

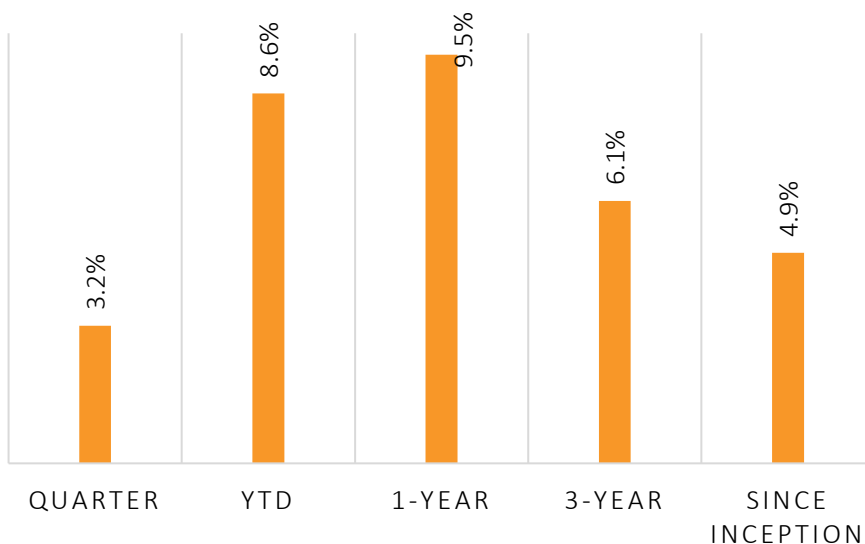
# ESG POOL SUMMARY

As June 30, 2023

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 & racial diversity, hunger, education, clean water, air and soil)

## PERFORMANCE



*\*Inception: 11-2017*

## ASSET ALLOCATION

❖ Domestic Stocks	32%
❖ International Stocks	23%
❖ Core Fixed Income	31%
❖ Infrastructure	5%
❖ Real Estate	4%
❖ Diversified Mutual Funds	4%
❖ Cash	1%



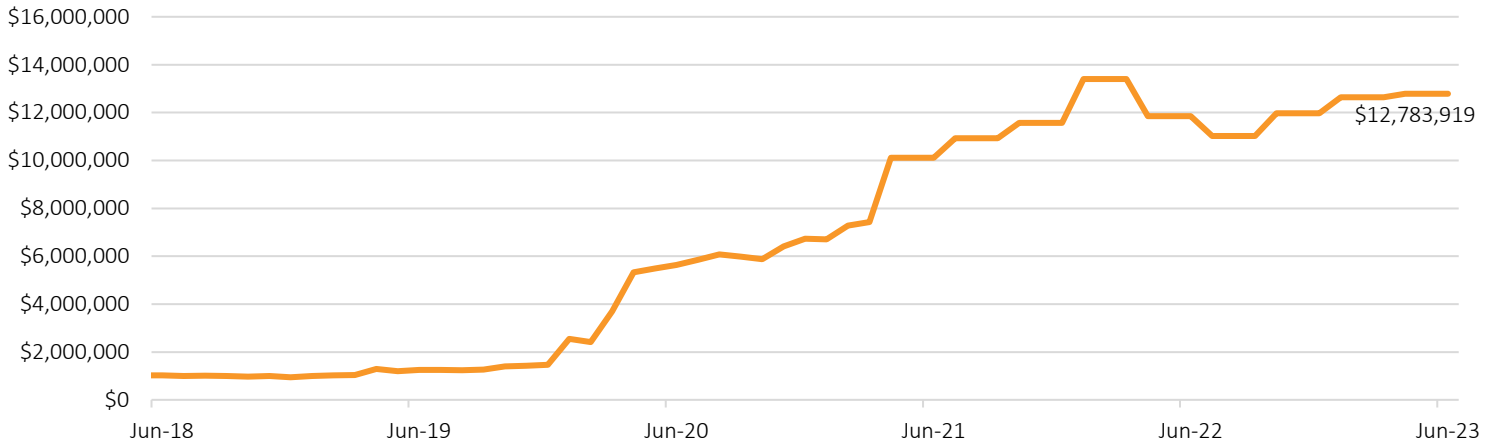
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FOUNDATION**

## GROWTH OF ASSETS OVER TIME

ESG Pool



## QUARTERLY COMMENTARY

Despite a notably steep “wall of worry,” including banking system strains, inflationary pressures, and the most aggressive Federal Reserve tightening campaign in four decades, performance across the financial markets in the second quarter appeared overwhelmingly positive. Returns from stocks were largely driven by mega-cap tech stocks perceived to benefit from artificial intelligence. With over 75% of the market’s return driven by 6 US mega cap tech-related stocks, positive performance has been witnessed by a select few and has not been a broad-based rally that boosts most stocks. Within fixed income the yield curve remains steeply inverted with shorter term bonds offering more attractive yields in longer maturity bonds. Traditionally speaking, an inverted yield curve signals that traders are anticipating a potential recession.

## 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:

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