

SOCIALLY RESPONSIBLE INVESTMENT OPTION TRANSITION UPDATE

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AGENDA

- **Overview of the new Socially Responsible Equity option**
- **Comparison of the legacy SRI Option and the new SRI Option**
- **Update on the Transition**



OVERVIEW OF THE RECOMMENDED STRATEGY

The recommended strategy bases its investment process off the United Nations (UN) Sustainable Development Goals (SDGs)

- Portfolio holdings are classified into 3 broad themes: Climate, Health, and Empowerment

The SDGs are a Powerful Framework of 17 Goals



The goals address challenges relating to economic prosperity, environmental sustainability, and social inclusion



Why Align a Portfolio with the SDGs?

Thematic Relevance	The SDGs offer a road map for identifying thematic opportunities that are underappreciated by traditional investors
Investment Opportunity	The estimated investment required to achieve the SDGs is massive – roughly \$90 trillion
Global Consensus	193 nations committed to achieving the goals, signaling broad global consensus and creating a powerful tailwind for aligned companies
Social and Environmental Objectives	Investments that align with the SDGs can help to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere

COMPARISON BETWEEN LEGACY AND NEWLY IMPLEMENTED SRI OPTION

	Current Option	Recommended Option
Asset Class	Balanced/Multi-asset	Equity only
Risk Characteristics	Less volatility and greater downside protection	Greater volatility with greater potential returns
Integration of of ESG considerations	ESG considerations are part of an assessment of a company's risk and return potential	Sustainability themes align portfolio with the UN Sustainable Development Goals (SDGs)

Transition status

On April 19, 2024, participants in the Socially Responsible Balanced option were transitioned to the newly created Socially Responsible Equity option managed by AllianceBernstein (AB)

Takeaways

Approximately \$375 million in member assets were transitioned

- Participants were notified of the change in advance by mail and were informed of their ability to move their funds into other investment options prior to the transition if they do not wish to be invested in the new fund

There was a brief transition period where the new SRI portfolio continued to hold securities from the legacy SRI balanced fund

- The sale of those legacy assets were completed on or around April 24th

We are excited about the new strategy and think members will be too!