Berkeley
Haas

Sustainable Investment Fund

Annual Report

2020 to 2021

May 3, 2021

Dear SIF Stakeholders & Haas Community,

We are excited to share with you a comprehensive update on the Haas Sustainable Investment Fund, now in its thirteenth year. Managing the Fund has proved to be an incredible learning opportunity for each of us—we have refined our thinking about portfolio construction, defined the impact we want to achieve through our investments, and deepened our skills in fundamental and ESG analysis.

The 2020-2021 academic year was unlike others in recent memory, with our class of Principals conducting all SIF classes via Zoom amidst the COVID-19 pandemic. We navigated the uncertainty together, and feel that we are leaving the SIF in a strong position for the future!

In the year that began May 1, 2020 and ended April 30, 2021, the SIF returned 40.9% compared to our blended benchmark, which returned 36.7%. Currently, the total value of the fund is $4.6M.

We continue to believe in a large allocation to equities (~65% of our investments) while seeking to balance risk through active and passive exposure. We maintained a 55% allocation of our portfolio with the Aperio Group, and continued our partnership together to craft a personalized, passive portfolio that aligns with our investment goals and ESG values. We have directly invested the remainder of the equities sleeve, focusing on companies where we can uncover competitive sustainable and financial advantages and engage with management to push for more responsible business practices.

We want to express our sincere appreciation to each of you and to our Faculty Advisors, Adair Morse, Julia Sze, and Bill Rindfuss. Your continued dedication even in the throes of the global pandemic have inspired all of us.

Sincerely,

2020-2021 Student Principals

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2020 - 2021 Principals

During the 2020 - 2021 academic year period, the Haas Sustainable Investment Fund maintained its vision of building student knowledge and managing assets on behalf of UC Berkeley while shifting capital towards achieving sustainability goals. During this academic year, fourteen principals (MBA ‘21’s) were trained and acquired ESG skills that have translated into their professional careers. Our principals are transitioning to careers in diverse areas such as management consulting, investment banking, investment management, and impact venture capital firms.

Bryan Bahk | Fernando Castillo Mego | Henrik Cotran | Holly Cramer | Julian Downey | Ha Du | Steven Gan

Swati Gupta | Erika Hirata | Austin Nalen | Mihir Mehan | Arpan Soparkar | Owen Teach | Eileen Ung

Investment Policy Statement

1. **Introduction:** The Haas Sustainable Investment Fund (SIF, or “the Fund”), launched as HSRIF in 2008, is the first and largest student-led sustainable investment fund at a leading business school. The Fund is structured as a separate account managed through the University of California Berkeley Foundation (UCBF), a 501(c)(3) non-profit foundation whose primary responsibility is the management of the long- term endowment funds in support of the university. As part of a philanthropic institution, the Fund manages its assets for maximum public benefit and in compliance with fiduciary duties of care and loyalty. The purpose of this Investment Policy Statement (IPS) is to create a framework within which the student Principals will invest and manage the Fund for the benefit of current and future students at the University of California Berkeley, Haas School of Business.

2. **Purpose:** The Fund’s purpose is threefold:
    1) Provide an applied learning opportunity for Student Principals
    2) Provide an annual distribution to the Institute for Business and Social Impact (IBSI) at the Haas School of Business, University of California, Berkeley
    3) Serve as a research platform for SRI, ESG, and sustainable investing

3. **Values Statement:** The Fund believes that investing to protect the environment and elevate human well-being can be done without sacrificing risk-adjusted financial returns and is critical to creating a sustainable and equitable future for all.

Companies operating in socially and environmentally responsible ways have a unique competitive advantage—when matched with strong market fundamentals, operational excellence, and financial strength, this will be a key driver of long-term financial returns and meaningful environmental and social impact.

The Fund focuses its equity investments on companies that are early in their transition to sustainable practices to capture the financial benefits resulting from more efficient operation. The Fund focuses active management on small and mid-cap companies where readily available ESG information is limited to capture upside from sustainable practices that are not already priced into the market. The fund seeks to engage with management to push for more responsible practices and disclosure, which will drive improvement of the bottom line. The Fund believes activism will have the most impact with smaller companies who, at a minimum, recognize ESG risks and opportunities as integral to their core business.

The Fund has several sector specific values which inform the overall investment strategy.

1) *Energy:* In active holdings, the Fund will invest in companies that are innovating to responsibly meet energy demands while preserving our environment, even if their primary business remains in fossil fuels. The Fund will avoid companies that are not actively transitioning to a clean energy future and, in passive investments, will not hold any companies whose primary business is fossil fuel extraction.
2) *Weapons:* The Fund will not hold any companies that produce weapons.
3) *Human rights:* The Fund will not hold any companies that are currently known to abuse human rights or that have a history of egregious human rights violations

The Fund's commitment to sustainable investing is critical to achieving educational goals, driving financial returns, and delivering meaningful impact for the planet and those that inhabit it through the capital markets.

4. **Fiduciary Duty:** The fiduciary duty of Student Principals, which is both legal and moral, encompasses three central obligations:
   1) *Duty of care* to make decisions in good faith and with reasonable prudence
   2) *Duty of loyalty* to act without personal economic conflict
   3) *Duty of obedience* to the mission of UC Berkeley to serve the public benefit

5. **Objective:** The purpose of the Fund is to deliver strong financial returns and positive social impact. The fund has the objective to preserve long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions to IBSI.

6. **Time Horizon:** Investment decisions will be made with a five-year time horizon. Event thought the Fund is a long-term pool of capital and may take advantage of this horizon to withstand year-to-year volatility

Counterbalancing this factor, however, is the inherent annual turnover of Principals given the length of the MBA and other graduate and professional programs at the University.

7. **Asset Allocation Targets & Allowable Ranges:**

Asset Class	Target	Range
Equity	**65%**	55-75%
1. Broad Equity Market Exposure a. Domestic b. International	*55 %* *40%* *15%*	*50-60%*
2. Active Equity Sleeve	*10%*	*5-15%*
Fixed Income	**25%**	20-30%
Cash	**5%**	0-10%
Other (Real Assets, Absolute Return, etc.)	**5%**	0-10%

8. **Portfolio Construction**: Based on the objective of delivering strong financial returns while maintaining long-term stability for incoming Principals, the Fund will hold a portfolio asset allocation of 65% equity, 25% fixed income, and up to 5% in other assets.

   Through the passive management approach, the Fund seeks broad equity market exposure with minimal tracking error to the benchmark index (MSCI ACWI) while aligning with the Values Statement agreed upon by the Student Principals (Section 3). This allocation is managed by an Aperio customized account that meets the sustainability criteria determined by the Principals, avoids unwanted stock selections, and effectively manages risk.

   10% of the portfolio will consist of an active equity sleeve of concentrated positions held in individual companies selected by Principals through fundamental financial and ESG analysis. The purpose of the active sleeve is to achieve ESG alpha by identifying financially undervalued companies with strong ESG prospects. These concentrated positions seek outperformance above the benchmark index (MSCI ACWI) and expose the Fund to idiosyncratic risk. The Principals agreed to expand the scope beyond small- and mid-cap companies to also include some large-cap companies, on a case-by-case basis.

   The purpose of the fixed income and cash allocation is to manage fund liquidity, improve diversification, and manage risk, while maximizing direct, measurable ESG impact. The Fund may invest up to 5% of the portfolio in other assets, such as real assets like sustainable timber or ESG absolute return funds, for the purpose of additional diversification and furthering Principal learning about other asset classes in sustainable investing. Other assets opportunities will be considered across market capitalizations, and for the potential to provide strong additionality and ESG impact.
   The Principals discussed raising international exposure by increasing The Fund's target international allocation. After exploring international markets, the Principals decided to invest in ITMPF, a

UK-based stock. Faced with time limitations, the Principals decided to keep other geographic areas on the watch list.

In terms of The Fund's investment process, Principals agreed that exclusionary measures would be a minimum criterion and The Fund would use more positive tilts for screening. Faced with a particularly challenging and unusual year in the markets, the Principals agreed to keep an active watch list in addition to making regular investment decisions and to rebalance the portfolio as necessary, to account for market volatility.

9. **Performance Objective & Benchmarks:** The Fund will benchmark its equity performance against the *MSCI ACWI Index,* which represents the performance of large and mid-cap stocks across 23 developed and 26 emerging markets. Berkeley is home to over 6,000 international students, and a number of current SIF Principals hail from outside the U.S. The Principals believe that a global perspective is critical to achieving its sustainability goals, and thus have chosen to benchmark performance against the ACWI instead of the more commonly used but U.S.- centric S&P 500 or Russell 3000. Additionally, the Fund will benchmark the fixed income portion of its portfolio against the Barclays Global Aggregate bond index. In order to create an accurate blended benchmark, the performance figures herein are compared against a 70% ACWI / 30% Barclays composite.

10. **Risk Management:** The Fund will assess portfolio risk through its asset allocation strategy and through fundamental financial and ESG risk analysis for individual assets. In order to manage specific risk, the Fund will be diversified across a wide range of equities, including geography and market capitalization. The passive allocation is designed to minimize tracking error and provide broad market diversification to balance the concentrated individual equity positions. Principals will perform fundamental analysis to assess idiosyncratic risk in the active equity sleeve. These concentrated positions will be focused on companies in which the Principals have high conviction of financial outperformance and ESG impact. The Fund must maintain sufficient liquidity to fund annual spending of no less than 4% of the Fund's assets to maintain tax exempt status. To manage liquidity risk, the Fund will maintain a minimum of 20% of the portfolio invested in fixed income and cash securities.

11. ***Student Principals:*** The role of Student Principals is to lead the Fund and participate in a comprehensive learning opportunity while preserving the long-term health of the Fund. Specific responsibilities of the Student Principals include:

    - Implement and adhere to the IPS;
    - Evaluate equity, fixed income, and real asset investments and execute trades that are in-line with the values of the Fund;
    - Set expectations for performance in terms of risk and return;
    - Monitor holdings on an ongoing basis to ensure financial and ESG performance align with this policy and, when necessary, make the decision to increase, decrease, or fully exit a position;
    - Rebalance the portfolio to account for market fluctuations and/or cash needs up to 5 percent of assets;
    - Track performance of the portfolio and report internally and to the Fund's Advisory Board on the portfolio's social and financial performance relative to goals and established benchmarks;
    - Maintain investment-related files, records, and accounting procedures; and

- Periodically review the IPS and make recommendations to the Advisory Board regarding new policy development, revisions, or amendments.

Faculty: The Professors have the responsibility to monitor and guide the Student Principals in the learning experience and management of the Fund. Specific responsibilities include:

- Develop a course syllabus and schedule that helps Student Principals achieve educational objectives;
- Introduce academic literature on and best practices for ESG investing, portfolio construction, and equity, fixed income, and real asset investment and management;
- Arrange guest speakers and company visits and make connections to academics and practitioners working in the field of ESG investing to advance Student Principals' learning and improve fund management;
- Provide counsel on the evaluation and selection of equity, fixed income, and real asset investments; and
- Ensure continuity between classes of Student Principals.

Advisory Board: The Fund's Advisory Board has the responsibility to guide and oversee the Student Principals in the execution of the Fund. Specific responsibilities include:

- Advise and comment on investment guidelines, asset allocations, active and passive manager selection, and individual equity, fixed income, and real asset investments;
- Review regular performance evaluation reports; and
- Maintain regular communication with Faculty and Student Principals

12. **Transparency:** The Fund has published an annual report each year since inception and will continue to disclose performance annually in order to disseminate knowledge about sustainable investing and share results with Fund stakeholders (i.e., IBSI, the Advisory Board, etc.).

13. **Payout Management:** For the purpose of making distributions, the Fund shall use a total-based spending policy, which means that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of holdings. Annual distributions will be calculated at 4% of a twelve-quarter moving average market value of the fund, to smooth distributions and mitigate volatility. The distribution of Fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the Fund's real assets over time. The principles will seek to reduce the variability of annual Fund distribution and will try to improve the fund's Sharpe Ratio given thorough consideration of ESG.

Key Strategic Decisions

Values Statement

The Haas Sustainable Investment Fund's commitment to sustainable investing was central to defining our overall investment strategy. We believed it was key to follow the Values Statement outlined in our Investment Policy Statement in making investment decisions. The Fund has several specific values and we believe that investing to protect the environment and elevate human well-being can be done without sacrificing risk- adjusted financial returns. As outlined in the Investment Policy Statement, our research focused on small and mid-cap firms, but the Principals did invest in best-in-class large-cap companies. The Fund did not invest in companies operating prison complexes, building military weapons or producing fossil fuels as their primary business.

COVID-19 Pandemic

The Fund focused on alpha opportunities generated by the trends favored by the COVID-19 pandemic while following the Values Statement and the Investment Policy Statement. These trends include the acceleration of the digital transformation and investment in IT infrastructure.

ESG Related Regulation

The Fund's investments took into consideration the changes in the regulatory framework related to climate change as well as data security. The commitment shown by companies towards carbon neutrality goals and the announced timelines to achieve the same were considered by the Principal as critical pointers for investment decisions. The Fund also considered issues such as gender equity and racial justice as material to all firms. Firms compliant with regulations and proactive in addressing emerging issues were favored as investment targets.

Other Trends

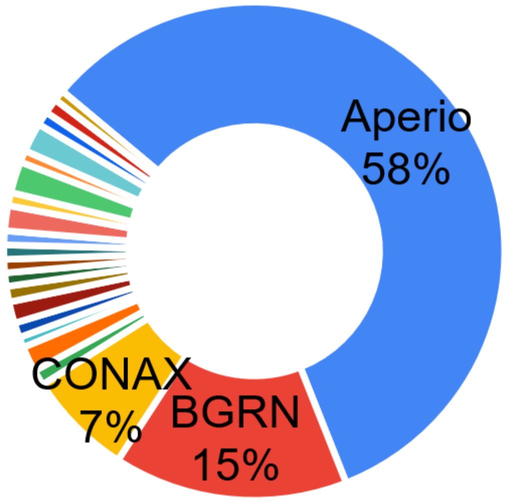
The Fund took emerging trends and macroeconomic events into account. The rise of 5G technology and the spending on sustainable infrastructure are examples of trends that were favored in evaluating firms for investment. Additionality, or the ability of a firm to uniquely influence positive change was given more weight than other factors.

Asset Allocation

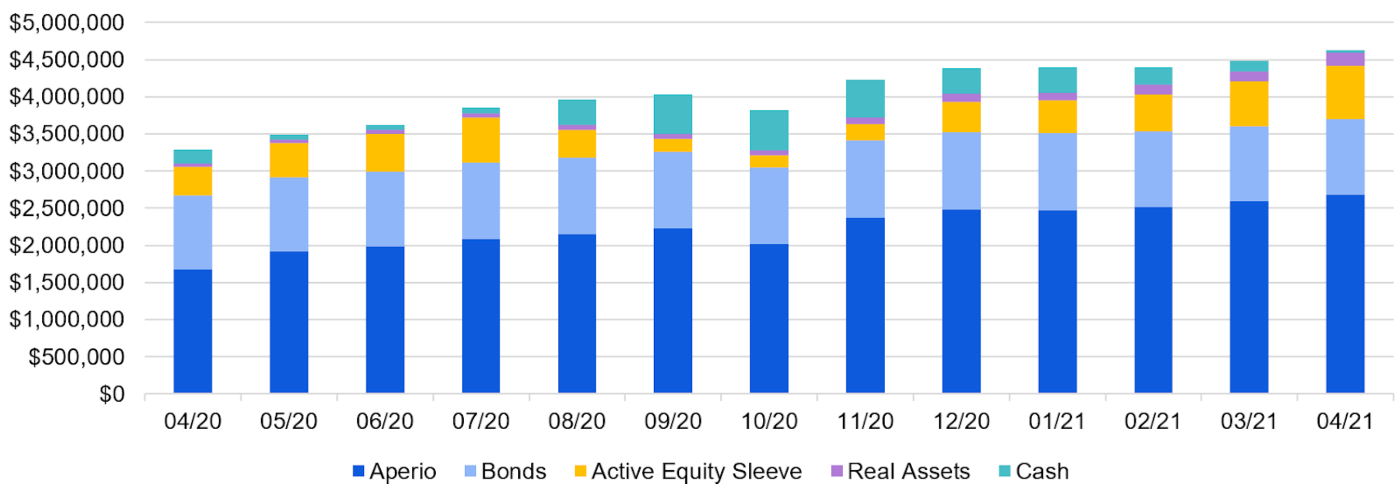
The Fund asset allocation changed slightly with respect to previous years with an increased exposure to active equity and the Aperio position. We continued our exposure to fixed income and real assets with the objective, focused on enhancing our ESG strategy - harness the benefits of being diversified across-asset classes, and invest in financial instruments with greater and direct impact potential. The final allocation was 72.0% in equities (Aperio and individual stocks), 22.6% in fixed income, 3.8% in real assets, and 1.6% in cash.

Portfolio Allocation

(as of April 30th, 2021)



Category	Ticker	Name	Market Value	% Holdings
Aperio			$ 2,681,599	57.9%
Bond	BGRN	iShares Global Green	701,419	15.1%
Bond	CONAX	Columbia US Social	317,151	6.8%
Stock	ACI	Albertsons	47,094	1.0%
Stock	AWK	American Water Works	77,059	1.7%
Stock	APPH	AppHarvest	31,756	0.7%
Stock	BWA	Borg Warner	44,694	1.0%
Stock	FIX	Comfort Systems	64,241	1.4%
Stock	CVA	Covanta	46,925	1.0%
Stock	EQIX	Equinix	40,363	0.9%
Stock	ITMPF	ITM Power	40,292	0.9%
Stock	OSH	Oak Street Health	42,894	0.9%
Stock	PING	Ping Identity	42,102	0.9%
Stock	PGNY	Progyny	75,292	1.6%
Stock	SEDG	Solaredge	39,531	0.9%
Stock	THO	Thor Industries	94,441	2.0%
Stock	TYL	Tyler Technologies	36,113	0.8%
REIT	HASI	Hannon Armstrong	88,032	1.9%
REIT	PLD	Prologis	41,718	0.9%
REIT	WY	Weyerhaeuser	45,787	1.0%
Cash			32,607	0.7%
Total			**$ 4,631,109**	**100.0%**



For the equity sleeve, the Principals evaluated multiple active and passive fund strategies to understand the various approaches used by fund managers in the rapidly expanding ESG market. We also wanted to compare the intentionality and additionality of niche strategies as well as their associated cost structures versus the Fund's holding in the ESG portfolio platform Aperio.

Among the passive strategies analysed were iShares - ESGU (US focused), ESGE (Emerging Markets focused), ESML (Small Cap) & SDG(Global Impact); SPYX (S&P Fossil Fuel Free Fund), VFSTX (FTSE Social Index Fund), SHE (Gender Diversity Index), NACP (Minority Empowerment Index) and FAN (Global Wind Energy). Among the active strategies, the Principals evaluated Atlas Impact Partners, Kabouter SMID, Boston Common, Trillium Sustainable Opportunities Fund and Parnassus MidCap Fund.

After careful consideration of the various active and passive strategies, the Principals decided to continue with the investment in Aperio given the alignment with values statement and cost-effectiveness of the strategy.

In Spring 2020, Principals allocated 55% of the portfolio to passive management, after an exhaustive analysis of the benefits and costs of partnering with active management firms. Using Aperio, an ESG portfolio construction platform, allows us to customize our investments and provides a cost-efficient diversified portfolio. Most importantly, it aligns the Fund's holdings with the Values Statement and IPS. The Principals were disappointed by the lack of transparency of ESG methodologies and the inability to customize funds based on ESG values. Additionally, the long-term outcomes of many active management firms, when weighed against the costs, do not offer a significant enough advantage above passive options to warrant investment. Finally, since 10% of the fund is already actively managed by the Principals, we decided an additional active allocation to an outside manager was unnecessary.

The 2020-21 SIF principles revisited the decision to invest the majority of SIF's capital with Aperio Group. Some members believed that a larger portion of the portfolio should be invested actively by the class in order to foster learning and have greater control over holdings. The lack of transparency of the individual securities that Aperio held on behalf of SIF was also brought up as an area of concern. The acquisition of Aperio by BlackRock in November 2020 was also flagged as a potential concern. The Principals decided to defer the decisions about reducing the Aperio holdings to the 2021-22 SIF class.

For the fixed income allocation, we analyzed different strategies across ESG bond funds, green bonds, CDFIs, municipal bonds and our current holdings - BGRN (Global Green Bond ETF) and CONAX (an actively managed municipal bond fund focused on social projects). The Principals decided to continue with the existing holdings as these fixed income instruments result in direct positive ESG impact by specifying use of proceeds, following a robust ESG selection methodology, and requiring annual impact reporting. There are, however, many opportunities in green bond funds and municipal bonds that could have a large direct impact on issues including affordable housing and energy efficiency. We believe that future Principals should reevaluate these types of investments on a regular basis to determine if an allocation is appropriate.

In real assets, we explored timber, agriculture land through direct acquisition of land or investment in land in return for royalties, and indirectly through debt and real estate funds. Our analysis revealed that both timber and agriculture alternatives weren't compelling due to a lack of ESG disclosure, high costs, and long lockup periods. Principals were concerned by the lack of transparency as the potential environmental and social externalities of agricultural activities are very high and we did not wish to have such exposure. However, we believe that in future years SIF could benefit from a placement in such investments due to diversification benefits and strong returns, assuming that disclosure improves.

Performance

Trailing 1-yr performance (5/1/2020-4/30/2021)	Return (%)	Standard Deviation (%)
SIF	40.9	4.0
SIF (ex-Aperio)	21.1	2.6
Aperio	59.8	6.3
MSCI ACWI (1)	45.7	4.5
Barclays Global Agg Bond (2)	4.0	1.5
Composite indices (1+2)*	36.7	3.3

* Composite indices defined as portfolio weighted 70% in MSCI ACWI index and 30% in Barclays Global Aggregate Debt Index.

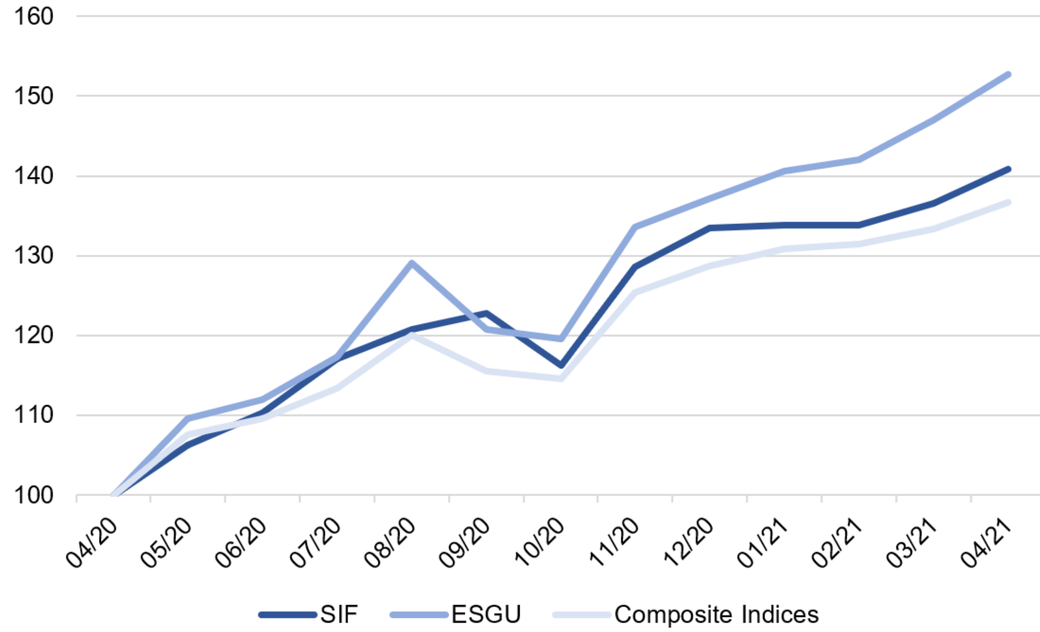
In the year closing April 30, 2020, the SIF (excluding Aperio) achieved a 7.9% return while its benchmark index closed down 3.3% in the same period. Notwithstanding fortuitously-timed transactions completed in advance of the COVID-19 pandemic market crash of March 2020, the preceding class of SIF principals should be commended for navigating a tumultuous market to hand off the portfolio in a strong position.

The year from the SIF's last annual report has been anything but normal. The COVID pandemic upended markets - driving down global interest rates and fixed income returns while pumping up equity valuations and the stock market's performance since the initial pandemic downturn.

At the outset of the 2020-21 academic year, the SIF principals elected to maintain a target allocation for the fund of 65% equity, 25% fixed income, 5% cash, and 5% real assets. While nearly all of the SIF's active sleeve securities are U.S.-based companies, our Aperio portfolio has global equity exposure. To appropriately match this exposure, we maintained the MSCI ACWI Index as the most applicable equity benchmark. We also sought broad fixed income exposure through both our ETF and fund exposure, so chose the Barclays Global Aggregate Bond Index as our fixed income benchmark.

For the one-year period ending 4/30/2021, the SIF has outperformed its benchmark, returning 40.9% vs. 36.7% benchmark performance. We are pleased to provide this market outperformance while only taking on less than 1% in additional volatility. SIF's allocation to Aperio provided significant returns during the last year (59.8%), while the active investment sleeve return (21.1%) trailed the composite return during the same period. The explanation for this underperformance can be attributed to the timing of the class and holding a relatively large portion of the portfolio in cash as active equity deployments were decided upon during the Fall and Spring semesters.

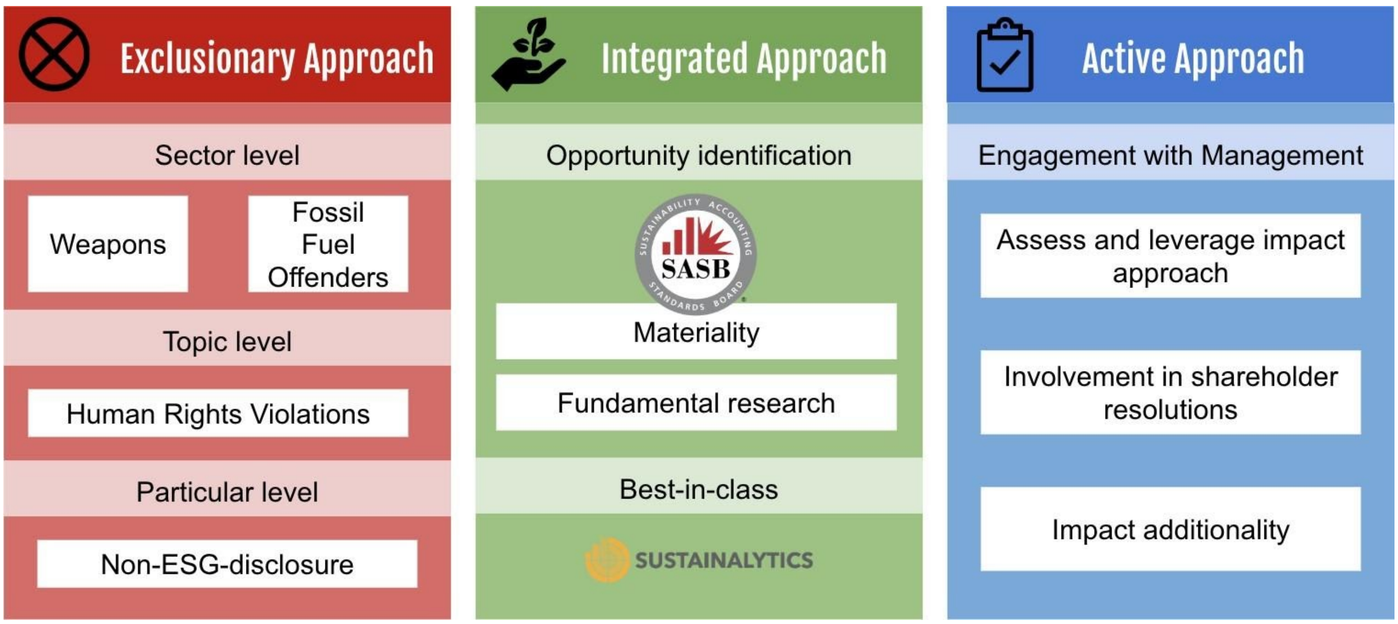
In order to evaluate the SIF's performance against the ESG market as a whole, we analyzed the SIF in comparison to the iShares ESG Aware MSCI USA ETF (ESGU) since 5/1/2020. While the SIF is a blended fixed income and equity fund while ESGU is equity only, it provides a fair point of comparison.



Per the chart above, ESGU outperformed the SIF by ~25% in the evaluation period. That being said, we believe that SIF achieved its returns while not sacrificing on impact values as some competitors in the public ESG market tend to do. For example, As You Sow's screening tool Fossil Free Funds scores ESGU with a "D" rating with 8.5% of its portfolio invested in significant consumers and producers of fossil fuel energy including most major oil producers and refiners (Exxon, Chevron, Hess, Marathon, Phillips etc.) Additionally, As You Sow's Deforestation Free Funds tool scores ESGU with a "D" given its 17% exposure to deforestation-risk companies. SIF, on the other hand, is crafted in its active equity/fixed income and Aperio holdings to explicitly avoid companies with an adverse effect on the environment and other social issue areas.

Impact Overview

The impact approach used by the 2020-2021 Principals followed a three-tiered framework consisting of a) an exclusionary approach to narrow down investments by sector, topic, and particular assets, b) an integrated approach to assess financial performance integrated with sustainability propositions from ESG-material fundamentals, and c) an active approach to engage with management of firms before and after investment.



Exclusionary Approach

Principals began with an exclusionary approach to eliminate sectors and opportunities that the group considered uninvestable (primarily based on fund values). Through this lens, the Principals excluded weapons and energy companies that had not started to shift towards clean energy. Other industries that contributed to the supply chain or end-users for the excluded sectors were analyzed on a one-to-one basis following the next steps of the framework. Companies with reports of human rights violations or scandals were also excluded. With the intention of advancing the agenda for ESG reporting, Principals also disregarded firms that did not provide any disclosures. Since reporting adoption is in early-stages, disclosures did not have to follow SASB's guidelines. Types of disclosure varied from sustainability reports, risk discussions in 10K filings, voluntary sustainability goals, and outcome measurements. SIF Principals focused on industry-specific reporting metrics, including emissions and resource intensity, human right codes of conduct, supply chain transparency, and board diversity.

Integrated Approach

After exclusions, the Principals used an integrated approach combining ESG analysis from a materiality perspective with the goal of leveraging ESG market opportunities. Principals understood that ESG analysis should not be separated from a financial/performance analysis and can be used to identify differentiated investable opportunities. Fundamentals such as revenue growth, operational ratios and capital expenditures were analyzed through a sustainability lens. For example, a company's technological innovations can create competitive advantage and mitigate negative environmental impacts, and strategic M&A activity can result in geographic expansion of sustainable products aligned with responsible consumer trends and demand. SASB's industry specific materiality framework guided the analysis of companies in terms of compliance or future opportunities for more sustainable performance. To build evidence towards an investment thesis, Principals used Sustainalytics, MSCI, and Bloomberg ratings on environmental, social, and governance factors to conduct general analysis and understand the market appreciation for the industry sustainability ranking and contrast it with our due diligence.

For individual equities, we investigated whether the investment created opportunities resulting from a sustainability or broader ESG proposition (great potential new technology such as the *Brightbox* battery in the case of Sunrun, or the expansion to the European market in the case of Thor), and second we analyzed the particular ESG case taking into consideration factors such as: the supply chain transparency (like conflict minerals, and other sourcing risks), human rights codes of conduct, and externalities produced. For example, Principals invested in Thor Industries because it is uniquely suited to capture growth in affordable housing alternatives and sustainable travel as it moves into the European market. This geographic expansion creates not only an opportunity for Thor Industries to capture new consumer segments, but also will further pressure the company to innovate its products to meet sustainability standards.

Active Engagement

Finally, Principals considered the possibility of active engagement with companies as part of an impact assessment. After Principals originated an impact thesis and discussed amongst the group, they initiated an active communication to deepen conversations and gather first-hand information on the company's sustainability disclosures, metrics, and goals. Post-investment, Principals maintained active communication by tracking sustainability disclosures or press releases to better identify and leverage impact additionality. Due to the limited duration of portfolio holdings, it was not possible to actively engage with management or pursue shareholder resolutions. In support of the market shift towards active ESG shareholder involvement, SIF presented a shareholder engagement strategy to improve the company financial and sustainability performance through participation in the second year of the Student Corporate Engagement Competition organized by Sustainable & Impact Investing Learning & Knowledge (SIILK) and Intentional Endowments Network (IEN).

Throughout investment research, the United Nations Sustainable Development Goals (SDGs) motivated discussions about preferred investment outcomes. Although Principals did not directly map the SDGs to investment theses, discussions amongst Principals often included prioritization of particular goals depending on sector and asset focus.

About 57% of the portfolio is actively managed by Aperio, an investment management firm with strong focus on ESG metrics. Aperio was acquired by Blackrock in November 2020. The firm has closely collaborated with the Sustainable Investment Fund to reflect the fund's values around Climate and General Corporate Responsibility while offering broad global market performance. Compared with MSCI ACWI benchmark, our portfolio boasts 80% lower Carbon emissions, 150% additional investments in clean-tech, and 20% higher proprietary SRI score.

Aperio Spotlight - Applying ESG Framework to Passive Investment Strategy

Exclusionary approach: After doing a thorough analysis of existing ESG managed funds which range from *Vanguard ESG* to *Triodos Investment Fund*, we saw that some funds did not comply with our exclusionary requisites such as human right violations or exposure to fossil fuels.

Integrated approach: After studying broad passive ESG funds, we concluded that these funds did not allow the flexibility whereby ESG materiality is an integrated component of valuation. We decided to go with *Aperio* because it provided Principals with the possibility both to customize our values in terms of exclusions and to embed environmental tilts that met our view of integrated ESG materiality. As you can see in *Appendix 1*, we were able to pursue Environmental tilts to prioritize low carbon footprint and clean technology solutions by excluding: *(i) Fossil fuels*: Fracking, Tar Sands, Carbon Reserves, Oil, Gas & Consumable Fuels, Coal companies, Energy Equipment & Services; (ii) Military weapons. As a result, our portfolio, according to Aperio data, holds 80% less carbon emissions than the MSCI ACWI.

Active Engagement Approach: With *Aperio* we have the possibility to participate in shareholder resolutions. However, this is not the driving force behind our passive strategy.

Aperio has shared concrete details on their shareholder advocacy and engagement actions. They have worked with bespoke partners such as As You Sow, Proxy Impact and Rhia Ventures on clients' resolutions affecting various ESG issues. These resolutions include fossil fuel financing at JP Morgan Chase, use of pesticides at Kellogg Company, consumer packaging sustainability at Yum! Brands, board diversity at Deere and Company and political lobbying at Eli Lilly, among various others.

Measurement of Impact as Part of Our Investment Process

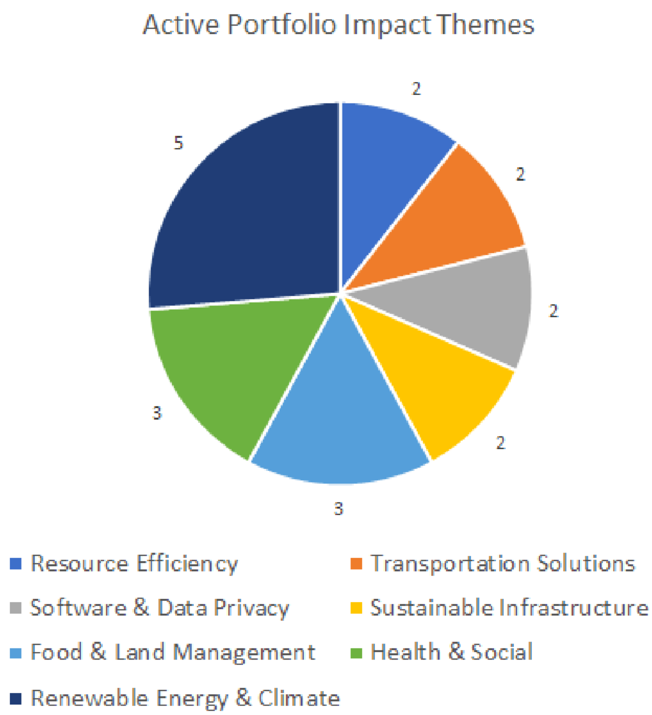
One of our key learnings as Principals has been how to put more structure around the ways in which we assess impact for prospective investments. As part of our investment committee meetings, we vote on new investments each week. Each principal has one vote, and only investments that garner over 50% of votes are added to the portfolio. This process increases the probability that only those companies with the most rigorous ESG theses are added to the portfolio. Some proposed investments are discussed over consecutive weeks as principals ask for more information to address areas of concern. This exemplifies our efforts to get the impact thesis right first while simultaneously assessing the commercial viability and timing of certain investments.

As part of our investment process, we pushed forward a system of impact measurement: for each company, we define key metrics of ESG importance and compare those to a counterfactual. We provide a summary of our impact theses and chosen metrics for various key investments.

Summary of Impact Theses & Metrics of Key Investments

Summary of Impact Themes

Across Active Equity, Fixed Income, & Real Assets



Resource Efficiency	AWK, FIX
Transportation Solutions	BWA, THO
Software & Data Privacy	PING, TYL
Sustainable Infrastructure	PLD, EQNX
Health & Social Wellbeing	OSH, PGNY, CONAX
Food & Land Management	ACI, APPH, WY
Renewable Energy & Climate	CVA, HASI, ITMPF, SED, BGRN

Impact Theme: Healthcare

Progyny

Description: Progyny is a carved out fertility and family-building benefits company

Core Business	Carved out insurance
SIF Impact Theme	Healthcare
United Nations SDG	(3) Good Health and Wellbeing, (5) Gender Equality, (10) Reduced Inequalities
Solution	Progyny envisions a world where anyone who wants to have a child can do so by increasing access and affordability to fertility treatments. Affordable fertility services create the opportunity for parenthood for single parents, LGBTQ parents, women later in life, and any individual who needs assistance becoming a parent. Fertility benefits are becoming increasingly important to employers to attract and retain talent.
Impact Measure	Safe singleton births
Impact Counterfactual	High fertility treatment costs, causing patients and doctors to implant multiple embryos per transfer in an attempt to create cost efficiencies. This has created

	higher rates of multiple births for fertility treatments, which have more likelihood of being pre-term and have adverse health effects on the carrier.
Metric	52% higher single embryo transfer rate, 14% higher pregnancy rate per IVF transfer, 30% lower miscarriage rate, 23% higher live birth rate, 80% lower IVF multiple births rate
ESG Consideration Methods	Best-in-class, Additionality

Oak Street Health

Description: Oak Street is pioneering a new approach to primary care provision for Medicare patients managing chronic conditions

Core Business	Managed care
SIF Impact Theme	Healthcare
United Nations SDG	(3) Good Health and Wellbeing
Solution	High-touch primary and social care for seniors including wellbeing and daily activity assistance
Impact Measure	Reduced avoidable visits to the emergency room and hospital
Impact Counterfactual	Traditional medical insurance with sporadic primary care, leading to reactive high-acuity care in hospital settings
Metric	51% reduction in member visits to the emergency department
ESG Consideration Methods	Best-in-class

Impact Theme: Renewable Energies

Covanta Holding Group

Description: Waste services that keep trash out of landfills, reduce greenhouse gases and generate clean energy to support communities and environmental sustainability

Core Business	Waste-to-energy solutions
SIF Impact Theme	Renewable Energies
United Nations SDG	(7) Affordable and Clean Energy, (12) Responsible Consumption and Production
Solution	Repurpose waste for renewable energy creation
Impact Measure	Amount of waste redirected from landfills and used to contribute to energy creation and recovery
Impact Counterfactual	Landfill, traditional recycling

Metric	21.6 million tons diverted from landfills to energy recovery
ESG Consideration method(s)	Additionality, Best-in-class

ITM Power

ITM Power designs and manufactures world-class hydrogen energy solutions to enhance the utilisation of renewable energy

Core Business	Proton Exchange Membrane (PEM) technology: hydrogen energy solutions through energy storage and clean fuel
SIF Impact Theme	Renewable Energies
United Nations SDG	(7) Affordable and Clean Energy
Solution	Hydrogen technologies
Impact Measure	More affordable and accessible hydrogen technology for companies to adopt renewable energy
Impact Counterfactual	Traditional energies
Metric	World’s largest electrolyser and and PEM electrolyser factories
ESG Consideration method(s)	Best-in-class

Impact Theme: Sustainable Infrastructure

Equinix, Inc.

Description: Leader in hybrid-cloud datacenters who emphasizes renewable energy usage; positioned well in race for global expansion versus competitors and in race for edge computing/5G

Core Business	Sustainable data centers focused on colocation/hybrid cloud
SIF Impact Theme	Sustainable Infrastructure
United Nations SDG	(9) Industry, Innovation, and Infrastructure
Solution	Hybrid cloud and colocation of servers to reduce data traffic, costs and energy usage; 92% renewables energy usage across all locations
Impact Measure	CO2 emissions from electricity usage mix versus competitors
Impact Counterfactual	Datacenters powered largely coal in areas (majority of high growth regions)
Metric	Equinix achieved 75% renewables in Asia-Pacific, versus region that uses ~80% fossil fuels Grams (g) of CO2 per kilowatt-hour of electricity (kW·h) Carbon emissions from electricity (per kW·h) are not equivalent around the

	world ● Sweden: 3g per kW·h ● US (varies by state): most 300 - 600g per kW·h ● Largest data centers in Asia (est.): 900+g per kW·h
ESG Consideration method(s)	Best-in-class

Impact Theme: Food & Agriculture

Albertsons Companies, Inc.

Description: A well-managed supermarket group with ~20 brands, poised to significantly grow while also increasing its social and environmental impact footprint

Core Business	Full-service grocery supermarket
SIF Impact Theme	Food/ Agriculture
United Nations SDG	(2) Zero Hunger, (12) Responsible Consumption and Production
Solution	Quick adaptation for increased need for home-cooked food amidi the pandemic, offers innovative grocery pickup services and contactless payments. Partnership with Plenty to grow leafy green vegetables on-site to minimize transportation footprint and food waste. Outstanding digital sales and strong financials compared to competitors. Multiple brands serving the growing demand for organic foods.
Impact Measure	A ‘Visionary Partner’ for Feeding America, they have donated substantial amounts of food to alleviate hunger relief in the pandemic, and have added EBT support for 38M SNAP-eligible, under-resourced Americans. They have committed to major initiatives to minimize plastic usage and have adopted responsible seafood policies.
Impact Counterfactual	Vertical agriculture solutions are still limited to leafy greens.
Metric	243% growth in online sales, (ND/EBITDA) for Q2 ‘20 grew 3.9X compared to ‘19, Commands top or 2nd-highest leadership position in 68% of 121 US MSAs.
ESG Consideration method(s)	Best-in-Class Selection, Thematic Investing

AppHarvest, Inc.

Description: Produce grown locally using a fraction resources

Core Business	Developer and operator of large-scale indoor farms
SIF Impact Theme	Food/ Agriculture
United Nations SDG	(2) Zero Hunger, (8) Decent Work & Economic Growth

Solution	Food grown domestically to minimize transportation, within a day's driving for 70% of the US population, in controlled environment to maximize resource efficiency in Appalachia
Impact Measure	100% Closed Loop System for water usage relying only on rain water. 40% more efficient lighting system. No chemical pesticides and no agricultural runoffs. Year-round farming, 30X more yield than traditional farming. B corp.
Impact Counterfactual	Produces only tomatoes, leafy greens and peppers for now, plans for cucumber soon. Scope to improve gender and ethnic diversity on the executive team and board of directors.
Metric	The only indoor farm to produce tomatoes when 70% are imported (leads to 80% less usage of diesel). Secular shift towards healthy, plant-based foods. Created 300 skilled jobs with starting pay 41% higher than comparables.
ESG Consideration method(s)	Active Ownership

Impact Theme: Forestry and Real Estate

Weyerhaeuser

Description: Largest owner of timberland in the USA, with significant forest-management contracts in other countries

Core Business	Wood products (71% of revenues), timberlands (25%), real estate and energy (4%).
SIF Impact Theme	Sustainable forestry and responsible consumption.
United Nations SDG	(13) Climate Action, (15) Life on Land
Solution	Firm with a long history, WY pioneered the Certified Tree Farm movement. While preserving forests for biodiversity, the firm primarily monetizes on lumber engineering and distribution, sustainable forestry, sales of seedlings and logs.
Impact Measure	Numerous awards and recognitions for their ESG efforts, such as '100 Best Corporate Citizens' by 3BL Media and '100 Most Just Companies' by Just Capital. Huge potential for Carbon sequestration and regenerative agroforestry practices in the future. ESG leader in Carbon emissions and biodiversity.
Impact Counterfactual	A small portion of revenue comes from oil and gas. 85% of business operations from business lines with high toxic emissions and waste initiatives.
Metric	100% of their timberland are reforests annually, 9M metric tons of $CO2$ stored in their wood products annually. Significant community engagement efforts.
ESG Consideration method(s)	Active Ownership

Impact Theme: Resource Efficiency

American Water Works

Description: American public utility company operating in the United States and Canada

Core Business	Utilities, water, and wastewater
SIF Impact Theme	Resource Efficiency
United Nations SDG	(6) Clean Water and Sanitation, (12) Responsible Consumption and Production
Solution	Water quality and resiliency, affordable and accessible to businesses and families
Impact Measure	Water delivered per customer and water systems prepared for adverse climate and emergency events
Impact Counterfactual	Neglected public utilities with lapsing customer satisfaction and out-of-date infrastructure leading to public health concerns
Metric	Serve customers by saving 15% in water delivered per customer, increase water system resiliency to respond to more extreme climate events
ESG Consideration method(s)	Thematic investing

Comfort Systems USA

Description: An efficiently managed small-cap HVAC-contracting company with strong growth prospects

Core Business	Heating, ventilation and air conditioning (HVAC) installations, maintenance, repair and replacement services
SIF Impact Theme	Energy efficiency
United Nations SDG	(9) Industry, Innovation and Infrastructure
Solution	The firm specializes in replacing an aging building's inefficient HVAC systems with modern ones that significantly reduce energy consumption, cost and carbon footprint.
Impact Measure	Well-positioned to take advantage of demand for more energy-efficient mechanical building systems, FIX creates both shareholder value and ESG impact. While maintaining a better OSHA (Occupational Safety and Health Administration) rate ranking among its industry peers, the firm has been a top ESG performer.
Impact Counterfactual	With major emphasis from the Biden administration on building green infrastructure, there will be innovations in the building HVAC systems, which might pose technological challenges to this firm.
Metric	This investment, made by the class of '19-'20 is among the top financial

	performers, with just over 70% in financial gains.
ESG Consideration method(s)	Thematic Investing

Impact Theme: Sustainable Mobility

Thor Industries, Inc.

Description: Reduced ownership by 50%, as the projected financial level is achieved, and ESG potential is not maximized.

Core Business	Manufacturer of recreational vehicles
SIF Impact Theme	Affordable housing and sustainable travel
United Nations SDG	(12) Responsible Consumption and Production, (11) Sustainable Cities and Communities
Solution	The largest RV manufacturer, its strategy focuses on acquisitions of leading RV brands, resulting in strong sales growth & increased market share. Uses its brand to encourage sustainability.
Impact Measure	Strong financial performance since its entry in Europe in late 2018, huge boost due to the mademic-led travel restrictions in Q2 ’20.
Impact Counterfactual	No action to improve gender and racial diversity on the board. Executive pay slashed in the pandemic but still higher than competitors. Published Carbon and Climate Report in Q2 ‘21. Sustainability report states no specific goal for moving to renewable energy resources.
Metric	Stock performance surpassed expectations in Q2 ‘20. Significant work on recycling programs and consumer education on sustainability, hence SIF class decided to continue to hold this stock at 50% of the original levels.
ESG Consideration method(s)	Best-in-Class

SIF 2020-2021 Summary of Holdings

Summary of Holdings

Across Active Equity, Fixed Income, & Real Assets

EQUITIES

- Albertsons Companies
- Oak Street Health
- AppHarvest
- PingIdentity
- Comfort Systems USA
- progyny Smarter Fertility Benefits
- ITM Power Energy Storage | Clean Fuel
- solaredge
- tyler technologies
- BorgWarner
- Covanta Energy
- Thor Industries

REAL ASSETS

- American Water
- Equinix
- Prologis
- Hannon Armstrong Investing in the Future of Energy
- Weyerhaeuser

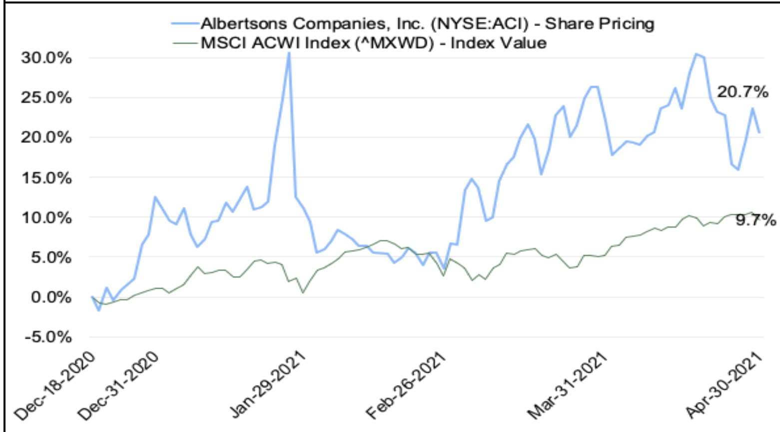
FIXED INCOME

- BGRN iShares Global Green Bond ETF
- Columbia Threadneedle Investments U.S. Social Bond Fund CONAX

Active Equity Positions

Albertsons (NYSE: ACI) is a full-service grocer, providing freshly cut meat/seafood, bakery items, a floral department, deli, and a wide offering of ready to heat/eat/serve meal solutions. With a robust growth strategy driven by E-commerce, Customer Loyalty and a Private Label, the company is well positioned to capitalize on the changing supermarket industry. As the COVID-19 pandemic accelerated digital transformation and introduced new trends such as remote-working, Albertson's Drive Up & Go grocery pickup service, higher mix of fresh and nutritious products, and technology adoption (i.e. vertical agriculture) contribute to an ESG-aligned competitive advantage driving higher-margins and customer traffic.

Market-Cap: $8.7 Billion

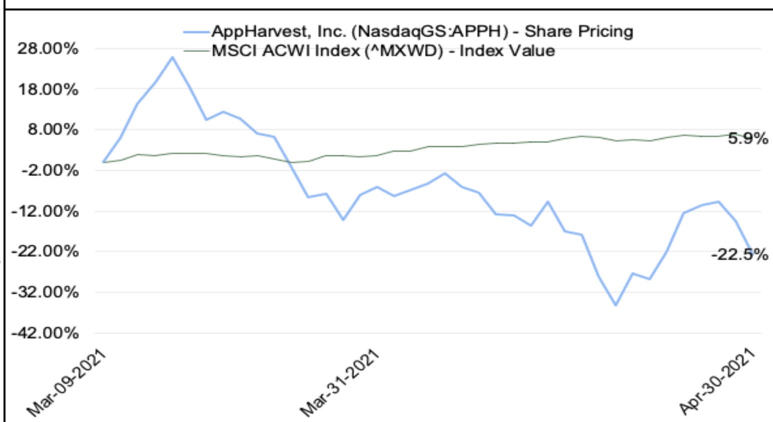


	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
ACI	20.7	20.2	N/A	N/A
MSCI ACWI	9.7	36.1	N/A	N/A

**Cumulative returns reported for December 18, 2020 - April 30, 2021* **1 year returns reported for June 26, 2020 (listed day) - April 30, 2021*

Appharvest Inc (NASDAQ: APPH) develops and operates applied-technology, large-scale indoor farms, to improve American's access to nutritious food and increasing sustainably grown crops. The company leverages best-in-class technology across pest management, pollination, lighting, and water usage to capitalize on the secular shift to plant-based and domestically-grown food. AppHarvest has a first-mover advantage in capturing significant market share from vine crops (i.e. tomatoes), 70% of which is imported in the US, but was impacted by shortages in Mexico, Canada, Peru, and China during the COVID-19 pandemic. AppHarvest is both a certified Certified B-corp and public benefit corporation.

Market-Cap: $1.7 Billion



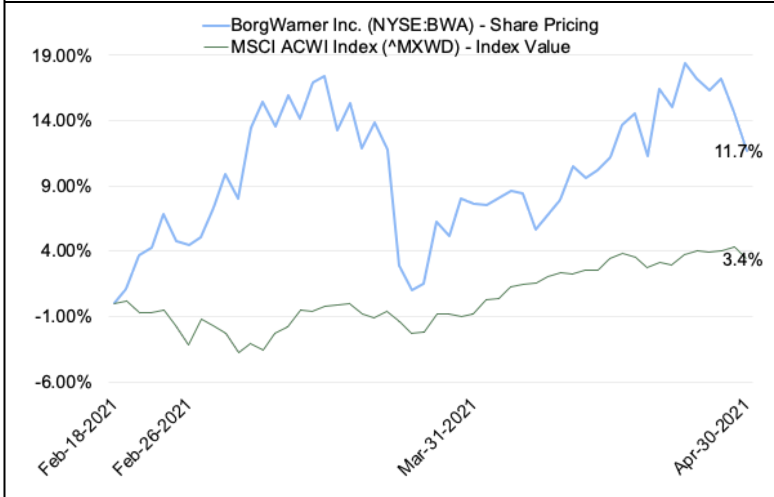
	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
APPH	-22.5	-52.3	N/A	N/A
MSCI ACWI	5.9	7.6	N/A	N/A

**Cumulative returns reported for March 9, 2021 - April 30, 2021* **1 year returns reported for February 1, 2021 (listed day) - April 30, 2021*

BorgWarner (NYSE: BWA) manufactures a variety of engine and drivetrain components that increase fuel efficiency and reduce emissions, including turbochargers, transmissions, and electric vehicle drivetrains. With the recent acquisition of Delphi technologies (bringing industry leading power electronics technology and talent), EV award wins, and a product mix shift towards integrated solutions (and away from individual components), the company is well-positioned to benefit as the global auto industry evolves to meet emissions regulations and accelerates the scaling of vehicle electrification. In 2019, more than 80% of BorgWarner's revenue came from electric, hybrid, and emissions-reducing combustion parts, and it's new business backlog comprised 100% of hybrids and EVs.

BorgWarner

Market-Cap: $11.6 Billion



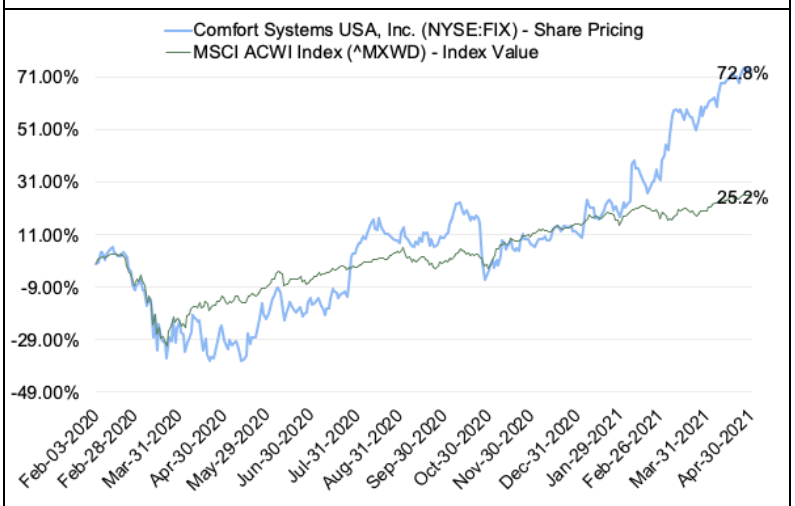
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
BWA	11.7	78.9	36.1	6.4
MSCI ACWI	3.4	46.7	73.7	11.7

**Cumulative returns reported for February 18, 2021 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Comfort Systems (NYSE: FIX) is an efficiently managed HVAC contracting company with strong growth prospects. The company is diversified across geographies and end customers and operates in a highly fragmented segment of construction and engineering services, providing attractive infrastructure sector exposure with an asset-light business model. Comfort Systems USA is well-positioned to take advantage of demand for more energy efficient mechanical building systems, creating both shareholder value and positive ESG impact. The company will likely benefit from future regulations requiring businesses and buildings to reduce their energy footprint. Moreover, FIX's Occupational Safety and Health Administration's (OSHA) recordable rate was 1.61 during 2019, 20% better than the most recently published rate for the engineering and construction industry.

COMFORT SYSTEMS USA

Market-Cap: $3.0 Billion

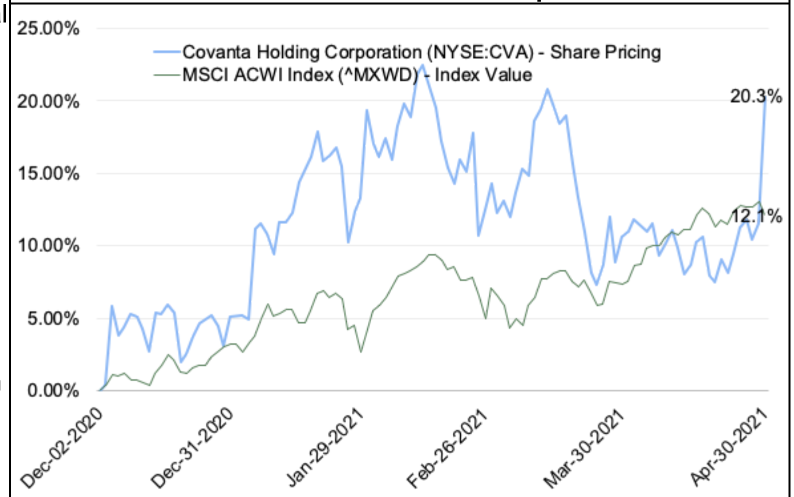


	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
FIX	72.8	152.6	164.1	21.4
MSCI ACWI	25.2	46.7	73.7	11.7

**Cumulative returns reported for February 2, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Covanta Holding Corporation (NYSE: CVA) provides waste and energy services to municipal entities in the United States and internationally. CVA owns and operates infrastructure for the conversion of waste to energy (WtE) and provides waste transport and disposal services. As of EOY 2020, CVA owns and operates 41 WtE facilities, 13 transfer stations, 20 material processing facilities, 4 landfills, 2 wood waste energy projects, 1 metal recycling facility and 1 ash processing facility. CVA is an attractive investment for SIF because it is the dominant player in the US WfE market (>75%), with a high barrier to entry secured through its existing contracts and the space's capital intensivity. Further, CVA is expanding into the UK, Ireland and China markets. SIF sees economic upside through margin expansion, cost reduction and asset restructuring. From an ESG standpoint, CVA continues to invest in WfE (best in class), has sound labor practices and is a momentum opportunity given its entrenched and relatively not gender diverse board (25% women).

Market-Cap: $2.0 Billion



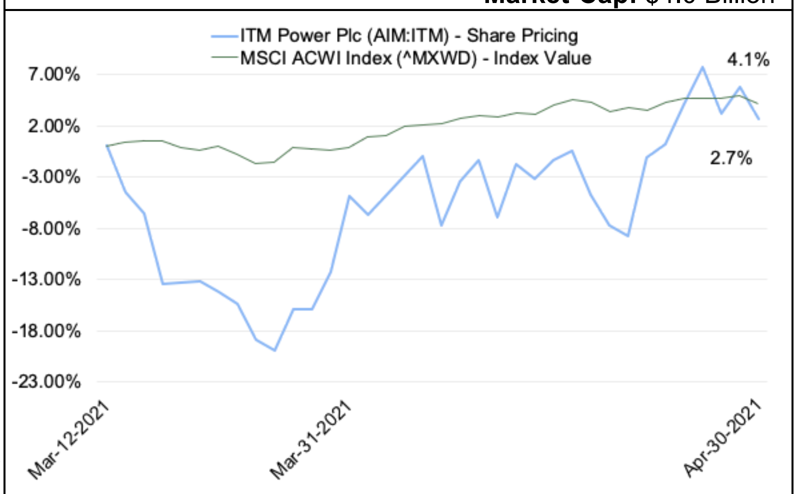
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
CVA	20.3	108.6	-11.0	-2.3
MSCI ACWI	12.1	46.7	73.7	11.7

**Cumulative returns reported for December 2, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*

***5-year returns reported for May 2, 2016 - April 30, 2021*

ITM Power (OTCMKTS: ITMPF) designs, manufactures and sells hydrogen energy systems for energy storage, transportation and industrial sectors in the EU and United States. It sells electrolysis systems, hydrogen gas (H2) and operates 15 H2 refueling stations in the UK. Despite being a volatile stock over its lifetime and during our holding period, SIF sees long-term value given the projected growth for green hydrogen in the next decade (50-60% CAGR) and ITM's position as a market leader in the proton membrane exchange (PEM) electrolyzer space - the technology best suited to produce green H2. In recent years, the company has secured key partnerships with Linde and Snam to expand deployment of its electrolyzer technology, and is positioned to take advantage of cost reductions as the company scales. SIF feels that exposure to the growth of green H2 will deliver value to our portfolio given the macro momentum behind clean technology. ITM is SIF's only non-US listed active equity holding.

Market-Cap: $4.0 Billion



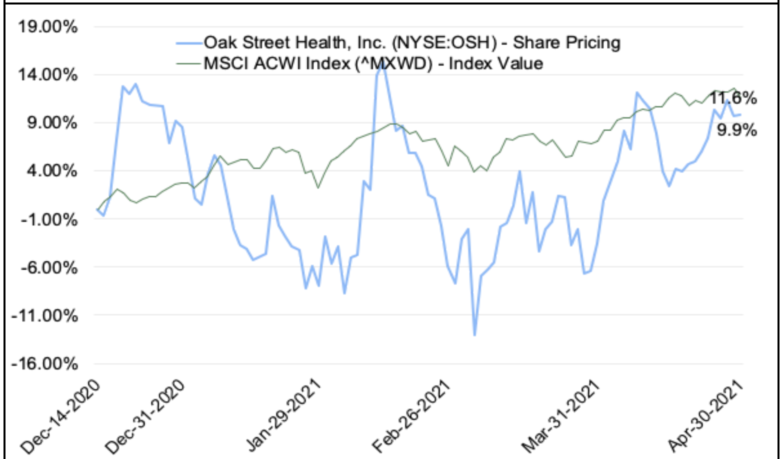
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
ITMPF	2.7	245.0	3,468.0	104.4
MSCI ACWI	4.1	46.7	73.7	11.7

**Cumulative returns reported for March 12, 2021 - April 23, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*

***5-year returns reported for May 2, 2016 - April 30, 202*

Oak Street Health (NYSE: OSH) was founded in 2012 with a mission to "build a primary care delivery platform that directly addresses rising costs and poor outcomes, two of the most pressing challenges facing the United States healthcare industry," administered via a network of physical health centers. The target demographic is lower income Medicare eligibles primarily using Medicare Advantage with a high prevalence of chronic conditions. Oak Street currently operates 79 primary care centers across 16 markets, serving ~97k patients. OSH believes it can improve patient outcomes while reducing overall healthcare spend by investing more in primary care - which currently accounts for ~$25bn, or 3% of current Medicare expenditure, in order to save on hospitalization costs - which its research shows accounts for $455bn, or >85% of expenditure.

OAK STREET HEALTH **Market-Cap:** $14.8 Billion

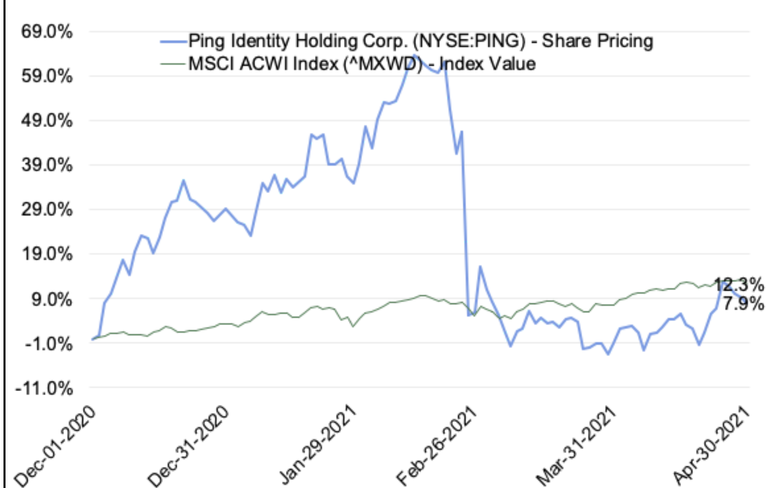


	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
OSH	9.9	54.1	N/A	N/A
MSCI ACWI	11.6	24.2	N/A	N/A

**Cumulative returns reported for December 14, 2020 - April 30, 2021* **1 year returns reported for August 6, 2020 (listed day) - April 30, 2021*

Ping Identity Holding Corporation (NYSE: PING) is a technology company providing intelligent identity solutions for the enterprise in the United States and internationally. The Ping Intelligent Identity Platform enables companies to achieve Zero Trust identity-defined security and more personalized streamlined user experiences, leveraging AI/ML. PING is helping companies accelerating digital transformation and digital customer engagement, which is mission critical during and post Covid-19. It has a defensible moat from an expanding ecosystem of 100+ tech partners and potential to capture a larger share of the highly fragmented IAM market with IoT use cases. PING is taking steps in the right direction to build a comprehensive ESG program on par with peers like OKTA. In 2020, it released the first Ping Identity Environmental Policy and created an internal DEI committee. We believe there is upside on ESG rating as Vista's ownership of PING decreases and the company continues to improve on leadership development.

PingIdentity® **Market-Cap:** $2.0 Billion



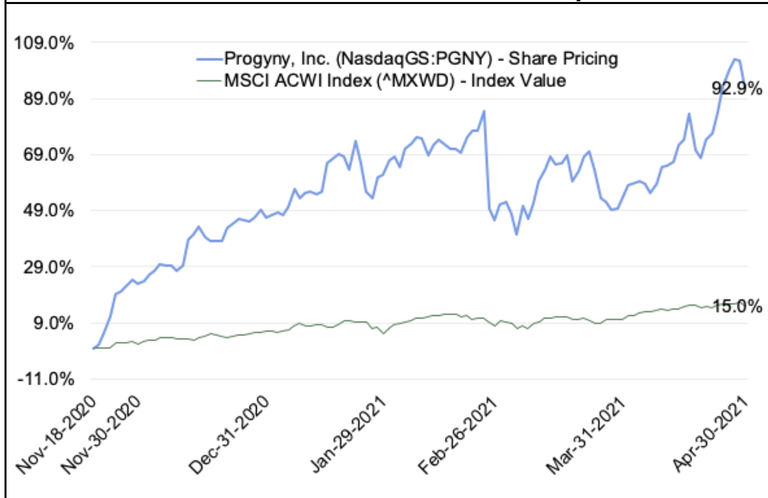
	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
PING	7.9	4.8	N/A	N/A
MSCI ACWI	12.3	46.7	N/A	N/A

**Cumulative returns reported for December 1, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021 (Listed on September 19, 2019)*

Progyny (NASDAQ: PGNY) Progyny is a fertility and family building benefit solutions company. Progyny's vision is to ensure anyone can have a child when they want. By bringing together cutting-edge science and the largest high quality network of fertility specialists in the nation, Progyny delivers superior clinical outcomes and shortens the path to pregnancy. Progyny negotiates contracts for fertility treatments, then bundles those services, as well as access to a network of fertility specialists, into coverage plans that it offers to large, self-insured companies including Facebook and Microsoft. Procedures including IVF and egg freezing as well as options including surrogacy and adoption are covered and patients have access to services from more than 600 fertility specialists nationwide.

progyny Smarter Fertility Benefits

Market-Cap: $5.0 Billion



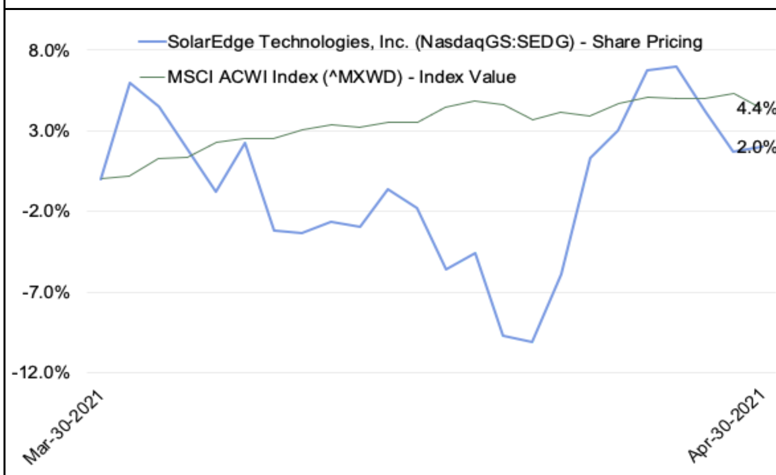
	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	1 Year	Cumulative	Annual (CGR)
PGNY	92.9	151.6	N/A	N/A
MSCI ACWI	15.0	46.7	N/A	N/A

**Cumulative returns reported for November 18, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 20211 (Listed on October 25, 2019)*

SolarEdge Technologies Inc (NASDAQ: SEDG) is a leading developer of power inverters and power optimizers for photovoltaic installations. The company primarily sells to the consumer and light-commercial markets. SolarEdge has a diverse international presence, with diverse sales in North America, Europe, and Asia-Pacific. SolarEdge competes with Enphase in the inverter and optimizer market. However, the company has recently transitioned manufacturing into Hungary, Israel, and Vietnam, giving it a competitive advantage in avoiding tariffs on its product imports. Furthermore, the company recently acquired a battery development company in South Korea and succeeded in winning a contract with Fiat to manufacture electric vehicle battery stacks.

solaredge

Market-Cap: $13.7 Billion



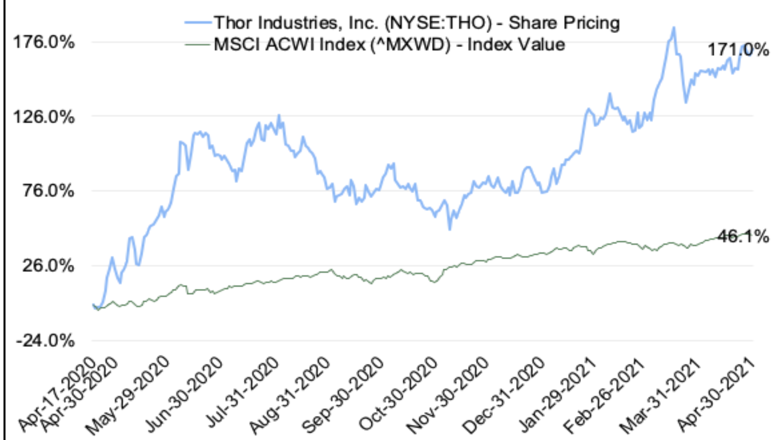
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
SEDG	2.0	151.1	883.7	58.0
MSCI ACWI	4.4	46.7	73.7	11.7

**Cumulative returns reported for March 30, 2021 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Thor Industries Inc. (NYSE: THO) is a small cap ($3.4 billion) company that manufactures and sells recreational vehicles (RVs), including iconic brands Airstream, Heartland, Jayco, Keystone, and KZ. Thor Industries' strategy focuses on acquisitions of leading RV brands, resulting in strong sales growth and increased market share, including a recent entry to the European market, which SIF believes may drive improvements in product sustainability characteristics. RVs offer affordable housing and more sustainable travel options, and Thor Industries is well positioned to meet growing demand for alternative living and travel lifestyles of younger generations.

THOR Industries

Market-Cap: $7.8 Billion



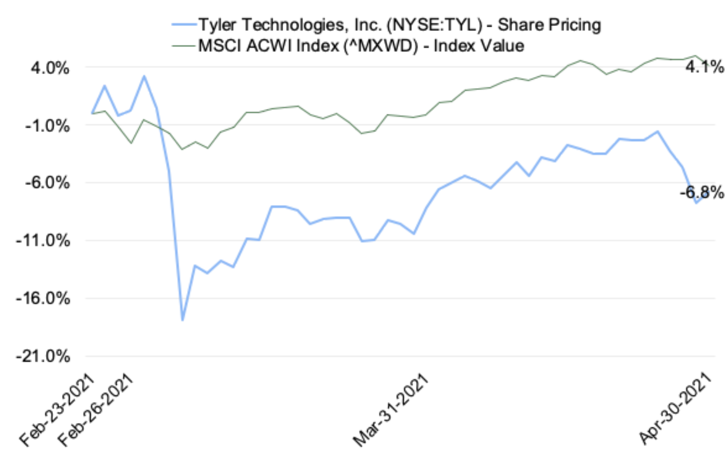
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
THO	171.0	125.0	119.8	17.1
MSCI ACWI	46.1	46.7	73.7	11.7

**Cumulative returns reported for April 17, 2020 - April 30, 2021 *1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Tyler Technologies Inc (NYSE: TYL) is a technology company providing integrated solutions and services for the public sector with a focus on local governments. It is an industry leader in the government software market, but still barely scratches the surface of the large untapped market opportunity to modernize outdated government IT infrastructure. With the recent acquisition of NIC, Tyler will meaningfully increase their TAM with expansion into state & federal sectors and also bring on a new transaction-based payments business with high recurring revenue streams. Over the past few years, Tyler has been successful in shifting their revenue mix to predominantly recurring revenues through significant R&D investment, which leads to increased revenue visibility and margin expansion. In addition, we believe that Tyler's Connected Communities vision and putting citizens at the center of digital transformation will also enhance the value proposition and stickiness of Tyler's products.

tyler technologies

Market-Cap: $18.4 Billion



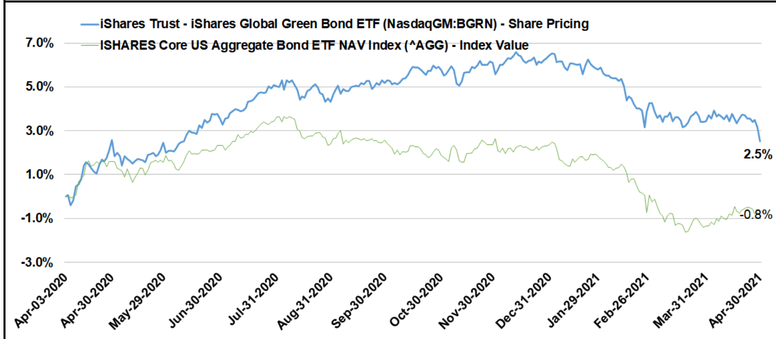
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
TYL	-6.8	35.0	190.7	23.8
MSCI ACWI	4.1	46.7	73.7	11.7

**Cumulative returns reported for February 23, 2021 - April 30, 2021 *1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Fixed Income Positions

iShares Global Green Bond ETF (BGRN) tracks a market-value-weighted index of investment-grade government and corporate bonds linked to environmentally beneficial projects across the globe. BGRN is the largest green bond ETF currently available, combining improved liquidity, restrictions on securities lending, and a low expense ratio. The fund employs a robust ESG methodology managed by MSCI, which extends beyond CBI certification to evaluate use of proceeds and ongoing issuer reporting of environmental impact.

BGRN **iShares Global Green Bond ETF**

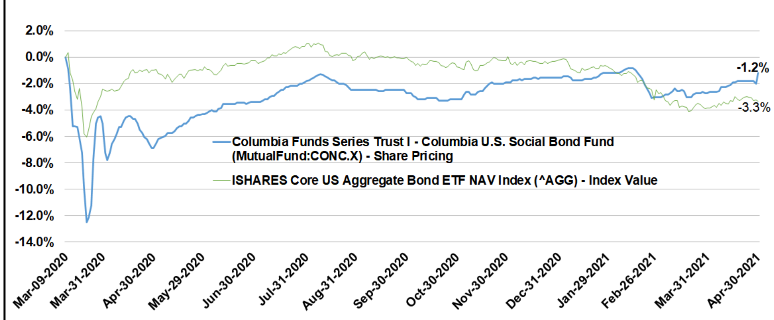


	SIF Holding Period Return (%)*		5-Year Total Return (%)	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
BGRN	2.5	1.3	N/A	N/A
Bloomberg Barclays Global Agg	-0.8	-2.4	N/A	N/A

***Cumulative returns reported for April 3, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021 (Listed on November 27, 2018)*

Columbia US Social Bond Fund (CONAX) is a US municipal bond fund (at least 60% allocated to munis, up to 40% corporates) seeking total return consisting of current income and capital appreciation. The fund uses Sustainalytics ESG data and targets thematic areas including education, health and social services, affordable housing, economic opportunity and community development, environment and energy, and connectivity.

COLUMBIA THREADNEEDLE INVESTMENTS **U.S. Social Bond Fund CONAX**



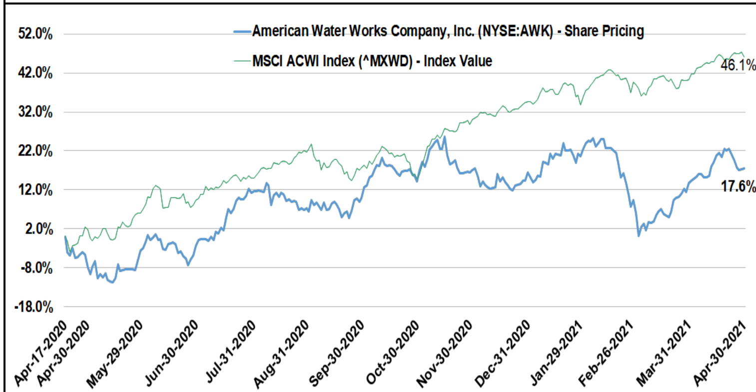
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
CONAX	-1.2	4.8	4.5	0.9
Bloomberg Barclays Global Agg	-3.3	-2.4	3.2	0.6

**Cumulative returns reported for March 9, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Real Asset Positions

American Water Works (NYSE: AWK) is the only large-cap, publicly traded, pure-play water utility in the US. The company is involved in the provision of water and wastewater services. It represents a highly defensive investment opportunity with a predictable range of outcomes, a steady EPS growth trajectory, scarcity value, a strong management team, and an attractive ESG profile focused on water affordability and water safety.

AMERICAN WATER **Market-Cap:** $28.3 Billion



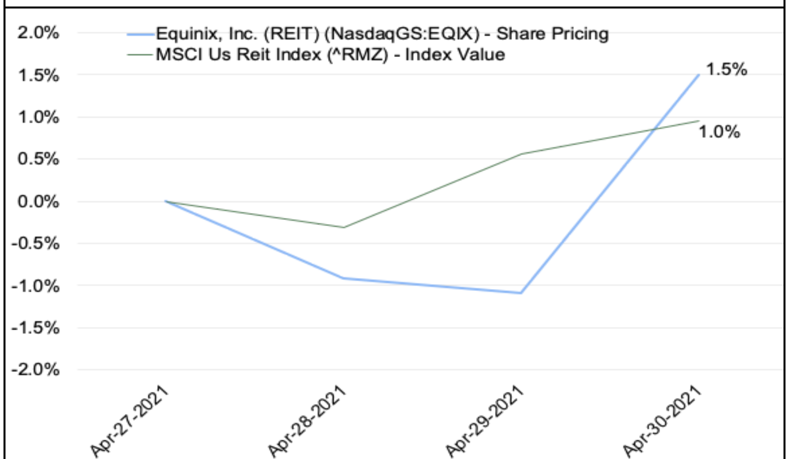
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
AWK	17.6	30.9	110.3	16.0
MSCI ACWI	46.1	46.7	73.7	11.7

**Cumulative returns reported for April 17, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*

***5-year returns reported for May 2, 2016 - April 30, 2021*

Equinix (NASDAQ: EQIX) is an American multinational company headquartered in California, that specializes in Internet connection and data centers. The company is a leader in global colocation data center market share, with 225+ data centers in 26 countries on five continents.The company converted to a real estate investment trust (REIT) in January 2015. Growth is expected from datacenter construction for Hyperscalers as well as network effects from Interconnection in their vendor neutral data centers. Equinix has achieved 92% renewable energy use (leading its industry) and has a long-term goal of 100% renewables. Equinix publishes a comprehensive annual sustainability report.

EQUINIX **Market-Cap:** 64.6 Billion



	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
EQIX	1.5	7.4	116.0	16.7
MSCI US REIT	1.0	37.5	15.2	2.9

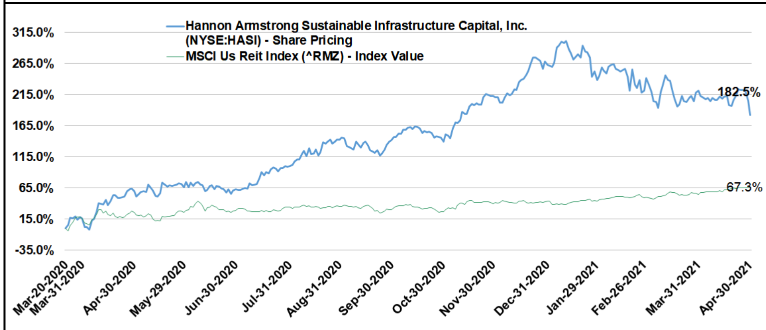
**Cumulative returns reported for April 27, 2021 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*

***5-year returns reported for May 2, 2016 - April 30, 2021*

Hannon Armstrong Sustainable Infrastructure Capital (NYSE: HASI) is a renewable energy REIT, the first of its kind to trade publicly in the U.S. Hannon Armstrong is uniquely positioned to finance and benefit from the increased demand for a more sustainable built environment in the face of climate change challenges. HASI has chosen the public REIT platform to pursue a differentiated climate-positive investment strategy with deep energy and financial industry experience. The current broad market and oil price drawdowns creates an attractive entry point.

HANNON ARMSTRONG
INVESTING IN THE FUTURE OF ENERGY®

Market-Cap: $4.1 Billion



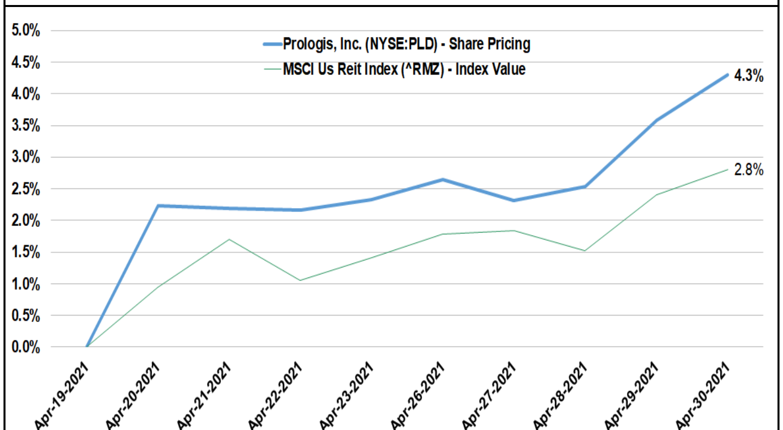
	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
HASI	182.5	97.6	162.0	21.2
MSCI US REIT	67.3	37.5	15.2	2.9

**Cumulative returns reported for March 20, 2020 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Prologis Inc REIT (NYSE: PLD) is a global leader in logistics real estate with a focus on high-barrier, high growth markets. They own, manage and develop well-located, high-quality logistics facilities in 19 countries across four continents. Prologis is well-positioned to capture two new structural demand drivers for logistics real estate: (i) the need for more inventory as supply chains emphasize resilience over efficiency and (ii) the acceleration of e-commerce adoption. We believe that Prologis' size is a competitive advantage as they have access to the most attractive real estate development projects and are able to raise funds at the cheapest available rates. For Prologis, strong ESG policies have long been the focus, and the company is now not only improving its own ESG initiatives but also helping its customers with their plans especially from an E and S perspective. For example, Prologis Essentials LED and Prologis SolarSmart initiatives help customers reach their own greenhouse emission targets. Prologis also started and is scaling its Community Workforce Initiative to provide customers' labor solutions with the goal of training 25,000 individuals by 2025.

PROLOGIS®

Market-Cap: $87.7 Billion

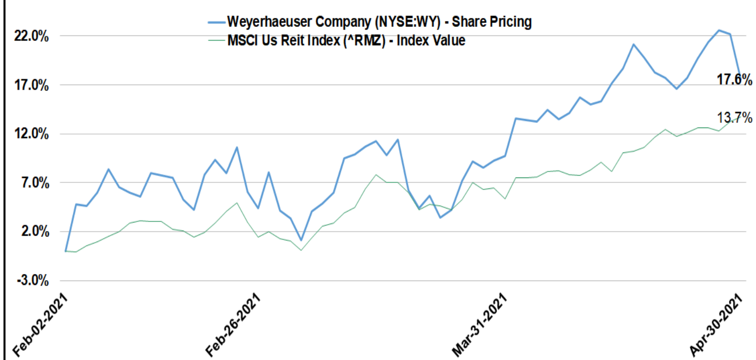


	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	**1 Year**	**Cumulative**	**Annual (CGR)**
PLD	4.3	34.2	153.3	20.4
MSCI US REIT	2.8	37.5	15.2	2.9

**Cumulative returns reported for April 19, 2021 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*
***5-year returns reported for May 2, 2016 - April 30, 2021*

Weyerhaeuser Company REIT (NYSE: WY) is one of the world's largest private owners of timberlands since 1900. The company controls 11 million acres in the US and another 14 million in Canada, managing their holdings in accordance with sustainable forestry standards. WY also operates partially as a REIT (25% of revenue) and is one of the largest manufacturers of wood products in North America. SIF took its position in WY to obtain a broader exposure to natural resources and because of strong financial upside in the next 1-3 years given macroeconomic growth and correlation to the US housing market. Additionally, the firm is positioned to be a global leader in the growing carbon sequestration and credit market and continues to prioritize sustainable agroforestry practices in its targets.

Weyerhaeuser **Market-Cap:** $29.0 Billion



	SIF Holding Period Return (%)*		5-Year Total Return (%)**	
	Cumulative	1 Year	Cumulative	Annual (CGR)
WY	17.6	115.7	20.1	3.7
MSCI US REIT	13.7	37.5	15.2	2.9

**Cumulative returns reported for February 2, 2021 - April 30, 2021* **1 year returns reported for May 1, 2020 - April 30, 2021*

***5-year returns reported for May 2, 2016 - April 30, 2021*

Appendices

Appendix 1 – Long Term Performance of SIF Portfolio

Fund performance data for the last 11 years (2010-2021) are presented in the table below in comparison to the Russell 3000 and S&P 500 indices. Overall, the Fund performance tracked the Russell 3000 and S&P 500 fairly well except a few years (2016, 2015, 2013, and 2010) where they diverged significantly. SIF has produced 132 alumni with ESG knowledge in the investment field, competitive returns to the market, and contributions exceeding $800,000 to UC Berkeley.

HSIF historical academic calendar year performance:

1-year return	HSIF	Russell 3000		S&P 500	
	Base return (%)	Base return (%)	Difference	Base return (%)	Difference
2010-2011	0.90%	12.90%	-12.00%	13.40%	-12.50%
2011-2012	5.00%	5.00%	0.00%	6.40%	-1.40%
2012-2013	20.80%	16.90%	3.90%	15.10%	5.70%
2013-2014	13.30%	20.50%	-7.20%	19.90%	-6.60%
2014-2015	18.20%	15.40%	2.80%	15.60%	2.60%
2015-2016	-4.30%	0.00%	-4.30%	1.70%	-6.00%
2016-2017	12.40%	17.20%	-4.80%	16.20%	-3.80%
2017-2018	14.80%	13.60%	1.20%	14.30%	0.50%
2018-2019	13.05%	12.47%	0.58%	13.26%	-0.21%
2019-2020	-1.70%	-5.85%	4.15%	-3.70%	2.00%
2020-2021	40.90%	52.27%	-11.37%	48.78%	-7.88%

Appendix 2 – Case Study: Tyler Technologies

tyler technologies **Tyler Technologies, Inc. USA**	**Market Cap:** $18 Billion **Price/Share:** $449.43 **Shares Outstanding:** 40.7 million **52 week range:** $304.51 - $479.79	Tyler Technologies, Inc. (NYSE:TYL) engages in the provision of integrated technology and management solutions and services for the public sector with a focus on local governments. It operates through the following segments: Enterprise Software and Appraisal and Tax. The Enterprise Software segment provides municipal and county governments and schools with software systems to meet their information technology and automation needs for mission-critical back-office functions such as financial management, courts and justice processes. The Appraisal and Tax segment provides systems and software that automate the appraisal and assessment of real and personal property, as well as property appraisal outsourcing services for local governments and taxing authorities. The company was founded in 1966 and is headquartered in Plano, TX.
1-Year Price Target: $513		

1) Investment Thesis

Tyler Technologies is a strong long-term investment because it is an industry leader in the government software market with a single focus on the public sector, historically with local agencies, and they are achieving success in expanding upmarket to serve larger government clients. Through their recent acquisition of NIC, Tyler will bring on a new transaction-based payments business with high-recurring revenue streams and capture more market share with significant cross-selling opportunities. As demonstrated by its improved practices around data security and customer privacy, as well as recent commitments to enhance cybersecurity offerings, Tyler is well-positioned to take advantage of demand for modernizing back-office IT infrastructure to power smart cities. In the wake of the public health and racial equity crises of the past year, Tyler would benefit from investigating the impact of its corrections and public safety products on marginalized communities and take appropriate actions to address biases in the design and implementation process, creating both shareholder value and positive ESG impact.

2) Financial Model & Valuation

Intrinsic Valuation: We used a DCF valuation model with equal probabilities across a downside, base, and upside case to arrive at a suggested valuation of $513 per share, with an implied upside of 14% from today's price.

Downside Scenario	Base Scenario	Upside Scenario
$183	**$514**	**$846**

Input assumptions include:

- **Revenue Forecast:** We broke Tyler's revenue streams down into subscriptions, maintenance, transaction-based, and other services. For our baseline assumptions, we chose a 19.0% growth rate for subscriptions, an 8.0% growth rate for maintenance, a 20.9% growth rate for transaction-based, and a 7.0% growth rate for other services. Our projections were based on Tyler's past growth-rates in these areas, as well as future market growth estimates from IDC, Gartner, Grandview Research, Valuates Research, and Insights Business Research.
- **Margins:** Tyler's gross profit margin has steadily increased by approximately 50 basis points per year over the past several years. We believe that this is commensurate with the business's increased exposure to the SaaS market. We forecasted that the company's gross margin would move towards that of larger SaaS businesses such as Salesforce and Adobe over the 10-year forecast period, with an annual margin increase of 60 basis points. Regarding SG&A and R&D, our model allowed for

modest improvements of 20-30 basis points per year to capture increasing economies of scale as Tyler expands its business to include more government agencies at the local, state, and federal levels.

- **Balance Sheet & Working Capital:** Modeled on an account-by-account basis. Accounts receivables were modeled on days sales outstanding, aligned with revenue growth. Prepaid expenses and accrued expenses were modeled on SG&A growth. Accounts payable was tied to COGS growth through days payable outstanding. Finally, deferred revenue, an important component of Tyler's business, was modeled on sales growth, to reflect an increasing presence in the software subscriptions market.
- **WACC**: We calculated across one-year, three-year, and five-year periods, and considered both the S&P 500 and total US market as our reference indices to arrive at a weighted average beta of 0.75. We assumed a risk-free rate of 1.5% and an equity risk premium of 7.2%, based on the 10-year treasury yield and publicly available regression estimates, respectively. Our cost of debt was 4.1%, in part based on actual interest on convertible debt held by Tyler and in part based on an anticipated bridge loan to finance the acquisition of NIC. We estimated the spread on additional lending, including the bridge loan, at 4%. Our cost of equity was 6.9%. In aggregate, our weighted average cost of capital was 6.5%.

Catalysts:
While Tyler's share price has benefited from substantial tailwinds, we believe that the stock remains underappreciated by the market. Tyler has few true competitors and operates in a unique space. The vast majority of government software is either antiquated, proprietary and non-generalizable, expensive to maintain, or some combination of these factors. We believe that Tyler's model can be a huge value-add for government agencies looking to modernize their systems and adapt to constituents' needs. Specifically, we believe that Tyler's ability to sell to multiple agencies of executive branches, cross-sell both CRM-type and payments-processing software, and entrench its subscription model over the next several years will serve as positive catalysts to drive Tyler's share price up.

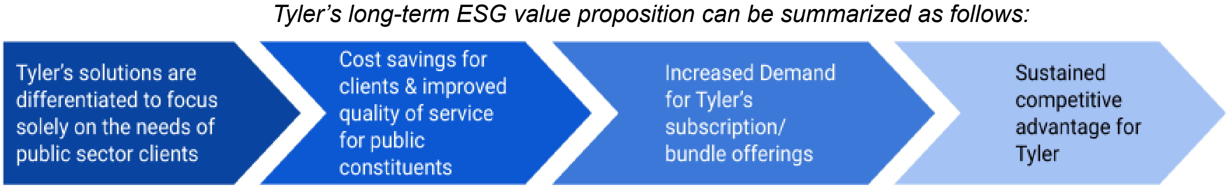
3) ESG Assessment

Material issues identified by SASB for the software and services subsector include systemic risk management, customer privacy, and data security.

Systemic Risk Management [Best-in-Class]:
Tyler is positioned to address the unsustainable reliance on outdated technology by the public sector, the need and urgency of which has been exacerbated by the COVID-19 pandemic.

- Tyler's focus on the public sector and core competency in R&D development addresses multiple issues typically faced by government clients with regards to IT infrastructure:
    - Procurement skill sets: More than 1/3 of Tyler's employees come from the public sector
    - Agile development process: Tyler subscribers benefit from product enhancements delivered through "evergreen" upgrades
    - Wide range of customer segmentation: Tyler's products span various sub-sectors as well as organization types and sizes within the public sector
- Existing relationships with federal agencies position Tyler to acquire future contracts up-market, especially as more agencies are increasingly refining their goals of IT modernization.

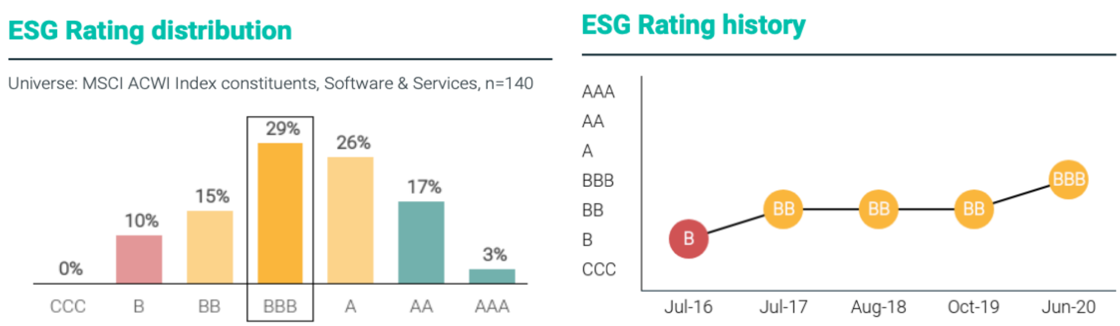
Tyler's long-term ESG value proposition can be summarized as follows:



Customer Privacy and Data Security [ESG Ratings Momentum]:
Tyler is taking significant precautions to improve its data privacy and security measures that will be crucial to the success of its long-term vision of providing the modern back-office IT infrastructure for smart cities.

- Tyler's vision is to use technology to seamlessly connect data, people, and processes across department and geographic boundaries. Realizing this vision depends on leveraging data as a strategic asset in the design, management, and delivery of programs, leading to higher efficiency and better decision making. However, this also puts Tyler at risk of incurring high compliance costs associated with stringent data privacy regulations in the U.S. market.
- Evidence suggests Tyler has enhanced its security measures, which now include annual penetration testing of data centers, system audits, and IT security training — on par with those of better-performing peers. Tyler recently experienced an MSCI ratings upgrade after 3 years, partially driven by these improved measures.
- Tyler's product offerings in cybersecurity demonstrate its commitment to helping clients work toward the smart-city model while providing assurance related to data privacy and security. In 2018, Tyler acquired Sage to access their suite of services supporting the entire cybersecurity lifecycle. Since 2019, Tyler has partnered with AWS to support next-generation applications that have the scalability, resiliency, and security AWS offers.
- Tyler is actively working to capitalize on its ESG momentum, producing its first ESG report in 2019 using the SASB framework and GRI standards, and forming an ESG Council.

Tyler's ESG rating history and ranking from MSCI are as follows:



4) Market & Peer Analysis

Industry Analysis: The state and local government market is one of the largest and most decentralized IT markets in the country. According to Gartner, the state and local government application and vertical specific software spending will grow from $19.5 billion in 2021 to $25.1 billion in 2024. The professional services and support segments of the market are expected to expand from $29.0 billion in 2021 to $33.5 billion in 2024.

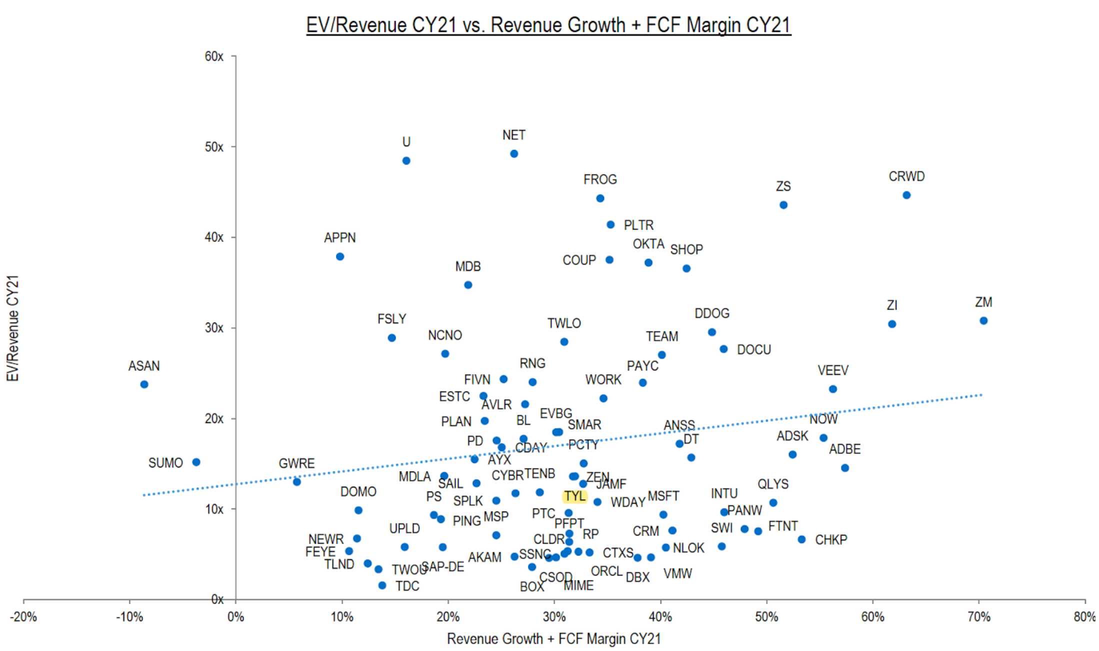
Tyler mainly competes with many smaller companies that operate within a specific geographic area and/or in a narrow product or service niche for local governments. Tyler's ability to offer an integrated system of applications for several offices or developments is a competitive advantage. Tyler also competes with national firms like Oracle, SAP, Workday etc. and sometimes competes with consulting firms that develop custom systems for larger governments. With the recent acquisition of NIC which is strong in state government and payment processing, Tyler is well-positioned to move upmarket and capture more market share.

Peer Comparison:

Company Name	Market Capitalization	Total Enterprise Value	NTM Revenue Growth	NTM EBITDA Margin	NTM TEV/Revenue	NTM TEV/EBITDA
WDAY	62,599	61,302	16%	23%	12.3x	52.4x
HUBS	23,935	23,472	32%	13%	20.1x	158.7x
ZEN	17,083	16,860	26%	11%	13.0x	119.5x
BLKB	3,390	3,916	-1%	25%	4.4x	17.5x
PAYC	22,011	21,918	20%	39%	21.7x	55.4x
ORCL	217,938	252,100	4%	50%	6.1x	12.2x
SAP	157,417	167,884	0%	35%	5.2x	14.8x
BL	6,551	6,440	18%	12%	15.6x	133.9x
GWRE	8,715	8,025	-1%	1%	10.6x	NM
FIVN	11,576	11,583	20%	16%	22.3x	138.2x
MDLA	4,611	4,445	18%	2%	7.9x	NM
DOCU	41,122	41,264	36%	17%	20.9x	120.0x
TYL	**18,023**	**17,370**	**10%**	**29%**	**14.1x**	**49.1x**
Summary Statistics	**Market Capitalization**	**Total Enterprise Value**	**NTM Revenue Growth**	**NTM EBITDA Margin**	**NTM TEV/Revenue**	**NTM TEV/EBITDA**
Mean	**48,079**	**51,601**	**4%**	**40%**	**13.3x**	**82.3x**
Median	**19,547**	**19,389**	**21%**	**17%**	**12.6x**	**87.4x**

Choosing a peer group of vertical software relevant to Tyler's business, we can see that Tyler is fairly valued compared to peers. Compared to a median peer, Tyler's revenue may not grow as fast but its margin and cash flow are much better. Tyler's NTM EV/Revenue multiple of 14.1x is a little richer than peer median of 12.6x, but its NTM/EBITDA multiple of 49.1x is much lower compared to peer median of 87.4x.

Using a metric of Revenue Growth + FCF Margin commonly used for SaaS business, Tyler is still undervalued on EV/Revenue basis compared to broader software peers as illustrated below. *(Credit Suisse)*



5) Risks

Upside risks include (1) Tyler successfully expanding into State & Federal sectors, (2) scaling transaction-based payments business and (3) passing of bills to fund upgrades to IT and cybersecurity infrastructure for state and local governments.[1]

Downside risks include (1) acquisition being delayed or terminated due to regulatory approvals, (2) difficulty integrating systems & technologies and (3) continued weakness in local government budgets.

6) Engagement Strategy

We seek to engage with Tyler to investigate the impact of products within Tyler Corrections, Public Safety, and Courts & Justice, which are at risk of disproportionately harming low-income and communities of color. We are requesting information on the revenue generated, investment in R&D and strategic acquisitions, and the projected growth in revenue from products such as Citation Management, Computer Aided Dispatch, and Public Safety Analytics. We believe Tyler is well positioned to respond to increased client and investor interest in re-assessing the business models within industries related to mass incarceration and predictive policing. By designing products or exploring alternative lines of business that mitigate racial and other implicit biases, Tyler could drive both shareholder value and positive ESG impact.

The Technocorrections Industry

The Technocorrections industry deploys technology-based solutions to capitalize on the desire for better public safety and concerns of mass incarceration.[2] However, these products often tend to exacerbate racial biases[3] and harm marginalized communities despite being marketed as social betterment.

An example of this is Promise, which provided bail to those who could not afford it and kept people out of jail.[4] However, it also digitally tracked the same people to minimize the risk of missing supervisory appointments. The product effectively created a cost-effective solution for law enforcement agencies to track people and potentially re-imprison them in the future. This was concerning given the product's design shortcomings that failed to distinguish the difference between technical violations[5] and new criminal activity, and conflated pre-trial participants with those who were already convicted.[6] With sanctions in the corrections industry already reverting towards more punitive consequences,[7] technology-enhanced monitoring led to increased enforcement of this norm. Investment in the industry further drains budgets for necessary social and community services.[8]

Looking beyond unintended consequences of technology, the concern is that capital is driven toward the growth of the technocorrections industry rather than toward solving fundamental societal problems that lead to mass incarceration. In the wake of the public health and racial equity crises of the past year, activism in this area has created mainstream awareness of these issues. This will become material for firms that benefit from the incarceration industry in the future.

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[1] House Bill Could Mean Billions for State, Local IT

[2] Ruha Benjamin: *Race After Technology: Abolitionist Tools for the New Jim Code*, 2019. Excerpt: How Racist Tech is Helping Prisons and Police

[3] ACLU: Wrongfully Arrested Because Face Recognition Can't Tell Black People Apart

[4] Black Youth Project: How Jay-Z & other venture capitalists are creating new problems in the name of social justice

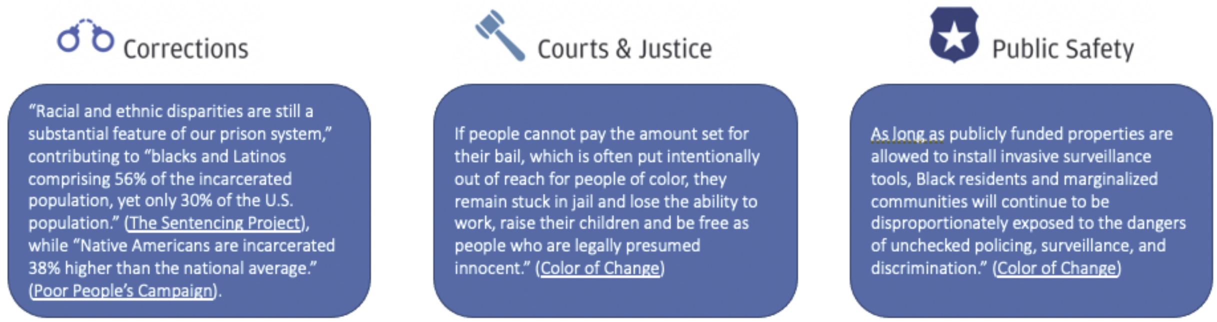
[5] i.e. missing an appointment due to a natural disaster

[6] Andrea Armstrong: A Letter To Jay-Z: Don't Keep This Promise

[7] Chicago Community Bond Fund: The Injustice of Pretrial Conditions in Cook County

[8] NPR: As Asylum Seekers Swap Prison Beds For Ankle Bracelets, Same Firm Profits

Instances where technologies that leverage data can exacerbate racial biases and harm marginalized communities:



Materiality

Organizations such as As-You-Sow[9] and Adasina Social Capital[10] track companies that provide products and services to the prison industrial complex. Such reporting can be material to Tyler Technologies Inc for the following reasons:

1. Sustained growth will be impacted by further scrutiny on these issues especially if growth is attributed to these lines of business.
2. ESG and sustainability focused ETFs will be less likely to include Tyler.
3. Exclusionary ESG screens will screen out Tyler and lead to reduced investment.

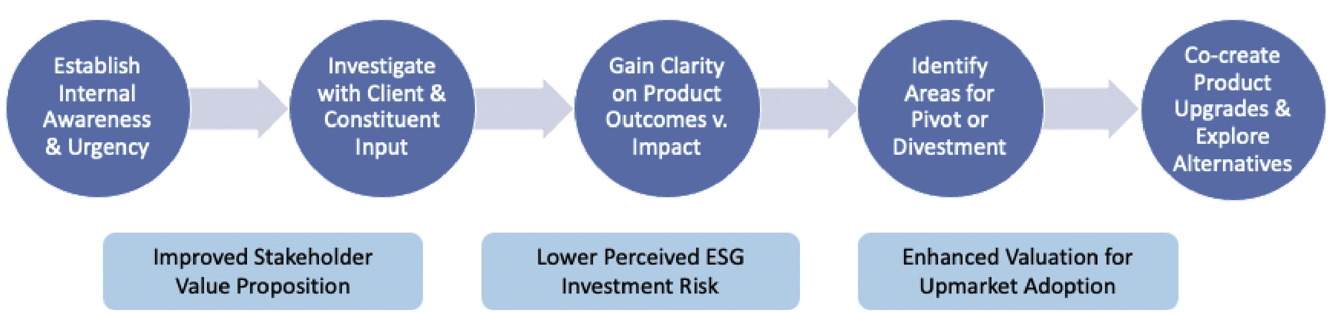
Recommendation

Engagement with existing clients as well as constituents (through intermediary organizations such as Activest[11]) will be a crucial avenue for Tyler to examine the application and outcomes of these products, establish clarity on specific use-cases where products help and/or harm constituents, and provide insights on potential modifications in the design and implementation processes that could curb the unintended consequences of racial and other implicit biases.

Taking action in these suggested areas could create both shareholder value and positive ESG impact for Tyler in the following ways:

1. Public disclosure of these findings will provide a positive signal to investors of Tyler's commitment to helping public sector clients address structural challenges, resulting in lower perceived ESG risk that will enhance stock valuation.
2. Partnering with existing clients and constituents to modify product offerings in advancement of racial equity will increase Tyler's customer value proposition, lead to increased client retention, enhanced product stickiness, and drive revenues toward subscription offerings.
3. Improved internal diligence and transparency of product outcomes will boost Tyler's brand equity, better positioning the company to win new contracts upmarket (e.g. state and federal agencies)

Recommended Approach and Intended Impact of Engagement:



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9 As You Sow: Prison Free Funds Exposes Investments in Mutual Funds Supporting Prison Industrial Complex

10 Adasina Social Capital: Stop Funding Systemic Racism. This List Can Help

11 Activest's approach blends economic modeling, financial analysis, and social policy research to advance racial justice in municipal finance.

Appendix 3 – Aperio Impact Report

20% Higher SRI Rating

The Aperio SRI Score summarizes how your portfolio rates along five issue areas: the Environment, Human Rights, Diversity, Workplace, and Governance. Your personal portfolio's SRI Score is 20% higher than the score of the MSCI ACWI® index while maintaining similar risk-return characteristics.

80% Lower Carbon Footprint

Your portfolio underweights companies with higher carbon emissions or purchase of power produced by fossil fuels, particularly electricity. It also excludes Coal Companies, Oil Gas and Consumable Fuels, Energy Equipment and Services, Tar Sands, Fracking, and companies with Carbon Reserves. We estimate that your portfolio has an 80% lower carbon footprint than the MSCI ACWI® index.

Emphasis on Clean Technology

Your portfolio receives at least 150% higher weighted-average revenue from clean technology products and services than the benchmark index.

Emphasis on Weapon-Free

Your portfolio excludes companies involved in the production of Civilian Firearms as well as Military Weapons.

Additional Impact via Proxy Voting

Aperio will vote your company shares based on the *ISS SRI Proxy Voting Guidelines*, which we believe will further align your portfolio with your values.

Diversity Example: In June 2020, Aperio accounts using SRI Proxy Voting withheld votes from all nine Directors of Sinclair Broadcast Group, as the Board of Directors did not include any women and did not have a formal nominating committee.

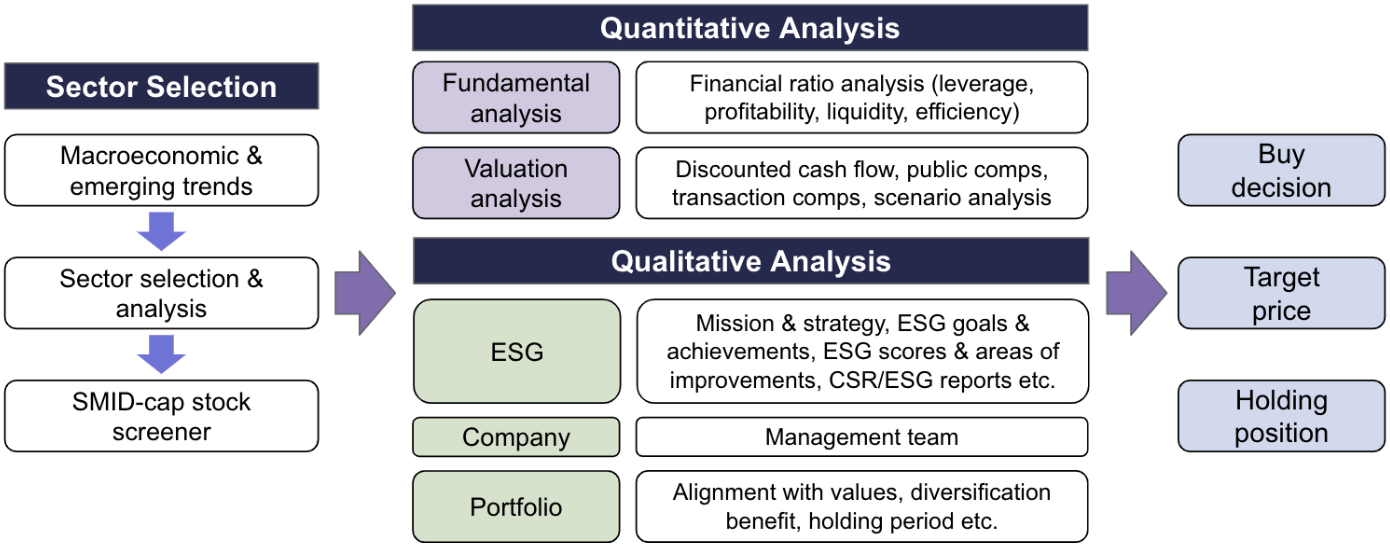
Environment example: In 2020, shareholders filed a resolution with JPMorgan Chase asking the company to disclose its plan for aligning lending activities with the Paris Agreement on Climate. 49.6% of JPMorgan shares voted in favor. Aperio SRI accounts voted FOR.

Categories of Companies You Excluded	
Fossil Fuels ∅ Coal Companies ∅ Oil, Gas, and Consumable Fuels ∅ Energy Equipment and Services ∅ Carbon Reserves ∅ Fracking ∅ Tar Sands	**Weapons** ∅ Civilian Firearms: Production ∅ Military Weapons

Your Personalized Portfolio

Key Metrics	Benchmark MSCI ACWI®	Your Portfolio	Δ
Aperio SRI Score	53.2	65.5	+20%
Carbon Emissions Metric Tons of CO_2e	5,116,000	1,096,000	-80%
Clean Tech Solutions	4.3	10.5	+150%
Tracking Error	0	114 bps	

Appendix 4 – Methodology for Stock Selection



Appendix 5 – 2020-2021 SIF Watch List

- Amkor Technology
- Bright Horizons Family Solutions
- Canadian National Railway
- Chegg
- Envestnet
- Evofem
- Fuel Cell Energy
- Jacobs Engineering Group
- Maple Leaf Foods
- Mastec
- Replant Capital
- Unity
- US Bank