growyourgiving.org](mailto:corbett@growyourgiving.org) or 816.627.3419 for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

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## Disclosures

<sup>1</sup> The Weighted Average Fee includes the overall portfolio cost based on underlying fund expense ratios and their weighted allocations along with any investment advisory fees.

<sup>2</sup> Investment allocation tactical flexibility of +/- 10%. Actual allocation may fluctuate within these flexible bands intra-quarter due to market movements.

<sup>3</sup> These performance figures for the time periods of YTD, 1, and 3 years are model performance for illustration purposes only, and do not constitute professional investment advice. Model performance and past performance are not indications of future results and may never have been or will be achieved.

The model performance has been prepared at the request of Greater Kansas City Community Foundation for its exclusive use and the use of its donors and is not for general distribution. The model assumes the inception of the model portfolio occurred 3 years from the date of the reporting period. Some funds in the portfolio today were incepted less than 3 years ago, the model invests the capital allocated to these funds pro-rata into funds that were investable at the time and then rebalances the portfolio to its model allocation when these funds are incepted. The model performance is not representative of actual returns and interpretation of results should take into consideration the limitations inherent in the results of the model. The model performance does not represent the trading of investor assets and does not account for the timing of investment flows. The model performance does not reflect the impact that material economic and market factors had or might have had on decision making if actual investor money had been managed.

The model performance accounts for reinvestment of income and capital-gains distributions and assumes quarterly rebalancing. The model performance figures are annualized on a YTD, 1- and 3-year basis. The model performance does not account for the underlying investment advisory fee or the GKCCF charitable admin fees, trading costs or transaction costs associated with the management of the underlying portfolio. Performance of the DAF's investments may be lower or higher.

<sup>4</sup> The Benchmark is a 70% S&P 500 Index/30% MSCI World Index blend.

## IMPACT OBJECTIVE

Overall goal of the portfolio

*Seeks to invest in best-in-class passive funds targeting leading social, environmental, and governance factors.*

## SDG ALIGNMENT

Alignment with the United Nations' Sustainable Development Goals



## ASSET CLASS

Types of underlying assets

Public Equity

## Strategy

Impact strategies utilized by the portfolio

The Broad ESG Impact Pool invests in organizations that tackle global challenges through commitments to environmental action, diversity and inclusion, and proper governance. This diversified portfolio of passive funds allows you to align your public investments with core ESG principles that support responsible companies and drive positive impact.

The Pool consists of a globally diversified mix of passive index funds and ETFs that:



**Invest** in companies developing solutions to improve resource efficiency and help combat climate change.



**Screen out** companies that have poor governance, health, and humane safety standards, as well as a lack of diversity at the board and executive level.



**Select companies** that treat their employees and suppliers fairly and take the lead in workforce equity and shrinking gender and racial pay gaps.



**Engage** with companies to improve how they treat employees, communities, and the environment.

## ESG Integration

All funds employ some element of ESG Data Integration.



**MORE EXPOSURE TO GREEN TECHNOLOGIES**

**47% greater** than benchmark in clean energy companies<sup>1</sup>

 **LESS EXPOSURE TO CLIMATE RISKS**

**13% less** than benchmark in deforestation producers exposure<sup>2</sup>

**81% less** than benchmark in fossil fuel industry exposure<sup>3</sup>

**54% less** than benchmark in scope 1+2+3 GHG emissions<sup>4</sup>

 **LESS EXPOSURE TO SOCIAL AND GOVERNANCE RISKS**

**73% less** than benchmark in weapon industry exposure<sup>5</sup>

**100% less** than benchmark in tobacco producer exposure<sup>6</sup>

**78% less** than benchmark in air pollution in poor communities<sup>7</sup>

 **MORE EXPOSURE TO DIVERSE AND FAIR LABOR PRACTICES**

**37% less** than benchmark in prison labor involvement<sup>8</sup>

## Holdings

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Select investments supporting impact:<sup>9</sup>

### 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.<sup>10</sup>



As of June 2022, **Microsoft** reached 116% of its 2025 commitment for Black and African American representation in its people managers, and 92% of its 2025 commitment for 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<sup>11</sup>



**Amazon** continues to support initiatives to address the affordable housing crisis, including a commitment of more than \$2 billion from the Amazon Housing Equity Fund, which launched last year. As of March 2022, these commitments have already preserved or created 8,000 affordable units to house more than 18,000 people.<sup>12</sup>

## Taking Action

*Shareholder engagement and proxy voting*

Notable funds in portfolio using this strategy:

- **Calvert US Large Cap Core Responsible Index**
- **Calvert International Responsible Index**



99% of the Top 100 companies engaged by Calvert, manager of the **Calvert US Large Cap Core Responsible Index**, agreed to disclosure diversity data, including gender data at ten professional levels, and pay equity data. This follows Calvert's 2020 campaign to target the top 100 U.S. companies to disclose their EEO-1 reports.<sup>13</sup>

## Advancing Impact Outcomes

*Strategic investments in impact outcomes*

Notable funds in portfolio using this strategy:

- **iShares Global Clean Energy ETF**
- **Goldman Sachs JUST US Large Cap Equity**

### ADVANCING EQUITY & INCLUSION



JUST Capital, partner of Goldman Sachs on the **JUST US Large Cap Equity Strategy**, shed light on the 100 top performers on Workforce Equity & Mobility issues among Russell 1000 companies. They found that top performers were 8.2x more likely to have conducted a race/ethnicity pay gap analysis, provide an average of 13 more hours of training or career development per employee, and were 4.6x more likely to disclose a DEI target<sup>14</sup>

### ADVANCING CLIMATE OUTCOMES



**iShares Global Clean Energy ETF's** largest holding is Enphase, an American energy technology company that develops and manufactures solar micro-inverters, battery energy storage, and EV charging stations primarily for residential customers. In December 2022, Enphase announced that it was partnering with Pacific Gas and Electric Company to launch a home battery energy storage program — with the use of Enphase IQ Batteries — to support vulnerable, low-income customers during power outages.<sup>15</sup>

## Important Information and Disclosures

### FOOTNOTES

<sup>1</sup> Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. Includes companies involved in the manufacture or sale of weapons

<sup>6</sup> Source: YourStake Data as of 12/31/22 compared to the Portfolio Specific Benchmark. Includes companies involved in the production of tobacco

<sup>7</sup> Source: YourStake Data as of 12/31/22 compared to the Portfolio Specific Benchmark. Amount that poor communities are exposed to toxic air pollution from industrial facilities in the US using Census and EPA data

<sup>8</sup> Source: YourStake Data as of 12/31/22 compared to the Portfolio Specific Benchmark. Does a company use or support prison labor, including supply chain. Primary data from NGO Watchdog.

<sup>9</sup> 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.

<sup>10</sup> Source: "Apple Environmental Progress Report 2022," Pg. 3. [https://www.apple.com/environment/pdf/Apple\\_Environmental\\_Progress\\_Report\\_2022.pdf](https://www.apple.com/environment/pdf/Apple_Environmental_Progress_Report_2022.pdf)

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

<sup>12</sup> Source: "Amazon Sustainability Report," Pg. 3. <https://sustainability.aboutamazon.com/2021-sustainability-report.pdf>

<sup>13</sup> Source: "Engagement Update: 99% of top 100 companies agree to disclose diversity date," Calvert. Pg 1-3. <https://institutional.eatonvance.com/media/36659.pdf>

<sup>14</sup> Source: "Just Capital 2022 Workforce Equity and Mobility Ranking," <https://justcapital.com/reports/annie-e-casey-foundation-2022-workforce-equity-and-mobility-ranking-top-100-companies/>

<sup>15</sup> Source: "Enhancing Reliability and Safety: PG&E and Enphase Energy Partner to Provide Home Battery Systems for 100 Vulnerable, Low-Income Customers." <https://www.prnewswire.com/news-releases/enhancing-reliability-and-safety-pge-and-enphase-energy-partner-to-provide-home-battery-systems-for-100-vulnerable-low-income-customers-301707371.html>

All data as of 12/31/22 unless otherwise specified.

## Important Information and Disclosures

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### 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

## 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.

First used March, 2023