

Socially Responsible Pool

The Community Foundation introduced the Socially Responsible Pool in November 2020 to provide donors who are committed to ESG principles with the opportunity to invest charitable assets in a manner consistent with their values. The strategy is designed to achieve long-term asset growth and positive social and environmental impact. The Foundation uses two ETFs to achieve an 80/20 asset allocation. The Equity ETF seeks returns commensurate with other ESG strategies and uses social screens and Environmental, Social and Governance (ESG) considerations when selecting investments. The fixed income ETF invests in Government and US Agency debt.

Asset Allocation and Fees

The Socially Responsible Pool is composed of two ETFs: the Vanguard FTSE Social Index Fund and the Vanguard Intermediate-Term Treasury Fund. The fees for both funds are combined for approximately 13 basis points for the Socially Responsible Pool.

Equities

The equity portion of the pool uses the [Vanguard FTSE Social Index Fund](#), which Vanguard classifies as a Large Capitalization Growth Stock Fund that excludes stocks of certain companies in the following industries: adult entertainment, alcohol, tobacco, weapons, fossil fuels, gambling and nuclear power. It also excludes stocks of companies that do not comply with the U.N. Global Compact principles and those companies that do not meet certain diversity criteria, anti-corruption, environment, human rights and labor rights. The ETF seeks to track the performance of the FTSE4Good US Select Index. The index is market-capitalization weighted and includes both large- and mid-cap stocks of companies. Further, potential investments are screened for certain ESG criteria. As of June 30, 2022, the top sectors included in the ETF were Technology (32.4%), Health Care (15.9%), Consumer Discretionary (15.5%) and Financials (10.6%). Given its ESG screens and its sector allocation, the ETF has historically experienced greater volatility when compared to the broader market (as measured by the S&P 500) or other well-diversified strategies.



Fixed Income

The fixed income portion of the fund uses the [Vanguard Intermediate-Term Treasury Fund](#). This fixed income fund holds a minimum of 80% US Government Treasury securities (at June 30, 2022, this represented 98% of the fund's holdings), and may invest in US Agency debt. Rather than holding corporate bonds, which typically yield more than government, Treasuries ensure the fund avoids industries that are inconsistent with a socially responsible lens. This fund holds bonds with a 5-10 year maturity.

Performance

Socially Responsible Pool

	Quarter Ending (6/30/2022)	Year-to-Date	1-Year	Since Inception (11/2020)
Vanguard Socially Responsible Pool	-14.96%	-20.78%	-13.56%	-0.45%
Spliced Social Index Benchmark	-17.83%	-23.99	-15.12	N/A
Bloomberg 5-10 Yr US Treasury Index	-3.41%	-9.19%	-9.45%	N/A
S&P 500	-14.89%	-23.34%	-23.18	N/A