gtcf | GREATER TACOMA COMMUNITY FOUNDATION

EXPLORE GTCF'S SOCIALLY RESPONSIBLE INVESTMENT (SRI) POOL TO AMPLIFY YOUR PHILANTHROPIC IMPACT

What Is It?

+ The SRI pool seeks to generate competitive, long-term returns through investments that focus on companies with positive social impact. Stewardship of the pool fund considers three criteria or factors to screen investments: environmental, social, and governance (ESG).

+ The ESG factor screens remove companies with practices that differ from those factors. At the same time, the screens emphasize companies with practices that align with those factors.

+ The SRI pool management follows traditional financial analysis while also identifying potential risks and opportunities according to those ESG factors.

+ Fund Evaluation Group, LLC (FEG), a leader in nonprofit and institutional investment advisory services, manages GTCF's SRI pool.

Why does GTCF offer an SRI pool?

+ GTCF is committed to providing the greatest philanthropic support to meet our community's needs and achieve opportunities now and into the future.

+ GTCF supports Fund Advisors with an interest in financial stewardship that aligns with their values. The SRI pool was created for those who seek to gain both financial and social benefit as defined by ESG factors.

+ GTCF realizes that the SRI Pool achieves an annualized total return (net of fees and expenses), through appreciation and income, equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and administrative expenses, thus maintaining principal over time.

ESG Factors for Impact

ENVIRONMENT

Think "green investing". Environmental screening considers environmental and energy sustainability as a metric of corporate performance.

SOCIAL

Diversity, Equity, and Inclusion. Social screenings consider relationships with stakeholders such as employees, customers, communities, and governments.

GOVERNANCE

Oversight, Transparency, and Due Diligence. Positive corporate governance considers the short and long-term impact of Board decisions on the shareholder and firm.

NEGATIVE SCREENING

Specific products or activities are excluded from the portfolio including alcohol, tobacco, gambling, weaponry, pornography, genetically modified foods, and animal testing.

GTCF's Philanthropy Team can give you more detailed information about the factors these screens include and exclude as part of investment consideration.

Competitive Returns to Maintain Philanthropic Assets For Charitable Giving

+ Charitable giving through GTCF generates positive social impact.
+ For Fund Advisors whose values align with ESG factors, the SRI pool offers competitive returns as well as social impact, amplifying the positive impact of charitable giving.
+ According to SRI pool manager, FEG:
    - Academic studies demonstrate that socially responsible investment strategies perform competitively with non-SRI strategies over time. A recent study conducted by the United Nations Finance Initiative indicated no negative relationship between socially responsible investing and portfolio performance. Further studies conducted by independent and governmental organizations support these findings.
+ GTCF Fund Advisors can choose to allocate any percentage of their philanthropic assets to the SRI pool, up to 100%. Fund Advisors can combine the SRI pool with GTCF's other pool options to best meet their goals for philanthropic asset stewardship.
+ GTCF can help you explore your options for fund stewardship and giving so that your philanthropic assets can achieve maximum impact.

Learn More About Achieving Your Philanthropic Goals

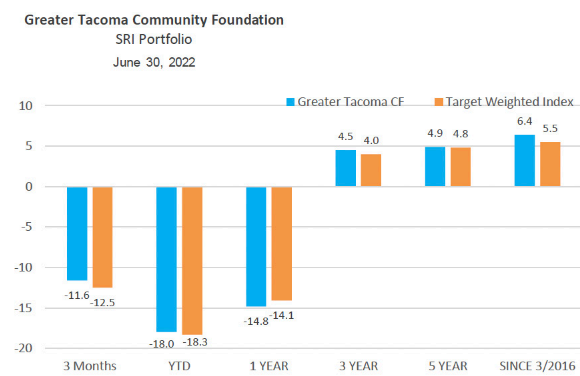
GTCF's Philanthropy Team is skilled in advising Fund Advisors on philanthropic strategies to achieve our goals.

Email faservices@gtcf.org

Call 253.383.5622

SRI Investment Pool

As of June 2022



PERFORMANCE

	3 Months	YTD	1 Year	3 Year	5 Year	Since Inception 3/31/2016
Greater Tacoma CF	-11.6	-18.0	-14.8	4.5	4.9	6.4
Target Weighted Index	-12.5	-18.3	-14.1	4.0	4.8	5.5

GREATER TACOMA COMMUNITY FOUNDATION

SOCIALLY RESPONSIBLE INVESTMENT (SRI) POOL

Greater Tacoma Community Foundation recognizes stakeholders have an interest in allocating charitable dollars in a fashion that is consistent with their ethics and values. While there are no absolute delineations within SRI mandates, below are general descriptions of the broad areas of emphasis for Fund Advisors to consider.

ENVIRONMENTAL ISSUES

Environmental Screening is associated with the practice of considering environmental and energy matters as a metric of corporate performance. Investment Managers shall make best efforts to avoid investing in companies that are involved in:

+ Major controversies relating to air, water or land pollution or a history of environmental fines and/or civil suits.
+ A pattern of violating federal or state environmental regulations.
+ Production of chemicals known to be particularly damaging to the environment and/or human health.
+ A history of unsustainable environmental practices that exploit the world's natural resources.
+ Companies significantly involved in the development and commercialization of genetically modified organisms.

Investment Managers shall make efforts to emphasize investment in companies that are involved in:

+ Publicly recognizing that global climate change is a real issue and that steps need to be taken to reduce its impact.
+ Significantly reducing all waste streams through recycling or closed-loop technologies.
+ Developing innovative ways to reduce the emission of toxic or chemical wastes.
+ Demonstrating a long-term commitment to the reduction of negative environmental impact through the development of waste reduction and phase out goals.
+ Manufacturing of organic products.
+ Disclosing the amount of greenhouse gas emissions by the corporation.
+ Reducing the impact of nuclear weapons globally.
+ Emphasizing alternative fuel sources and de-emphasizing usage of traditional fuel sources.
+ Nuclear power as a viable power source to replace coal and/or oil.
+ The cleaning of traditional fuel sources.
+ Research and marketing of alternative energy sources such as wind, solar and hydrogen is important.

SOCIAL ISSUES

Social screening is associated with the practice of considering relationships with stakeholders such as employees, customers, communities, and governments as a metric of corporate performance. Examples include: employee diversity; employee benefits; discrimination lawsuits; union relations; significant worker involvement and participation in management decision-making; good employee benefits that include programs to help employees balance work and family concerns; representation of women and minorities at all levels of the company; compensation based on performance; employee stock ownership program; and job training for employees at all levels.

SOCIAL ISSUES (continued)

Investment Managers shall make best efforts to avoid investing in companies that:

+ Have been convicted of major product liability or product safety violations.
+ Have been fined for significant price fixing, antitrust violations.
+ Exhibit a pattern of consumer fraud or unfair marketing.
+ Practice discriminatory hiring practices.
+ Practice discrimination against employees on the basis of race, age, gender or sexual orientation.
+ Fail to comply with minimum wage laws.
+ Conduct business in any way that fosters continued human rights issues around the globe.
+ Actively participate in predatory lending practices.

Investment Managers shall make efforts to emphasize investment in companies that:

+ Lending institutions emphasizing local community investing into areas in need of improvement.
+ Lending institutions emphasizing lower income areas that have been underserved by traditional lending sources.
+ Corporations seeking to identify and rectify any human rights issues within their supply chain.
+ Corporations enforcing and seeking to expand human rights issues within their company as well as supply chain.
+ Corporations encouraging a positive working atmosphere and provide channels of communication between employees and management.
+ Corporations actively enforcing and seeking to expand diversity in the workplace.

CORPORATE GOVERNANCE ISSUES

Positive corporate governance considers the short and long-term impact of Board decisions on the shareholders of the firm. Items that fall under monitoring within corporate governance include:

+ Employee/director remuneration.
+ Appointment of Directors.
+ Significant issues that concern social or environmental matters.
+ Auditor appointment and independence.
+ Changes to capital structures that may affect shareholder value.
+ Voting rights among shareholders.

Investment Managers shall make efforts to emphasize investment in companies that are involved in:

+ Engaging in community charitable contributions in a meaningful manner.
+ Providing full transparency of political contributions.
+ With independent and non-affiliated Directors.
+ Boards maintaining an open and positive relationship with shareholders.
+ Maintain a prudent executive compensation structures.

NEGATIVE SCREENING

For a variety of reasons fund sponsors will often choose to exclude specific products or activities in all aspects of their portfolio. Investment Managers shall make best efforts to avoid investing in companies that:

+ Receive meaningful revenue from the manufacture of alcohol products.
+ Receive meaningful revenue from the manufacture of tobacco products.
+ Receive revenue from gaming activities such as casinos, hotels with casinos and manufacturing gaming devices.
+ Engage in the production of weaponry.
+ Receive revenue from the production or distribution of pornography.
+ Engage in the production and/or distribution of genetically modified foods.
+ Engage in any animal testing beyond what is required testing by the Food and Drug Administration.