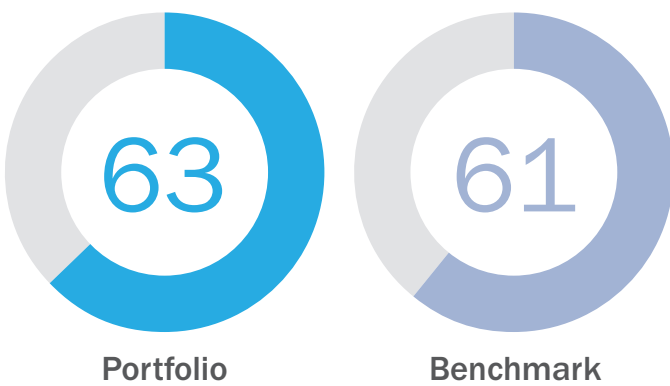


# Impact Report:

## Large Cap Impact QP

The **PMC Large Cap Impact Quantitative Portfolio** is designed to track the characteristics and returns of the Russell 1000 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.

### Total ESG Score

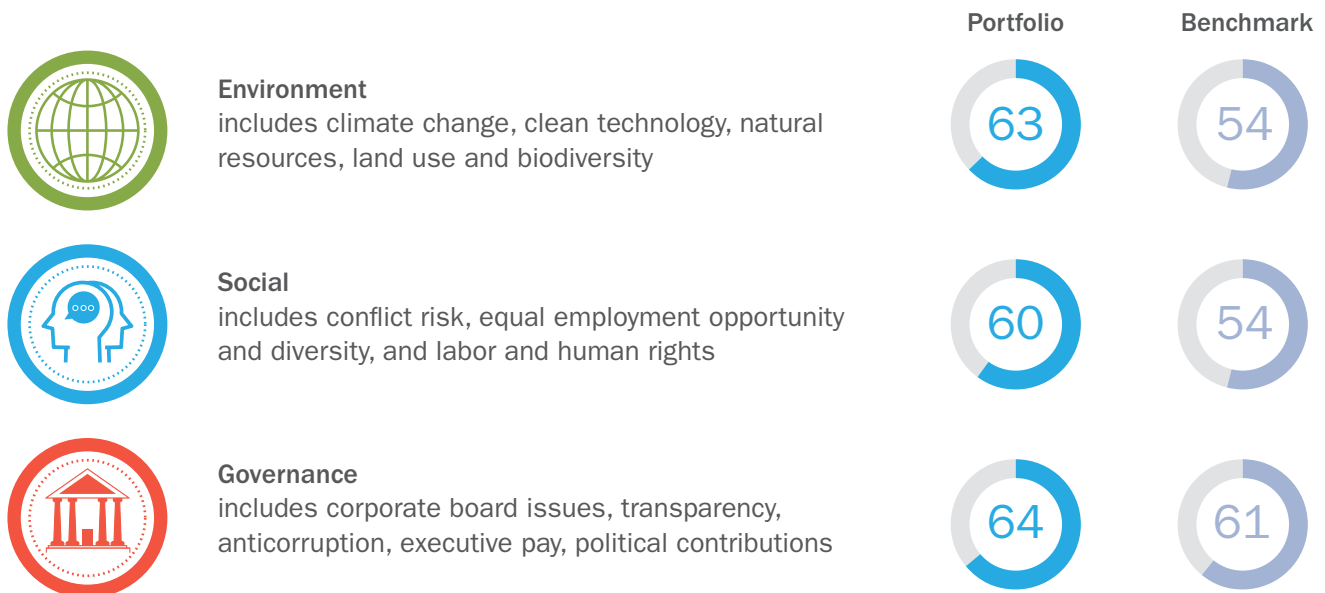


### Product Involvement

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



### ESG Issues Addressed



# Environment

## Carbon Emissions

Carbon footprint is **11%** below the benchmark.



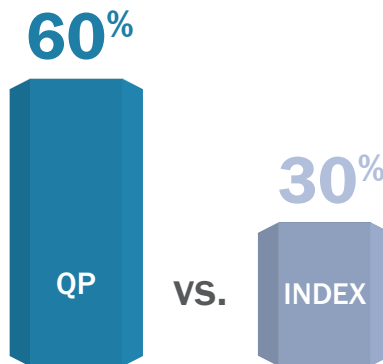
For a \$100,000 investment, **you save carbon emissions equivalent to:**

- Carbon sequestered by 21 trees grown for 10 years, or 1.5 acres of US forest in one year
- 145 gallons of gasoline consumed
- 1,410 pounds of coal left unburned



## Greenhouse Gas Reduction Program

**60%** of holdings have a strong Greenhouse Gas Reduction Program.

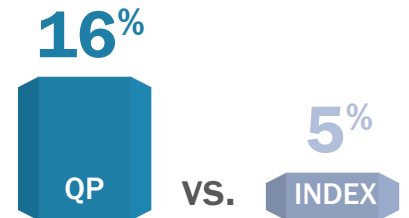


**You support** companies taking action to combat climate change and minimize impact on the planet.



## Renewable Energy Use

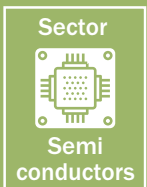
**16%** of holdings source >25% of energy from renewables.



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



## Company Highlight: Intel Corp

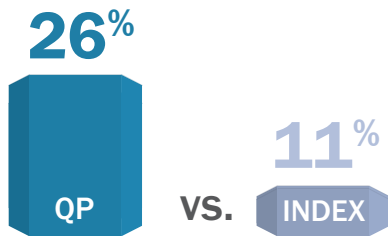


Intel is well positioned to manage environmental risks. In aggregate, the semiconductor industry spends approximately USD 1 billion on water and wastewater systems per year, demonstrating the importance of water in production. Intel's water management program has three major goals: conserve water use in operations, collaborate on water initiatives with local communities, and develop technology solutions to assist others with water conservation. To date, the company's water conservation efforts have saved about 60 billion gallons of water and is moving towards a goal of restoring 100% of global water use by 2025.

# Social

## Diversity

26% of holdings have a Strong Diversity Program.

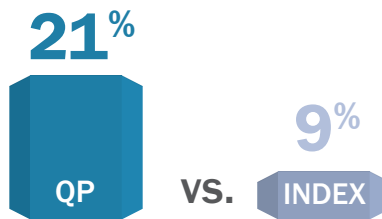


- Advance women and minorities in the workforce
- Promote inclusionary hiring & career development practices



## UN Global Compact Signatory

21% of holdings are committed signatories to the UN Global Compact.

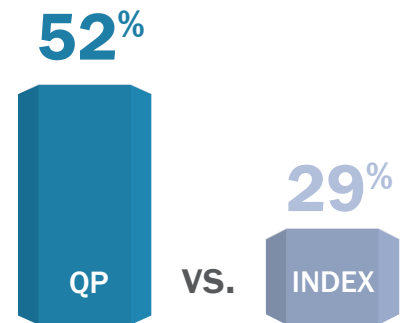


- Promote human rights & labor
- Eliminate child labor & forced labor
- Protect the environment



## Social Supply Chain Standards

52% of holdings have strong social supply chain standards.



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



## Company Highlight: Ford Motor Company

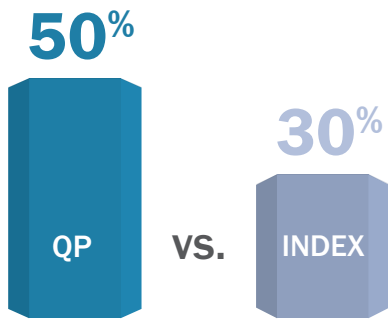
Ford is an industry leader when it comes to social responsibility. The company is best-in-class in its industry when it comes to female board representation with three. Also, in December 2017, Ford earned 100% on the Human Rights Campaign 2018 Corporate Equality Index, a national benchmarking survey related to LGBT equality in the workplace, and has received a perfect score every year since 2004.

Ford is also working to improve its local communities. Over the past 10 years, Ford and The Ford Fund have invested more than \$166 million in Detroit and southeast Michigan. Since 2005, Ford Volunteer Corps has participated in nearly 10,000 local community service projects to make people's lives better. Ford has now opened two Ford Resource and Engagement Centers in Detroit, which increase access to essential services, helping more than 85,000 people with food distribution, education and job initiatives.

# Governance

## Board Diversity

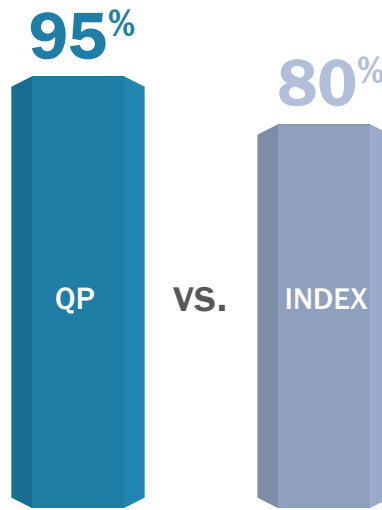
50% of holdings have Board Diversity (Gender and/or national identity) that is above market practice.



**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

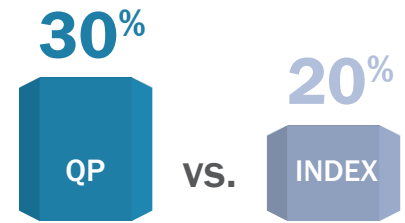
95% of holdings have Board Independence that is in line with regional/national practice.



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

## Lobbying & Political Expenses

30% of holdings made \$0 or <\$500K in political contributions in the last 3 years.



**Why it matters:** Political contributions by corporations are controversial and challenge business ethics ideals.

## Company Highlight: CMS Energy Corporation



CMS Energy maintains strong corporate governance practices, implemented through Codes of Conduct and a Guide to Ethical Business Behavior that are the backbone of its compliance and ethics program. As it relates to board governance, all board members other than the Chief Executive Officer and Chairman are independent. The Chairman of the Board is separate from the Chief Executive Officer and CMS has appointed a Presiding Director. All Directors and Officers must own and retain CMS Stock, ensuring alignment with shareholder interests. The Board and its Committees annually evaluate their performance and periodically conduct peer evaluations of individual directors. The company has strong ESG governance, with a board committee responsible for overseeing ESG issues.



## 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.

### **Lobbying & Political Expenses**

This measure assesses the size of political contributions or donations to political parties by a company in the last three years.

### **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.

Read more from PMC at [investpmc.com/impact](https://investpmc.com/impact)



#### Overview

*Index performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.*

**Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest

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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.

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 can be obtained by contacting your Financial Advisor. 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.

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