

SOCIALLY RESPONSIVE (ESG) POOL SUMMARY

As of March 31, 2022

The ESG (Environmental, Social, Governance) Pool is designed for investors that seek alignment of mission and values while seeking market rate returns commensurate with a globally diversified portfolio. The ESG pool is long-term in nature and capital appreciation is the primary goal. The ESG pool invests in daily liquid investments only. This Pool is for permanent endowments, where the time horizon is in perpetuity. The portfolio is allocated across:

- ❖ **Asset class** (stocks, bonds, diversified mutual funds)
- ❖ **Region** (U.S., developed international, emerging markets)
- ❖ **Market Cap** (large, mid, and small size companies)
- ❖ **Style** (value and growth)
- ❖ **Liquidity** (public investments)
- ❖ **Mission** (climate, labor concerns, gender and racial diversity, hunger, education, clean water, air and soil)

PERFORMANCE



ASSET ALLOCATION

❖ Domestic Stocks	31%
❖ International Stocks	24%
❖ Core Fixed Income	30%
❖ Infrastructure	5%
❖ Real Estate	5%
❖ Diversified Mutual Funds	5%
❖ Cash	1%



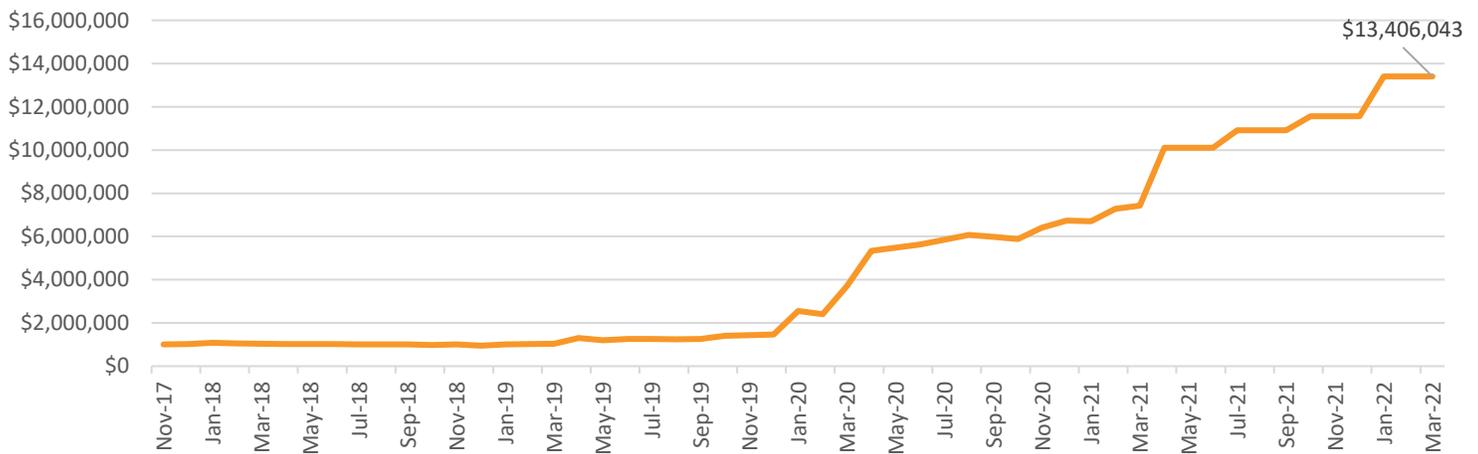
Fund Evaluation Group[®]
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GREATER CEDAR RAPIDS
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FOUNDATION**

GROWTH OF ASSETS OVER TIME

ESG Pool



QUARTERLY COMMENTARY

Multi-decade high inflation, the interest rate liftoff by the Federal Reserve (Fed), sharply rising energy prices, and Russia's invasion of Ukraine were a few of the key drivers behind the spike in volatility across markets in the first quarter of 2022. The ESG pool purposely maintains a nearly fossil fuel free mandate, which presented a headwind in 2022 as energy prices soared. The portfolio also maintains a growth tilt, which further presented an investment challenge as investors favored value-oriented securities over growth. These tilts have proven generators of strong performance in previous periods and we believe will continue to have positive impact over a full-market cycle.

FROM OUR INVESTMENT PHILOSOPHY

The Foundation recognizes that constituents of the Community have an interest in allocating charitable dollars in a fashion that is consistent with their ethics and values. Further, the Foundation and their consultant recognize the growing amount of research that suggests that incorporating ESG factors into the security selection process can help uncover unaccounted risk and return characteristics that can benefit the portfolio. For these reasons, the Foundation elected to provide an additional investment option for potential donors that desire ESG characteristics in their portfolio.

The pool will have the majority of its assets invested in public equity, with the remainder in fixed income and diversified mutual funds. The ESG pool seeks to hold little to no holdings principally involved in alcohol, tobacco, gambling, adult entertainment, civilian firearms, for-profit prisons, fossil fuel extraction, genetically modified foods, predatory lending, and non-gender diversified Boards while emphasizing investment in companies that hold positive ESG characteristics. The pool also focuses a portion of the assets to address concerns within the Greater Cedar Rapids community.

For further information regarding investment management please visit our website:

<https://www.gcrf.org/about/investment-management/>

If you have questions, please contact:

Laura Booth, CFRE

Development Officer

319-774-2367 laura.booth@gcrf.org

