



Environmental ActivePassive Impact Portfolios

A Holistic Portfolio Solution for Investors with Environmental Convictions

A comprehensive, disciplined, and diversified solution designed to support you in your pursuit of positive environmental impact alongside financial returns

What Exactly Is Impact Investing?

Impact investing goes by many names, and you may have run into many of them depending on which investment strategy is being discussed, but fundamentally, all of these names describe the same thing: Impact investing is an investment approach intent on generating positive environmental and social impact alongside a financial return. These strategies generally pursue two goals:

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| <div style="background-color: #0070C0; color: white; padding: 10px; text-align: center; font-size: 2em; font-weight: bold;">1</div> <p>Protecting and enhancing long term value by addressing environmental or social risks – or by investing in solutions to environmental or social challenges.</p> | <div style="background-color: #0070C0; color: white; padding: 10px; text-align: center; font-size: 2em; font-weight: bold;">2</div> <p>Protecting, enhancing, or otherwise positively impacting the long-term health of the environment or society through expressing environmental or social values.</p> |
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Approaches to Impact Investing with an Environmental Lens

Investnet | PMC provides impact investing strategies with a focus on the environment across the entire spectrum of approaches. We aim to provide strategies and tools to enable each advisor to build portfolios specific to his or her individual client’s values and interests.



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Investnet | PMC – Pioneers in Building Active and Passive Portfolios

Over the last 12 years, we’ve managed ActivePassive portfolios through historic market sell-offs, record-shattering bull markets and everything in-between. Through our history, our goal has never wavered: provide investors with a portfolio that brings together the best of active and passive investing at a low cost.

In 2014, we first published our research on the space, *Active vs. Passive Asset Management: Investigation of the Asset Class and Manager Selection Decisions*, which we refreshed in 2019. In this research, we found that certain categories, over time, were better candidates for active or passive management. The results are one of the foundations of the investment process and help determine which asset classes should have higher allocations to active management.

Active Categories	Neutral Categories	Passive Categories
Emerging Markets	Emerging Markets Bond	Bank Loan
Foreign Large Cap Growth	Foreign Large Cap Core	TIPS
Foreign Large Cap Value	High Yield	Muni National Intermediate
Foreign Small/Mid Core	Mid Cap Core	Large Cap Core
Large Cap Growth	Intermediate Term Bond	Large Cap Value
Mid Cap Growth		Mid Cap Value
Real Estate		Commodities

By building a portfolio that includes both active and passive investments, an investor may be able to take advantage of the benefits of each, such as opportunities for outperformance or lower total portfolio fees, while potentially avoiding their drawbacks.

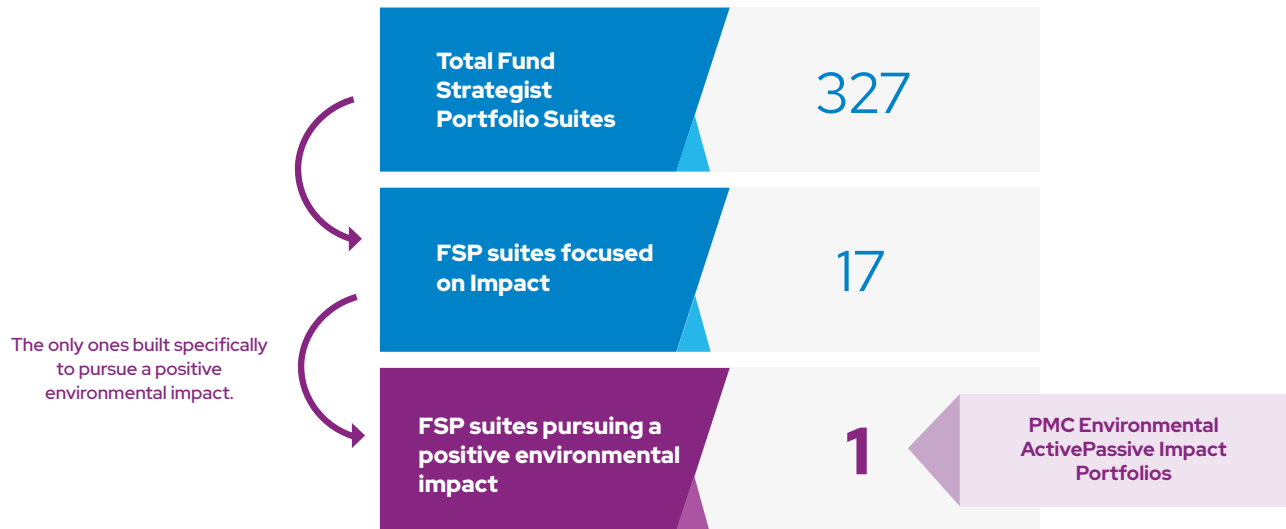
Active Fund Management	VS	Passive Fund Management
Advantages		Advantages
Possibility of outperforming the index		Fees are often lower since the security selection process is automated
Flexibility to adapt to changing market conditions		Fund performance is expected to be in line with the index performance
Disadvantages		Disadvantages
Higher fees – fees are often higher to pay managers for research and security selection		Inflexible – cannot adapt to changing market conditions
Relies on manager’s ability – some are better than others		Limited opportunity – more difficult to outperform the index

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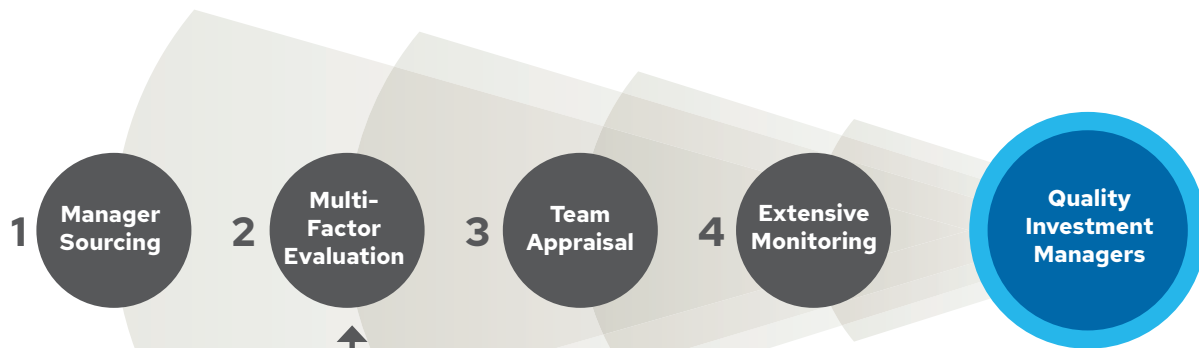
The Only Environment-Focused FSP Suite On The Investnet Platform

Of the **327** Fund Strategist Portfolio suites on the Investnet platform, including **17** that are focused on impact, the PMC Environmental ActivePassive Impact Portfolios are the only ones built specifically to pursue a positive environmental impact.



Qualitative Research Process

Investnet | PMC's research team identifies best-in-class third-party investment strategies across the impact investing spectrum. Each strategy adheres to our traditional due diligence rigor, and also meets a higher level of ESG and impact criteria.



ESG Due Diligence Framework

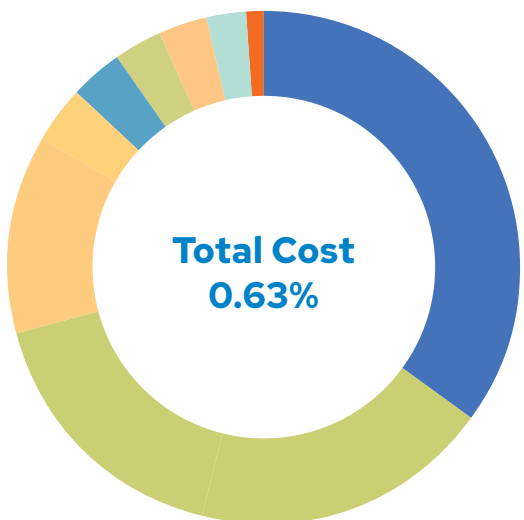
- ESG Governance & Policies
- ESG Integration in the Investment Process
- Reporting on Impact
- Engaging on ESG Issues

The investment strategies selected for the Environmental ActivePassive Impact Portfolios have an environment or climate focus, with high exposure to green bonds and environmental solutions like renewable energy, water technology, energy efficiency, sustainable agriculture, and green buildings.

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Allocation of Moderate Portfolio



Asset Class	Holding	Allocation
Large-Cap Core	SPDR® SP500 Fossil Fuel Free ETF	35.00%
Intermediate Bond	TIAA-CREF Core Impact Bond	19.00%
Intermediate Bond	Calvert Green Bond	17.00%
Int'l Developed Mkts	Green Century MSCI Intl Indx	12.50%
Global Equity	Pax Global Environmental Mrkts	3.50%
Small-Cap Core	Pax Small Cap	3.50%
International Bond	iShares Global Green Bond ETF	3.00%
Int'l Emerging Mkts	SPDR® MSCI EM Fossil FI Free ETF	3.00%
Commodity	Calvert Global Water	2.50%
Cash		1.00%

Total Cost of Portfolios*

Capital Preservation	Conservative	Conservative Growth	Moderate	Moderate Growth	Growth	Aggressive
0.61	0.61	0.63	0.63	0.65	0.64	0.66

*Total cost equals weighted sleeve level manager fees plus weighted average net expense ratio and does not include advisory fees, which the advisor may add.

For More Information

Search for “PMC Environmental ActivePassive” within the Research Center to learn more about the portfolios

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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.

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Diversification does not guarantee a profit or guarantee protection against losses

Exchange Traded Funds (ETFs) and mutual funds are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. Income (bond) ETFs and mutual 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.

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PMC-EAP-BROCH-1220

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