

# A Closer Look at Holdings (as of 6/30/22)

## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

The PMC Sustainable Cost Sensitive Multi-Manager Portfolios are a suite of comprehensive, disciplined, and diversified solutions designed for investors with sustainability priorities. These portfolios are constructed using ESG-focused strategies identified through Investnet | PMC's thorough, multi-layered research and due diligence process. PMC regularly monitors and rebalances the portfolios, empowering advisors to support clients in their pursuit of sustainable investing.

### Domestic Equity

#### Large Cap Core

##### **Quantitative Portfolio: Sustainable Large Cap Core Portfolio**

- The strategy allocates to companies with low ESG risk ratings, increasing exposure to companies that are managing relevant environmental, social, and governance risks.
- The strategy implements positive impact tilts to companies that derive revenues from four sustainable solutions themes: Environment, Diversity, and Community. Sustainable solutions include renewable energy, energy efficiency, green transportation, sustainable agriculture, water solutions, affordable housing, healthcare technologies, financial inclusion, and education.
- Companies that derive revenues from adult entertainment, alcohol, firearms, gambling, nuclear energy tobacco and weapons are ineligible for inclusion in the portfolio, as well as companies involved in severe ESG-related controversies.

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## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

### Small Cap Core

#### Quantitative Portfolio: Sustainable Small Cap Core Portfolio

- The strategy allocates to companies with low ESG risk ratings, increasing exposure to companies that are managing relevant environmental, social, and governance risks.
- The strategy implements positive impact tilts to companies that derive revenues from four sustainable solutions themes: Environment, Diversity, and Community. Sustainable solutions include renewable energy, energy efficiency, green transportation, sustainable agriculture, water solutions, affordable housing, healthcare technologies, financial inclusion, and education.
- Companies that derive revenues from adult entertainment, alcohol, firearms, gambling, nuclear energy tobacco and weapons are ineligible for inclusion in the portfolio, as well as companies involved in severe ESG-related controversies.

#### Nuveen ESG Small-Cap ETF

- Portfolio of approximately 630 holdings, seeking to track the TIAA ESG USA Small-Cap Index.
- The methodology selects companies with high ESG scores within each GICS sector, and excludes companies that have revenues from alcohol, tobacco, gambling, weapons, firearms, nuclear power. Companies involved in severe business controversies related to the environment, customers, human rights, community, labor rights, supply chain rights, and governance are excluded, as well as companies that do business in Sudan.
- Methodology selects companies based on current and future carbon emissions, with the objective of maintaining a portfolio with a significantly lower carbon footprint than the Index. Companies that own fossil fuel reserves are ineligible for inclusion in the portfolio.
- Nuveen's 18-member Responsible Investing team reports directly into to the President of Global Investments. With over 25 professionals dedicated to responsible investing, Nuveen's RI team and related subject matter experts embedded within investment affiliates, work with investment teams and other professionals across the organization to drive and implement Nuveen's responsible investing principles.

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## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

### International Equity

#### International Developed Markets

##### Quantitative Portfolio: Sustainable International ADR Portfolio

- The strategy allocates to companies with low ESG risk ratings, increasing exposure to companies that are managing relevant environmental, social and governance related risks.
- The strategy implements positive impact tilts to companies that derive revenues from sustainable solutions themes within Environment, Diversity and Community: renewable energy, energy efficiency, green transportation, sustainable agriculture, water solutions, affordable housing, healthcare technologies, financial inclusion, and education.
- Companies that derive revenues from adult entertainment, alcohol, firearms, gambling, nuclear energy tobacco and weapons are ineligible for inclusion in the portfolio, as well as companies involved in severe ESG-related controversies.

##### Nuveen ESG International Developed Markets Equity ETF

- Seeks to track the investment results, before fees and expenses, of the Nuveen TIAA ESG International Developed Markets Equity Index and as such invests all the assets in the securities represented, at the same proportion as the Index.
- The team utilizes a rules-based methodology to build a diversified portfolio of equity securities issued by companies located in countries with developed markets. The companies identified adhere to a predetermined set of ESG criteria, controversial business involvement criteria and low-carbon screen.
- ESG performance data provided by MSCI is used to assess how securities within the MSCI Emerging Markets Index (the base index for this fund) respond in accordance to ESG risk criteria including response to climate change, natural resources, waste and, emissions management, sourcing practices, employee relations, governance practices, business ethics, and adherence to international laws & regulations. Companies that meet the ESG criteria are ranked within their sector by ESG performance score; the highest ranked companies by sector are eligible for inclusion in the portfolio up to the point when the total weight of companies of a sector equals 50% of the market cap for that sector in the base index.

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## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

### Emerging Markets

#### Nuveen ESG Emerging Markets Equity ETF

- Portfolio of approximately 250 holdings, seeking to track the TIAA ESG Emerging Markets Equity Index.
- The methodology selects companies with high ESG scores within each GICS sector, and excludes companies that have revenues from alcohol, tobacco, gambling, weapons, firearms, nuclear power. Companies involved in severe business controversies related to the environment, customers, human rights, community, labor rights, supply chain rights, and governance are excluded, as well as companies that do business in Sudan. Companies with ties to Sudanese military or government, and companies that sell or distribute military equipment to any party based in Sudan or operating within Sudan borders (except United Nations and African Union troops) are ineligible for inclusion in the portfolio.
- Companies that are majority owned subsidiary of mineral/power/military/oil-involved Sudanese company and companies with ten percent or more of its total assets or revenues in Sudan that are associated with oil/mineral/or power sectors, or that have demonstrated complicity in genocide in Sudan, are also ineligible for inclusion in the portfolio.
- Methodology selects companies based on current and future carbon emissions, with the objective of maintaining a portfolio with a significantly lower carbon footprint than the Index. Companies that own fossil fuel reserves are ineligible for inclusion.

# Equity Sustainability Reporting Metrics (as of 6/30/22)

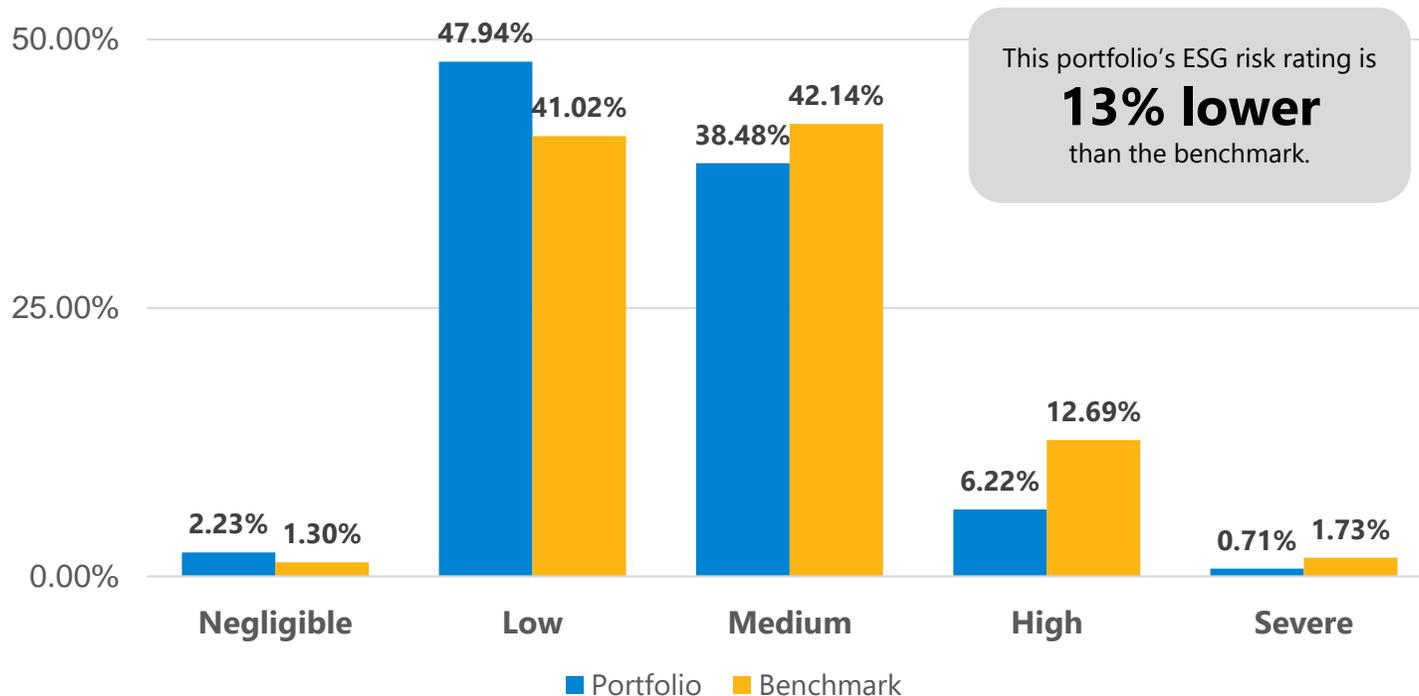
Powered by Sustainalytics

## Equities

## Definitions

### ESG Risk

The ESG Risk Rating measures the degree to which a company's economic value is at risk driven by ESG factors, as assessed through Sustainalytics' calculation of the company's unmanaged ESG risks.



- ESG Risk Rating Range:** ESG Risk Rating Range: The range consists of five broad categories defined by Sustainalytics: Negligible, Low, Medium, High, and Severe. Sustainalytics assesses companies' industry and company-specific ESG criteria. Companies are rated on a 0-100 scale, with 0 representing the lowest risk, and 100 representing the highest risk. QRG calculates the percentage of total holding weight in the portfolio and benchmark that falls into each ESG Risk Rating category. The ranges for each category are as follows: Negligible = 0-10; Low = 10-20; Medium = 20-30; High = 30-40; and Severe = 40-100. Sustainalytics ESG Risk Rating evaluates the level of unmanaged risk for a company.

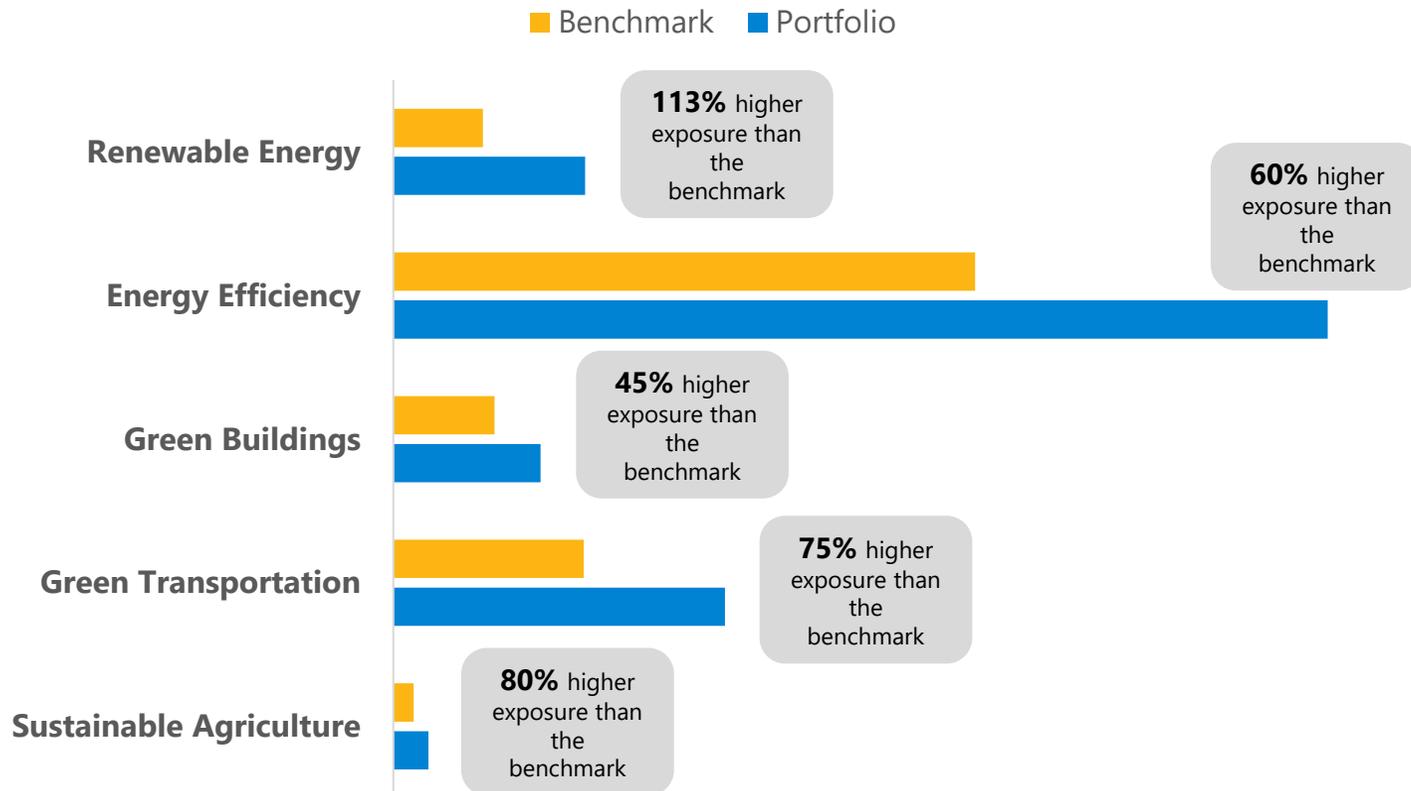
# Equity Sustainability Reporting Metrics (as of 6/30/22)

Powered by Sustainalytics

## Equities

## Definitions

### Sustainable Solutions



**Sustainable Solutions:** Measuring the portfolio exposure to sustainable solutions areas. These areas are measured as the percentage of revenues a company derives from sustainable product involvement through:

- **Reported revenues:** if a company reports actual revenues or percentage of revenues derived from a particular category of involvement, this is captured
- **Estimated revenues:** if a company does not report actual revenues or a percentage of revenues derived from a particular category of involvement,
  - The revenue range is estimated based on a review of business segment revenues, sales data, and quantity and quality of disclosed product information; and then,
  - take the mid-point of the estimated revenue range as the Percentage of Revenue. For example, if the estimated revenue range is 10-20%, the Percentage of Revenue figure will be the mid-point of this range, 15%.

**Renewable Energy:** companies that generate or in the manufacture of products and services that support renewable energy generation.

**Energy Efficiency:** companies that provide products and services that significantly improve energy efficiency across a broad range of applications.

**Green Buildings:** companies that are involved in the development, management, or provision of products for sustainable buildings.

**Green Transportation:** companies that provide sustainable transportation products and/or services.

**Sustainable Agriculture:** companies that produce agriculture, food and forestry products and services that are considered sustainable

# Equity Sustainability Reporting Metrics (as of 6/30/22)

Powered by Sustainalytics

## Equities

### Portfolio Exclusions

Avoid exposure to companies with revenue generated from controversial business areas:



Alcohol



Firearms



Gambling



Military Weapons



Nuclear Power



Tobacco

	Alcohol	Firearms	Gambling	Military Weapons	Nuclear Power	Tobacco
Companies in your Portfolio	0	0	0	0	0	0
Companies in Benchmark	28	4	26	62	34	12

## Definitions

**Involvement in Controversial Business Areas:** This metric reflects the number of companies flagged as involved through revenues as a proxy for the following areas: alcohol, gambling, nuclear energy, tobacco, military weapons, and firearms.

- Sustainalytics measures percentage of revenues a company derives from these areas through:
  - Reported revenues:** If a company reports actual revenues or percentage of revenues derived from a particular category of involvement.
  - Estimated revenues:** If a company does not report actual revenues or a percentage of revenues derived from a particular category of involvement, Sustainalytics:
    - a. estimates a revenue range based on a review of business segment revenues, sales data, and quantity and quality of disclosed product information; and then,
    - b. takes the mid-point of the estimated revenue range as the Percentage of Revenue. For example, if the estimated revenue range is 10-20%, the Percentage of Revenue figure will be the mid-point of this range, 15%.

Benchmark: 50% CRSP US Large Cap Index, 26.67% S&P/BNY Mellon International ADR Index, 18.33% CRSP Small-Cap Index, 5% BNYM Emerging Market Classic ADR Index

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## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

### Fixed Income

#### Intermediate Bond

##### iShares ESG Advanced Total USD Bond Market ETF

- The Fund seeks to track the investment results of an index composed of U.S. dollar-denominated bonds that are rated either investment-grade or high-yield from issuers with a favorable ESG rating as identified by MSCI ESG Research.
- MSCI ESG Research determines key ESG issues or risks that can lead to unforeseen costs for companies in the future, including climate change, resource scarcity, or demographic shifts. MSCI ESG Research determines the amount of each company's exposure to ESG risks based on business segment and geographic risk while taking into consideration what programs each company has developed to mitigate ESG risks. Quantitative analysis by MSCI ESG Research using a sector-specific ESG risk weighting model leads to rating and ranking companies in comparison with industry peers on managing ESG risk exposure and risk management. Key ESG issues and weighting are reviewed annually.
- Portfolio seeks to track an index that applies the following screens: adult entertainment, alcohol, civilian firearms, conventional weapons, controversial weapons, for profit prisons, fossil fuels, gambling, genetically modified organisms (GMOs), nuclear power, nuclear weapons, palm oil, predatory lending and tobacco.

#### International Bond

##### iShares USD Green Bond ETF

- Global portfolio of approximately 450 holdings, seeking to track the investment results of the Bloomberg Barclays MSCI Global Green Bond Select Index.
- Provides exposure to investment grade global green bonds where the use of proceeds are directly tied to promote climate related or more broadly environmentally focused projects.
- Securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether they should be classified as a green bond: 1) Use of proceeds: Proceeds should fund projects with clear environmental benefits, including alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building, and climate adaptation, with clear disclosure in legal documentation 2) Project evaluation and selection: Issuers should outline a process to determine project eligibility and sustainability objectives 3) Management of proceeds: Proceeds should be ring-fenced or tracked through a formal internal process 4) Reporting: Annual disclosure of the use of proceeds and qualitative and quantitative performance measures.

# A Closer Look at Holdings (as of 6/30/22)

## PMC Sustainable Cost Sensitive Multi-Manager Portfolios

### Short Bond

#### iShares ESG Aware 1-5 Year USD Corp Bond ETF

- Portfolio seeks to track the investment results of the Bloomberg Barclays MSCI US Corporate 1-5 Year ESG Focus Index, with similar risk and return to the Bloomberg Barclays U.S. Corporate 1-5 Years Index.
- Follows a quantitative process in an effort to determine optimal weights for securities to maximize exposure to securities of companies with higher ESG ratings, subject to maintaining risk and return characteristics similar to the Parent Index.
- Excludes companies involved in the business of tobacco, companies involved with controversial weapons, producers and retailers of civilian firearms, oil sands, thermal coal, as well as companies involved in very severe business controversies assessed by MSCI ESG Research.

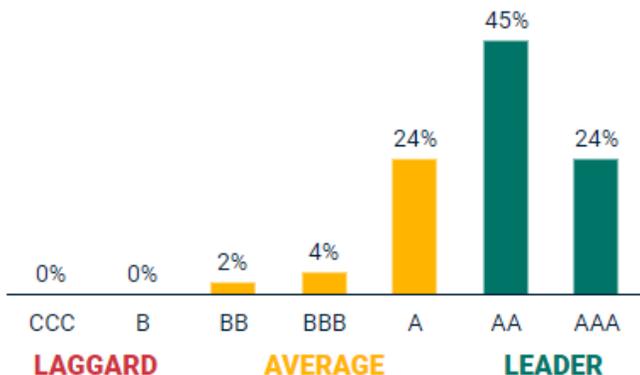
# Fixed Income

## Manager Highlight: iShares ESG Aware 1-5 Year USD Corp Bond ETF

The iShares ESG Aware 1-5 Year USD Corporate Bond ETF seeks to track investment-grade corporate bonds issued by companies that have positive environmental, social and governance characteristics, including screening out revenue from firearms, controversial weapons, tobacco, thermal coal and oil sands. Source: iShares by BlackRock

### ESG Rating distribution of fund holdings

69% of the fund's holdings receive an MSCI ESG Rating of AAA or AA (ESG Leaders) and 0% receive an MSCI ESG Rating of B or CCC (ESG Laggards).



### Green vs. Fossil Fuel-Based Revenue

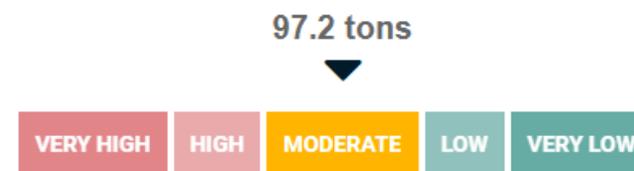
We classify 3.6% of the total revenue generated by the fund's holdings as green (e.g. alternative energy) and 2.1% of total revenue as fossil fuel-based (e.g. thermal coal).



### Weighted average carbon intensity

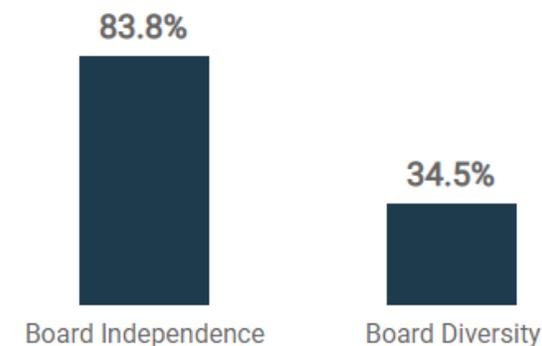
(tCO<sub>2</sub>e / \$m sales)

The fund's holdings have moderate carbon intensity, based on the weighted average carbon emissions per USD million sales.



### Corporate governance

The fund's weighted average percentage of independent board of directors is 83.8%, and its weighted average percentage of women on boards is 34.5%.



Source (all graphics): MSCI

# 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.**