

# A Closer Look at Holdings (as of 6/30/21)

## PMC Impact Portfolios

PMC Impact Portfolios are comprehensive, disciplined, and diversified solutions designed for investors with environmental, social, and governance (ESG) priorities. These portfolios are constructed using high conviction ESG focused strategies identified through Envestnet | PMC's thorough, multi-layered research and due diligence process.

### Domestic Equity

#### Parnassus Core Equity

##### Large-Cap Core

- Seeks to achieve both capital appreciation and current income through a concentrated portfolio of around 40 stocks. Aims to exploit quality and time arbitrage market inefficiencies through investing primarily in dividend-paying, large-cap companies determined to be undervalued at time of purchase.
- Investment team utilizes a comprehensive process that fully integrates fundamental and ESG research to assess the business quality and valuation of potential portfolio companies. There is a firm-wide belief that ESG evaluations enable the investment team to identify risks and opportunities that may be overlooked in the fundamental process. The fund invests in companies with sustainable competitive advantages, relevant products and services, strong management teams, and compelling ESG profiles.
- Has performed in line with expectations as a conservative, high-quality portfolio which has generally kept pace in rising environments and outperformed during downturns. Performance relative to large-cap blend peers has been strong, with the fund placing in either the top or second quartile across the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Excludes investments in companies that derive significant revenue from the manufacturing of tobacco, alcohol, gambling, weapons, nuclear power, and business involvement with Sudan.

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### American Century Sustainable Equity

#### Large-Cap Core

- Seeks to identify 80-100 stocks near the beginning of the cycle of improving earnings, increasing earnings estimates, and expanding stock price multiples.
- Five person dedicated ESG team which researches and communicates financially material findings to the Sustainable Equity PM team on a stock-by-stock basis. The team utilizes ESG analysis to provide a more comprehensive assessment of risk than financial analysis alone, as an embedded component of the bottom-up process in evaluating stocks.
- Maintains a tight tracking error and high R-Squared compared to the S&P 500 Index since the fund's ESG conversion in mid-2016, with a moderate growth tilt. Alpha has been driven by stock selection.
- Implements an ESG model with inputs from MSCI ESG Research, MSCI Governance and Carbon Metrics, Bloomberg ESG Business Intelligence, Sustainability Accounting Standard Board, and ISS Socially Responsible Investing. ESG is largely used to identify risks, and is used relative to industry peers. Tobacco is the only industry excluded.

### Parnassus Mid Cap

#### Mid-Cap Core

- Uses a fundamental approach to build a portfolio of around 40 US stocks that seeks to outperform the Russell Mid Cap Index over the long run on a risk-adjusted basis; attempts to shield investors from losses during bear markets while offering significant upside participation during bull markets.
- Invests in companies with competitive advantages, long-term relevancy, quality management teams, and a favorable three-year investment horizon. The team adheres to socially responsible guidelines when evaluating companies with the objective to avoid ESG risk, which they believe can harm corporate financial performance over time.
- Co-managed by Portfolio Managers Matthew Gershuny and Lori Keith, both of whom have over 18 years of industry experience. Both have been managing the strategy since 2008.
- Consistent with Parnassus' investment approach, the Fund excludes investments in companies involved in the production of tobacco, alcohol, gambling, weapons, nuclear power, and those with business involvement with Sudan; Fund also invests in Community Development Financial Institutions (CDFIs) that offer credit, capital, and financial services to individuals and organizations engaged in work that benefits low-income communities.

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## PMC Impact Portfolios

### **Pax Small Cap**

#### **Small-Cap Core**

- Comprises a concentrated portfolio of around 40-60 companies selected through a fundamentally-driven investment approach.
- Employs a quantitative screen to identify securities that offer growth at a reasonable price while also meeting the team's ESG criteria; seeks high-quality, profitable companies with high free cash flow and strong management teams.
- Actively manages risk and performs well in its peer group with respect to volatility control and risk reduction, and boasts a standard deviation and beta lower than 90% of peers for the past five-year trailing period.
- Managed by Portfolio Manager Nathan Moser, who is assisted by dedicated analysts Diederik Basch and Charles Kim. Moser and Page have over 15 years of industry experience.
- Fully-integrated, sustainable investing approach identifies companies that demonstrate corporate responsibility and respectable business ethics; screens for companies involved in manufacturing of tobacco products, weapons/firearms, oil from tar sands, and coal.

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## PMC Impact Portfolios

### International Developed Markets

#### Domini Impact International Equity

- Seeks long-term total return through investing primarily in approximately 150 mid- and large-cap global companies.
- Investment process is sub-managed by Wellington Management Co. Managing Director David J. Elliott since 2009.
- Security selection process combines both Domini's expertise in identifying socially responsible companies and Wellington Management's proprietary quantitative model, and seeks to add value through active stock selection while managing risk throughout the portfolio construction process.
- Works to raise issues of social and environmental performance with the management of certain companies through proxy voting, dialogue with management, and by filing shareholder proposals where appropriate.
- Avoids investments in firms involved with weapons, tobacco, alcohol, gambling, and nuclear power generation; may also limit the Fund's investment in certain geographic areas due to political conditions.

#### Pax International Sustainable Economy

- Passively managed portfolio of 300-350 securities is designed to track the performance of the MSCI EAFE ESG Index; aims to have a correlation of 95% or better between the Fund's performance and that of the Index.
- Managed by Portfolio Managers Scott LaBreche, and Greg Hasevlat, who together average over 13 years of industry experience.
- Provides broad exposure to developed international market companies with high ESG performance relative to other companies in their sector, informed by research and analytics from MSCI ESG Research.
- Integrates a proprietary carbon approach into the investment process, which substitutes energy efficiency companies in place of fossil fuel companies.
- Consistent with MSCI ESG screening criteria, the Fund does not invest in companies significantly involved in the production/manufacturing of alcohol, gambling, tobacco, nuclear power, and weapons/firearms, oil from tar sands, and coal.

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## PMC Impact Portfolios

### Emerging Markets

#### Martin Currie Emerging Markets

- The investment process, which incorporates ESG analysis throughout, results in a concentrated portfolio (40-60 holdings) with benchmark-like risk.
- The experienced seven-person Martin Currie team (average 20 years' experience) has been incorporating ESG principles into their process since 2010.
- The firm has implemented a disciplined investment process where the investment team incorporates ESG factors as key inputs in financial modeling and qualitative analysis for a more complete view of business sustainability.
- Martin Currie has a deep focus on engaging with holdings to understand and improve ESG practices. Their commitment to active ownership and responsible stewardship of capital differentiates the firm as a leader.

### Global Equity

#### Pax Global Environmental Markets

- Actively managed portfolio comprises around 50 growth and value stocks that are developing solutions to natural resource challenges across the world.
- Security selection is performed on a company-by-company basis, and considers valuation and growth prospects, financial condition, and economic, political, and regulatory environments.
- Co-managed by Portfolio Managers Hubert Aarts and Bruce Jenkyn-Jones since Fund's inception.
- Fund is sub-advised by Impax Asset Management Ltd, which specializes in investing in companies active in the rapidly growing and inefficiently priced resource optimization markets that seek to capitalize on the increasing global demand for efficiency solutions in the areas of energy, water, waste, food, and agriculture.
- Performs exclusionary screens for companies involved in the manufacture of tobacco, weapons/firearms, coal, and oil from tar sands.

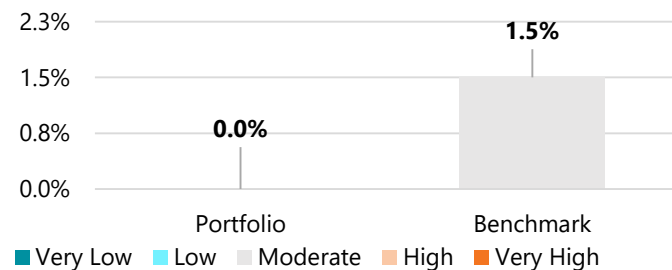
# Equity Impact Reporting Metrics (as of 06/30/21)

Powered by MSCI ESG Research

## Equities

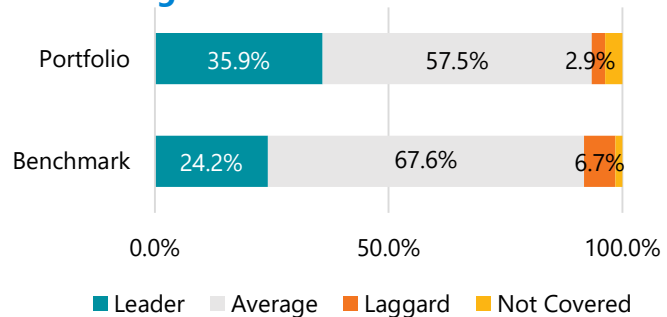
### Reputational Risk

(Very Severe Controversy Exposure)



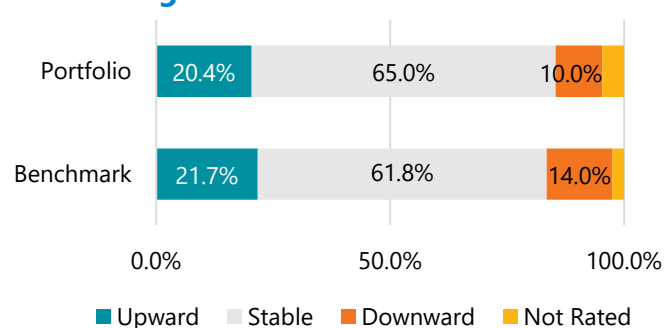
Low Reputational Risk  
1.5% less than benchmark

### ESG Ratings Distribution



Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

### ESG Ratings Momentum



## Definitions

- **Reputational Risk** represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. It is based on MSCI ESG Controversies. Portfolio level Reputational Risk is categorized as Very Low (0%), Low (>0% to <1%), Moderate (1% to <5%), High (5% to <10%), and Very High (>=10%).
- **ESG Ratings Distribution** represents the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).
- **ESG Ratings Momentum** represents the percentage of a portfolio's market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment.

# Equity Impact Reporting Metrics (as of 06/30/21)

Powered by MSCI ESG Research

## Equities

### How to read this page

The exposure figures represent revenue exposure to Sustainable Impact Solutions which reflects the extent to which company revenue is exposed to products and services that help solve the world's major social and environmental challenges. It is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from Sustainable Impact Solutions. To be eligible to contribute, an issuer must maintain minimum ESG standards.

The classifications below help interpret the different degrees of exposure.

### Climate Change

	Portfolio	Benchmark	Active
Alternative Energy (%)	0.6%	0.4%	0.2%
Energy Efficiency (%)	2.0%	2.0%	-0.1%
Green Building (%)	0.6%	0.3%	0.3%

### Natural Capital

	Portfolio	Benchmark	Active
Sustainable Water (%)	0.7%	0.1%	0.4%
Pollution Prevention (%)	0.5%	0.2%	0.3%
Sustainable Agriculture (%)	0.2%	0.0%	0.1%

### Basic Needs

	Portfolio	Benchmark	Active
Major Diseases Treatment (%)	1.7%	1.5%	0.2%
Sanitation (%)	0.3%	0.3%	0.1%
Nutrition (%)	0.3%	0.3%	0.0%
Affordable Real Estate (%)	0.1%	0.1%	-0.1%

### Empowerment

	Portfolio	Benchmark	Active
Education (%)	0.0%	0.0%	0.0%
SME Finance (%)	0.2%	0.1%	0.1%
Connectivity (%)	0.0%	0.0%	0.0%

Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

# Equity Impact Reporting Metrics (as of 06/30/21)

Powered by MSCI ESG Research

## Equities

### Business Involvement

The percentage of portfolio's market value exposed to companies flagged for any tie, including ownership of and by, in the difference categories, this is considered zero tolerance. Values Alignment metrics provide transparency to help identify funds that align with ethical, religious or political views. The metrics measure the percentage of portfolio's market value exposed to companies flagged for controversial business involvement.

	Portfolio	Benchmark	Active
Adult Entertainment (%)	0.0%	0.1%	-0.1%
Alcohol (%)	2.3%	4.5%	-2.2%
Civilian Firearms Retailers (%)	0.0%	0.5%	-0.5%
Civilian Firearms Producer (%)	0.0%	0.2%	-0.2%
Gambling (%)	1.1%	1.3%	-0.2%
Nuclear Power (%)	0.7%	2.7%	-2.0%
Tobacco (%)	0.1%	0.8%	-0.7%
Weapons (%)	1.8%	2.9%	-1.1%
Controversial Weapons (%)	0.2%	0.7%	-0.5%
Direct Predatory Lending (%)	0.1%	0.1%	-0.1%
Genetic Engineering (%)	0.1%	0.7%	-0.6%

Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

### Environmental Risk

**Carbon Risk** measures exposure to carbon intensive companies. It is based on MSCI Carbon Metrics, and is calculated as the portfolio weighted average of issuer carbon intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. Carbon Risk is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525).

**Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own fossil fuel reserves.

**High Impact Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.

**Exposure to High Water Risk (%):** The percentage of portfolio's market value exposed to companies with a Water Stress Exposure Score > 6.6. Scores combine the geographic and business segment components and range.

	Portfolio	Benchmark	Active
Carbon Risk (T CO2E/\$M Sales)	133	142	-6.7%
Fossil Fuel Reserves (%)	1.3%	4.8%	-3.5%
High Impact Fossil Fuel Reserves (%)	1.0%	4.4%	-3.4%
Exposure to High Water Risk (%)	5.7%	5.9%	-0.3%



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## PMC Impact Portfolios

### Fixed Income

#### TIAA-CREF Core Impact Bond

##### Intermediate Bond

- Diversified portfolio consisting of a wide variety of investments represented in the Barclays U.S. Aggregate Index as well as high-yield bonds and loans, taxable municipal bonds, and emerging market debt.
- Combines bottom-up, value-oriented security selection with a macro, top-down overlay that determines asset allocation targets.
- Led by co-portfolio managers Stephen Liberatore and Joe Higgins, who are supported by four sector-specific portfolio managers and 37 research analysts.
- Utilizes a best-in-class ESG integration approach relying on research by MSCI, which consists of the highest rated ESG companies for each sector in the underlying index; ESG controversies in areas such as the environment, employee relations, and customer relations are excluded from the portfolio, while proactive investments are made in the follow themes: Affordable Housing, Community and Economic Development, Renewable Energy and Climate Change or Natural Resources.

#### CCM Community Impact Bond

##### Intermediate Bond

- Seeks to provide a high level of current income while maintaining tight risk controls aimed at the preservation of capital.
- Concentrated, conservatively managed portfolio provides investors with a core bond allocation through investing in Agency mortgage-backed securities (MBS) and taxable municipal bonds.
- Managed by a team of three portfolio managers who average more than 18 years of industry experience.
- Invests in MBS pools in which underlying mortgages provide capital investment in underserved, low- and moderate-income communities; multi-family MBS securities backing housing developments offering a positive community impact; and taxable municipal issues supporting local manufacturing and redevelopment projects, such as those that support job creation and clean energy.

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## PMC Impact Portfolios

### DWS ESG Global Bond

#### Global Bond

- Implements a value-oriented process, leveraging macro input from DWS' "CIO View" and bottom-up feedback from analysts. Analysts incorporate ESG factors into traditional credit assessments. Spread over swaps is the team's primary measure of value.
- Approach incorporates a best-in-class ESG framework. The team incorporates outputs from the DWS proprietary ESG Engine, which synthesizes input from eight ESG data providers. The engine helps the team identify ESG leaders and issuers that are aligned with the UN's Sustainable Development Goals (SDGs), as well as avoid issuers with elevated climate transition risk.
- The team has been running this fund with an ESG mandate since May 2019, however, despite a short track record, management's successful navigation of the end of the previous credit cycle and the market's volatile reaction to COVID-19 suggest it has strong potential.
- Avoids investing in issuers that have significant revenue exposure to controversial weapons, coal, tobacco, adult entertainment, nuclear power, gambling, or defense. Issuers linked to child/forced labor and severe environmental damage are also excluded.

### PIMCO Low Duration ESG

#### Short Bond

- The PIMCO Low Duration ESG Fund, though benchmarked to the ICE BofA 1-3 Year Treasury Index, is a benchmark agnostic strategy that seeks to maximize total return and preserve capital through an ESG focused lens.
- The three-person PM team includes CIO and Head of ESG Portfolio Integration Scott Mather, along with Jerome Schneider, and Jelle Brons. All of the PMs have impressive credentials and average more than 20 years of investment experience, all with more than a decade at PIMCO. Supporting the three PMs are PIMCO's eight dedicated ESG research analysts.
- PIMCO uses its own proprietary assessments of material ESG issues and will engage with issuers, creating a conservative short-term bond offering that supports favorable ESG outcomes. The team also invests in green labeled bonds with attractive valuations in-line with comparable non-green bonds issued by the same company.
- PIMCO's alpha thesis is rooted in a global macro orientation and identifying cyclical and secular investment trends, believing it can uncover relative value opportunities as a means to generate outperformance. This is a conservative, low volatility, multisector bond strategy with an emphasis on downside protection.

# Fixed Income



## MANAGER FOCUS COMMUNITY CAPITAL MANAGEMENT

Since inception, Community Capital Management has invested approximately \$10.5 billion in impact and ESG initiatives nationwide on behalf of its clients. This includes approximately \$1.1 billion invested in 2020 among the following broad categories:



### Affordable healthcare and Rehabilitation Facilities

**\$30M**

In affordable healthcare, rehabilitation care, and opportunities that promote wellness



### Economic and Environmental Initiatives

**\$266M**

In green projects, neighborhood revitalization, healthy communities, and general community development



### Affordable Mortgages

**\$417M**

financing approximately 2,600 affordable mortgages



### Enterprise Development and Job Creation

**\$16M**

In job creation opportunities, access to capital, and small business development



### Affordable Rental Housing

**\$330M**

financing approximately 85,000 affordable rental housing units



### Statewide Homeownership

**\$59M**

Financing for affordable homeownership, assistance with down payments, and first-time homebuyer programs

Source: <https://www.ccminvests.com/wp-content/uploads/2021/01/CCM-2020-Annual-Impact-Report-Final.pdf>

This manager focus does not constitute an endorsement of any firm or individual nor does it indicate that the subjects in question have attained a particular level of skill or ability.

# Fixed Income

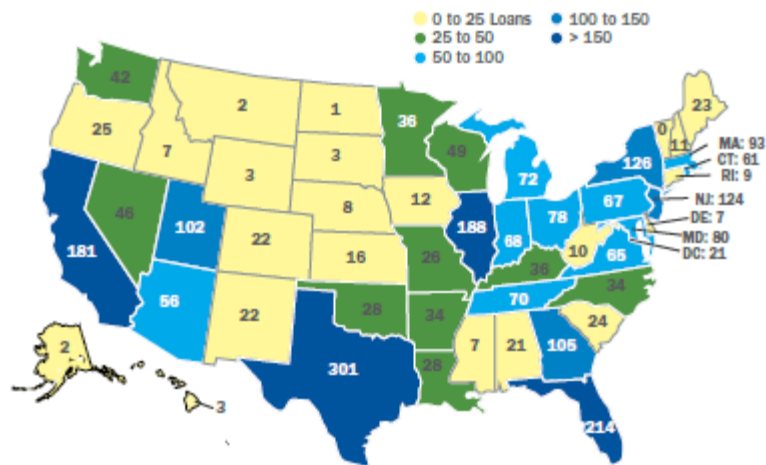


## MANAGER FOCUS COMMUNITY CAPITAL MANAGEMENT

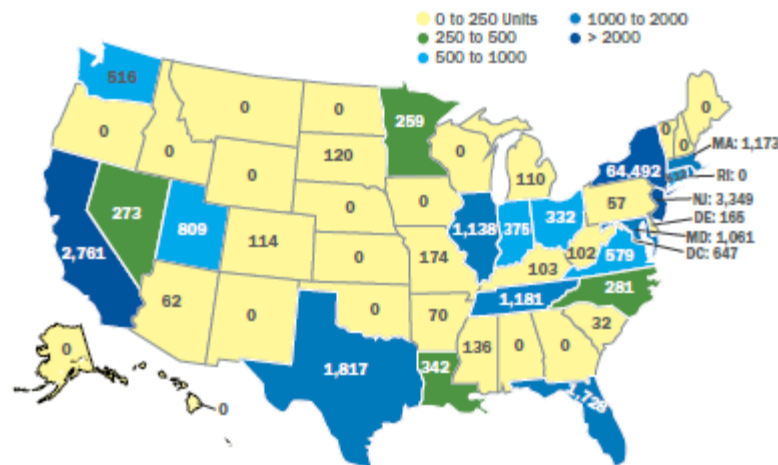
### Impact by Geography

The maps below show detailed impact metrics of Community Capital Management's geographic footprint from its fixed income investments made on behalf of clients in 2020:

#### Affordable Mortgages by State



#### Affordable Rental Housing Units by State



Source: <https://www.ccminvests.com/wp-content/uploads/2021/01/CCM-2020-Annual-Impact-Report-Final.pdf>

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## About MSCI ESG Research

MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. This research is designed to provide critical insights that investors may use as part of their implementation of responsible investment objectives and to identify environmental, social and governance risks and opportunities that traditional investment research may overlook.

# Disclosure

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this brochure is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment strategy. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon and risk tolerance. The portfolio's current performance may be lower or higher than the performance data as it represents performance as of the date shown.

This material is not meant as a recommendation or endorsement of any specific security or strategy. Information has been obtained from sources believed to be reliable, however, Envestnet | PMC cannot guarantee the accuracy of the information provided. The information, analysis and opinions expressed herein reflect our judgment as of the date of writing and are subject to change at any time without notice. An individual's situation may vary; therefore, the information provided above should be relied upon only when coordinated with individual professional advice. Reliance upon any information is at the individual's sole discretion. Diversification does not guarantee profit or protect against loss in declining markets.

Portfolio holdings are subject to change and will vary depending on strategy employed by PMC.

ESG and impact focused strategies are identified with the support of third-party research. Certain asset classes may not have an ESG or impact focused strategy that goes through our ESG due diligence standards. In this case, the portfolios will generally utilize alternative strategies that have been vetted by the PMC Research Team.

Funds that incorporate ESG characteristics into the investment process may limit their exposure to certain types of investments. As a result, an investment in an ESG focused fund may be less diversified relative to funds with similar strategies that do not have an ESG focus.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) funds are subject to interest rate risk which is the risk that debt securities in a fund's portfolio will decline in value because of increases in market interest rates.

Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. A prospectus or summary prospectus which contains this and other information about these funds are available. Please read the prospectus carefully before investing.

An investment in these portfolios is subject to market risk and an investor may experience loss of principal. The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Returns are presented without provision for federal or state taxes. Under no circumstances does the information contained within represent a recommendation to buy or sell securities. This is not a sales solicitation, but rather a research profile on a specific investment option. All environmental, social & governance data including impact scores are believed to be from reliable sources; however, we make no representations as to its accuracy or completeness.

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.**