

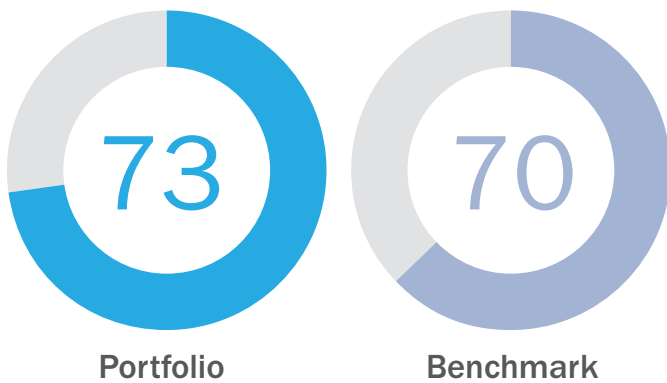
Impact Report:

Quantitative Portfolio: Impact International ADR - ESG

The **Quantitative Portfolio: Impact International ADR - ESG** is designed to track the characteristics and returns of the S&P/BNY Mellon DM ex US Classic ADR (“Benchmark”) and focuses explicitly on companies with high sustainability ratings and/or environmental, social, and governance priorities. Impact investors benefit from diversified, low-cost market exposure and opportunities for tax management in a single, separately managed account.

Portfolio and Benchmark metrics are calculated based on security level data from Sustainalytics.

Total ESG Score



Product Involvement

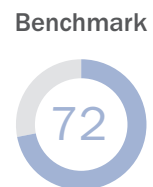
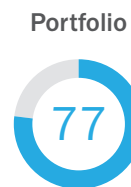
Avoid exposure to companies with significant revenue generated in the following areas:



ESG Issues Addressed



Environment
includes climate change, clean technology, natural resources, land use and biodiversity



Social
includes conflict risk, equal employment opportunity and diversity, and labor and human rights



Governance
includes corporate board issues, transparency, anticorruption, executive pay, political contributions



Environment

Carbon Emissions

Carbon footprint is **37%** below the Benchmark.



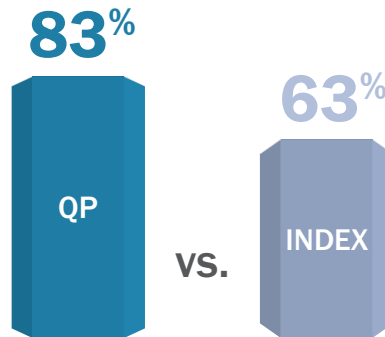
For a \$100,000 investment, **you save carbon emissions equivalent to:**

- 845 gallons of gas
- 8,210 pounds of coal left unburned
- 2 years of daily commuting for the average driver
- Charging your iPhone 957,618 times
- The amount of carbon sequestered by 124 trees, or 9 acres of US forest in one year.



Greenhouse Gas Reduction Program

83% of holdings in the portfolio has a strong Greenhouse Gas Reduction Program, compared to 63% of the Benchmark.

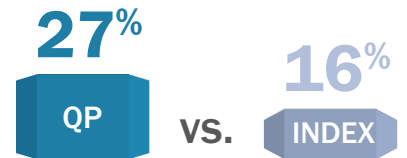


You support companies taking action to combat climate change and minimize impact on the planet.



Renewable Energy Use

27% of holdings in the portfolio source >25% of energy from renewables, compared to 16% of the Benchmark.



You support companies that are prioritizing the transition to a cleaner and more secure energy future.



Company Highlight: Canon

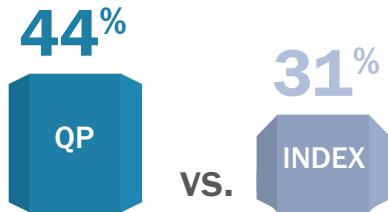
Canon is committed to protecting the environment in which it operates, and is implementing best practices for a clean energy future. The company has established a target to use more than 130MWh and 85,000 MWh of renewable energy in Japan and overseas respectively by 2020. Canon's Generation Green initiative aims to reduce the environmental burdens in all stages of a product's lifecycle across product lines. The program is designed to provide business partners, customers and consumers a way to identify and learn about the various green products and solutions Canon offers; for example, possible cost savings through energy efficiency. Canon is a leader in its industry in eliminating hazardous substances within copier toner and packaging. To help support biodiversity, Canon promotes the use of sustainable forestry resources within raw materials for paper production in the value chain, and has a set procurement policies favoring the purchase of paper products derived from sustainably sourced wood pulp.¹

¹ <https://www.usa.canon.com/internet/portal/us/home/about/environment-sustainability-initiatives>

Social

Diversity

44% of holdings in the portfolio have a Strong Diversity Program, compared to 31% of the Benchmark.

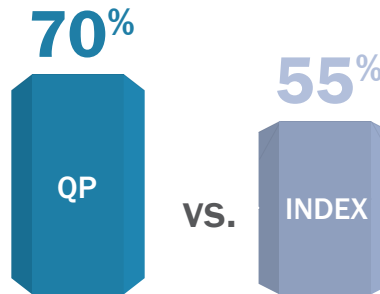


- Advance Women and Minorities in the Workforce
- Promote Inclusionary Hiring & Career Development Practices
- Encourage Cultural Understanding & Sensitivity in the Workplace



UN Global Compact Signatory

70% of holdings in the portfolio are committed signatories to the UN Global Compact, compared to 55% of the Benchmark.

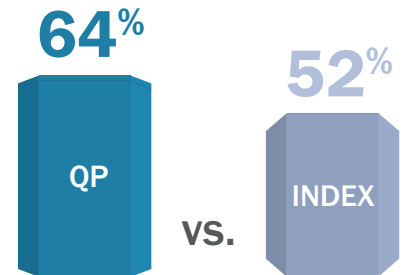


- Promote human rights & labor
- Eliminate child labor & forced labor
- Protect the environment



Social Supply Chain Standards

64% of holdings in the portfolio have strong social supply chain standards, versus 52% of the Benchmark.



- Promote worker's rights
- Support fair and decent wages
- Improve quality of life in the developing world



Company Highlight: Eni SpA

Eni is committed to protecting and supporting employees, customers and communities. The company's Statement on the respect for Human Rights confirms Eni's commitment to respect the Guiding Principles on Business and Human Rights approved by the United Nations in 2011 and it is referred to all parties working for and with Eni, including employees, business partners and local communities.

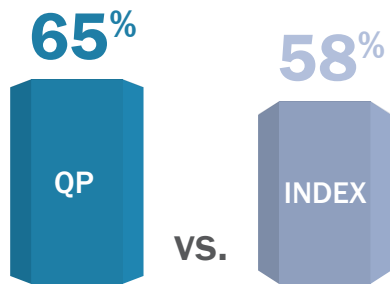
Eni has created a "cooperation model", which aims to support the development of local communities and contribute to reducing socio-economic inequalities in areas it operates. The company has goals to expand access to energy in an efficient and sustainable way, for the benefit of local people, by supporting energy independence in Libya, Egypt and sub-Saharan Africa. Eni also supports underserved populations in other valuable ways. In the Congo, through the Hinda Sustainability Project, Eni has supported the creation of 9 schools, 3 health centers and 21 wells, as well as provided agro-zoo technical services to 25 villages. The aim is to strengthen and develop technical and professional skills and to promote agricultural activities in the project area. In Italy where the company is headquartered, as a part of an agreement among Eni, the Ministry of Education (MIUR) and the Ministry of Labour (MLPS), Eni provides school-work alternation and first-level apprenticeship activities. The objective of these activities is to bring young people closer to the world of work, strengthening their technical and professional skills and preventing them from dropping out of school.²

² https://www.eni.com/en_IT/sustainability/cooperation-model.page

Governance

Board Diversity

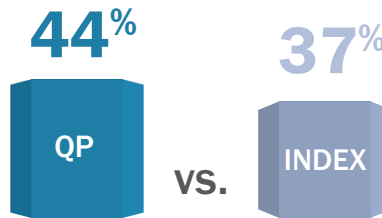
65% holdings in the portfolio have Board Diversity (Gender and/or national identity) that is above market practice, compared to 58% of the Benchmark.



Why it matters: Diverse board directors bring new sources of talent that are more representative of the general workforce and society, and can bring fresh perspectives to complex issues.

Board Independence

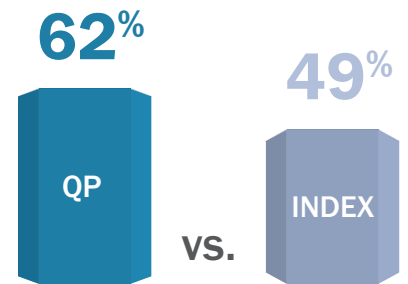
44% of holdings in the portfolio have Board Independence that is in line with regional/national practice, compared to 37% of the Benchmark.



Why it matters: Independent directors can provide oversight for management and protect shareholder and stakeholder interests.

Quality of ESG Reporting

62% of holdings in the portfolio have strong reporting on Corporate Social Responsibility and ESG, compared to 49% of the Benchmark.



Why it matters: Company transparency around corporate citizenship and environmental and social impact are increasingly important to brand reputation and consumer trust.



Company Highlight: Danone

Danone is a leader in board and managerial oversight of environmental, social and governance issues. The company has implemented a social responsibility committee at the board level that is responsible for all areas of social responsibility, with a particular focus on social, environmental and ethical issues. Annual variable compensation for Danone's executive management team includes a social and societal component relating to Danone's social objectives, such as the quality of the workplace environment. And in 2018 the Compensation Committee and Executive Committee decided to incorporate a 20% weighting for environmental performance into Group Performance Shares. In line with best practice, the company's Policy on Advocacy states that Danone does not use corporate funds or assets to make political contributions. It also states that the company does not spend on behalf of candidates and parties. Danone has also disclosed a robust diversity policy including specific commitments and targets to increase the diversity of board membership. Currently, six out of 14 shareholder-elected directors are women, which is leading practice compared to peers. The proportion of Danone female managers, directors and executives is now at 50% in 2018.³

³ <https://www.danone.com/stories/articles-list/women-perform-companies-perform.html>



Sustainalytics Definitions

ESG Score

This measure provides an assessment of how a company is managing its environmental, social and governance risks and opportunities within the industry that it operates.

Carbon Emissions

This measure provides an assessment of the carbon intensity of a company relative to its peers. The carbon intensity of a company is calculated by dividing the annual CO2 equivalent emissions of a company by annual revenues (t.CO2eq./USD m. revenues).

Source for portfolio carbon savings: EPA

Greenhouse Gas (GHG) Reduction Programs

This measure provides an assessment of whether a company has taken initiatives to reduce its Scope 1 & 2 GHG emissions or to increase energy efficiency/reduce energy use relative to its own operations. Targets should be quantitative and associated with a deadline.

Renewable Energy Use

This measure provides an assessment of a company's use of renewable energy for their own operations. This is measured by the percentage of renewable energy used compared to the total energy mix of a company. Renewable energy sources include hydroelectric, solar, wave power, wind energy and geothermal energy.

Diversity Programs

This measure provides an assessment of the quality of a company's program to increase workforce diversity. An effective and comprehensive workforce diversity program must include measures to attract, hire, retain, and develop a diverse workforce. Initiatives must be targeted at certain groups that may otherwise face barriers entering the workforce or advancing in the corporate ladder (e.g. women, visible minorities, religious minorities, indigenous people and people with disabilities). These "designated groups" vary depending on the local context. General statements on human capital at large are not considered.

Global Compact Signatory

This measure denotes whether a company is a signatory to the UN Global Compact.

Quality of Social Supplier Standards

This measure provides an assessment of the quality of social standards in supply chain codes of conducts or policies. Companies should state that they operate in accordance with International Labor Organization (ILO) conventions and mention explicitly the number of the conventions. Companies can also develop their own policies but the content of these policies should be in the sphere of the ILO conventions and be very detailed.

Board Diversity

This is an assessment of both the gender diversity on the board, and quality of the diversity policy.

Board Independence

This is an assessment of the level of board independence compared to market practice including affiliations of outside directors with CEO/insiders.

Quality of ESG Reporting

This measure provides an assessment of reporting disclosed by a company on ESG matters, and the extent to which it conforms to international standards as well as best practices.

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