



**GREENLEAF  
TRUST**

## Investment Policy for Sustainable and Responsible Investing (SRI) Portfolio

The Kalamazoo Community Foundation Sustainable and Responsible Investment (SRI) account utilizes commingled funds managed by firms that incorporate environmental, social and governance (ESG) screens, considerations and restrictions in the management of their funds.

Our investment advisor, Greenleaf Trust, uses its investment research and capital markets conclusions to develop allocations for domestic equities, international equities and fixed income. The Greenleaf Manager Selection team then selects and monitors fund managers within each of these asset classes according to each manager's policies, procedures and objectives for incorporating ESG guidelines in to the management of its fund. The dual emphasis when selecting managers is the strength of their SRI investment practices as well as their track record of achieving strong risk-adjusted performance.

	Allocation	Manager (Subadvisor)
<b>Equity</b>		
Large Cap ESG Index	39%	Vanguard
Large Cap	6.5%	Parnassus
Large Cap	6.5%	Neuberger Berman
International	5.5%	Goldman Sachs
International	5.5%	Boston Trust Walden
Emerging Markets	3.5%	Dimensional Fund Advisors
Emerging Markets Growth	3.5%	Calvert (Hermes)
<b>Total Equity</b>	<b>70%</b>	
<b>Investment Grade Fixed Income</b>		
Intermediate Core	10.0%	TIAA
Intermediate Core	10.0%	Domini (Wellington)
Intermediate Government	10.0%	Community Capital Management
<b>Total Fixed Income</b>	<b>30%</b>	
<b>Total Allocation</b>	<b>100%</b>	

*This information is prepared by Greenleaf Trust and is intended as general information. The contents should not be acted upon without seeking professional advice.*

## Sustainable and Responsible Investing (SRI) Portfolio

Strategy/Mutual Fund	Investment Objective	Fee
Domestic Equity	Ticker	Expense Ratio
Parnassus Core Equity	PRILX This actively managed strategy focuses on U.S. large-cap equities, although it will go down the market cap spectrum when opportunities arise. The fund has a relatively concentrated portfolio of securities and a fundamentally driven selection process that emphasizes capital preservation during turbulent markets. The fund is managed using broad-based ESG analysis and also incorporates negative screens for business involvement in a number of controversial activities. The portfolio managers seek to outperform the S&P 500 over a full market cycle.	0.61%
Neuberger Sustainable	NBSLX The Neuberger Sustainable Equity Fund falls into the U.S. large-cap blend category, however it has historically favored growth stocks. The portfolio managers take into consideration macroeconomic trends when assessing companies and look for securities with significant upside potential over a three to five year horizon. The fund is managed using broad-based ESG analysis and also incorporates negative screens for business involvement in a number of controversial activities. The strategy is benchmarked against the S&P 500.	0.67%
Vanguard FTSE Social Index	VFTAX This is a broadly diversified U.S. large-cap passively managed fund that is managed to track the FTSE Russell FTSE4Good US Select Index. The Index is designed using both negative and positive ESG screening, with a goal of providing exposure to companies that have strong ESG characteristics. The screens typically lead the fund to avoid investing in about 30% of its investable universe as defined by the FTSE USA Index.	0.14%
Developed Non-US Equity	Ticker	Expense Ratio
Goldman Sachs International Equity ESG	GSIEX This actively managed developed international equity fund focuses on identifying high-quality companies with sustainable competitive advantages. The portfolio is fairly concentrated, typically holding around 35 stocks, and is highly differentiated from the MSCI EAFE benchmark. The investment team employs front-end negative screens for business involvement in a number of controversial activities. The portfolio managers seek to outperform the MSCI EAFE over a full market cycle.	0.86%
Boston Trust Walden International Equity	WIEFX The Boston Walden International Equity fund is a diversified developed international equity strategy that combines fundamental analysis with quantitative portfolio construction. The fund seeks to maximize its exposure to high-quality companies with durable business models, while minimizing the portfolio's benchmark relative risk through portfolio optimization. In addition to using front-end negative screens, the team also incorporates SRI/ESG materiality assessments that help identify which ESG factors directly influence each prospective investment.	0.94%

## Sustainable and Responsible Investing (SRI) Portfolio (Continued)

Strategy/Mutual Fund		Investment Objective	Fee
Emerging Non-US Equity	Ticker		Expense Ratio
Dimensional EM Sustainability Core	DESIX	This index-like strategy relies heavily on academic research into the fundamental drivers of stock performance. The vehicle provides broad exposure to emerging equity markets and is biased towards companies with low valuations, high profitability, and a small market capitalization as compared to its benchmark and peers. The primary benchmark for the fund is the MSCI Emerging Markets Index - ND and it is managed with an emphasis on the environmental and social sustainability of its holdings.	0.45%
Calvert Emerging Markets Equity	CVMRX	This fund is advised by Calvert and is focused on investing in companies whose products and services or their business practices contribute to addressing global sustainability challenges. Subadvisor Hermes Investment Management further seeks to invest in high quality companies trading at attractive valuations. The portfolio managers believe that efficient and sustainable businesses are likely to be the long-term “winners” in emerging markets and incorporates ESG evaluation into their investment analysis. This fund has historically had a growth emphasis. The primary benchmark for the fund is the MSCI Emerging Markets Index - ND.	0.92%
Investment Grade Fixed Income	Ticker		Expense Ratio
TIAA-CREF Core Impact Bond	TSBIX	The TIAA Social Choice Bond Fund is an intermediate duration fixed income fund benchmarked to the Bloomberg Barclays US Aggregate Bond Index. TIAA focuses on investing in undervalued, investment-grade securities and attempts to outperform through duration and yield curve positioning, sector allocation, and security selection. TIAA manages the fund using ESG criteria and a portion of the fund is dedicated to investing with positive environmental and social impact. The strategy will invest in non-benchmark securities including below investment grade, non-U.S., and private securities.	0.38%
Domini Impact Bond	DSBIX	The Domini Impact Bond Fund is an intermediate duration fixed income fund benchmarked to the Bloomberg Barclays US Aggregate Bond Index. The Fund is designed to provide investors with a high current income and total return. Domini is responsible for evaluating the fixed income universe from a sustainability and impact perspective and provides subadvisor Wellington with an approved list of security types that are aligned with Domini’s impact themes. Wellington invests in those security types with a thematic emphasis, attempting to identify medium- to longer-term secular and structural trends as well as shorter-term dislocations in which the securities they select will offer attractive total returns. The strategy will invest in non-benchmark securities including below investment grade, non-U.S., and private securities.	0.57%
CCM Community Impact Bond	CRANX	The CRA Qualified Fund is an intermediate duration fixed income fund benchmarked to the Bloomberg Barclays US Intermediate Aggregate Bond Index. The fund is managed to provide a high level of current income consistent with the preservation of capital and to make investments that qualify under the Community Reinvestment Act. The strategy is classified as a Government Income fund and has a high average credit quality as it invests primarily in U.S. securities issued or backed by governmental agencies.	0.43%