

Mapping Mission to Portfolio

2020 Impact Report



GLOBAL
ENDOWMENT
MANAGEMENT

CONTENTS

Our Impact	3
Our Philosophy	4
Our Purpose	5
Measuring Impact at GEM	6
Investing for Racial & Social Equity	7
Investment Case Studies	8
Racial Equity	9
Gender Equity	10
Affordable Housing & Sustainable Communities	11
Education for All	12
Preserving our Planet	13
Healthcare in the 2020s	14
Financial Inclusion & Economic Equity	15
What This Means	16
Client Case Studies	17
Endnote	18
Important Notes	20

Our Impact

Driving impact is in our DNA. We partner with our clients to advance their missions and contribute to a better world through their endowment portfolios.

Our portfolio generates meaningful positive impact on five key stakeholders and spans the United Nations Sustainable Development Goals.

5 stakeholders



CUSTOMERS



PLANET



EMPLOYEES



SUPPLY CHAIN



COMMUNITY



37% of our fund investments are led or owned by women and people of color, or contribute to racial or social equity in our society.¹



90% of our clients are mission-driven non-profit institutions.²



1. Depicts managers categorized as diverse (as defined in endnote xxxiv), in combination with managers that meet the bar for GEM's racial and social equity lens (as defined in endnote xxxv), as of 1/1/2021.
2. Depicted clients are illustrative and have provided GEM permission to use their names; it is not known whether these clients currently recommend GEM's services.

About GEM

Global Endowment Management (GEM) is an outsourced investment office ("OCIO") stewarding more than \$10 billion on behalf of approximately 40 mission-driven institutions. To learn more about Global Endowment Management and how we can better serve your institution, you can contact us at

INVESTORSERVICES@GLOBALENDOWMENT.COM

Our Philosophy

Our impact investing program enables our clients to use their investment dollars to drive meaningful, positive impact for our planet and communities.

We take a holistic approach, centering on stakeholder experiences and developing portfolios designed to meet our clients' long-term impact and return objectives. Our approach—what sets us apart—has **four key tenets**:

Integrated Impact

Impact and ESG investing are fully integrated into our firm, our investment process, and our operational infrastructure. This allows us to leverage the skillset and expertise of our investment team alongside insights from dedicated impact professionals to invest for positive impact across stakeholders, geographies, and asset classes. In the not-so-distant future, we believe that "impact investing" will be, simply, investing. We are prepared for that future.

Multi-Stakeholder Approach

For us, ESG incorporation is just smart, long-term investing; we integrate ESG considerations into our standard investment process in pursuit of superior returns for our clients. Impact investing, on the other hand, is stakeholder-centered: it focuses not on the impact to the investor, but the impact to the stakeholders who experience the effects of an investment. Our impact investing approach seeks to generate meaningful, positive outcomes for the stakeholders affected by every investment we make. We apply the Impact Management Project framework to measure the impact of our portfolio on five key stakeholders and classify investments across an impact spectrum.



Versatility

Different institutions have different needs and different starting points. We meet clients where they are, and help them move more capital towards initiatives that will contribute to solutions to our world's most pressing challenges in alignment with their mission, values, and institutional objectives.

We partner with leading membership organizations to support our clients' unique needs and collaborate with other visionaries and thought leaders.



Focus on Returns

We believe that impact investors too often face a false choice between impact outcomes and investment returns. At GEM, we hold high standards for our impact investments, expecting them to deliver meaningful impact outcomes and meet or exceed the long-term return objectives of our clients. Our institutional history, differentiated investor networks and decades of successful sourcing and capital investing have positioned us well to execute in the impact space.

Our Purpose

BY MEREDITH LORENZ HEIMBURGER,
PRINCIPAL & DIRECTOR OF IMPACT



GEM was founded in 2007 with a singular purpose: stewarding the endowed resources of our clients so that they can fulfill their missions. Everything about our firm—from our organization to our culture to our investment approach—is and always has been oriented around that fundamental objective.

As fiduciaries and partners, we know the importance of our role in supporting the success of the institutions we serve. We develop portfolios designed to achieve our clients' long-term return objectives while providing a stable source of operational and programmatic support. Achieving these goals requires the relentless pursuit of new investment opportunities, a disciplined and rigorous underwriting process, and careful risk management.

In 2012, we began pursuing ESG integration, divestment, and impact investment strategies for our clients. Over the past 8 years, our mandate has not changed. But the needs of our clients have evolved, and so have we. We are still grounded in our purpose—to serve client missions—but our focus has expanded to incorporate those missions and values into portfolio management.

In 2020, the global pandemic highlighted failures in systems across our country: inequitable school systems that left millions of children without access to education, technology, and mental health services; lack of support and infrastructure for families who were forced to make impossible choices about their health and safety; a healthcare system that has, for too long, led to disparate outcomes across race and socioeconomic status; and an economy in which more than half of Americans were already one paycheck away from homelessness.¹ At the same time, the events of 2020 underscored the depth and reach of racial injustice across American society.

In response to the devastation we witnessed in 2020, our clients' commitment to their purpose is stronger than ever—and so is ours. Our clients are courageously stepping up to meet this moment in their communities, through their operations and programs, and through their portfolios. They are invested in companies seeking to solve some of the greatest challenges we face: education platforms supporting at-home learning; innovative technology that re-routes surplus food to food-insecure households and provides access to financial services for previously un- and under-banked individuals; affordable housing; telehealth and outcomes-based healthcare; sustainable, clean energy; and more. Furthermore, more than one-third of the fund investments in our portfolios are led by women and people of color, and nearly one-quarter contribute to racial or social equity.^{1 ii}

In partnership with our clients, we are breaking down the barrier that has long stood between an institution's portfolio and its purpose. We do not have the luxury of investing without regard to the risks or consequences of our investments. We have seen the cracks in the foundation of our democracy, our society, and our economy, and we remain committed to enabling our clients to fulfill their missions. This is our purpose. We are excited to share our work with you.

1. Depicts managers categorized as diverse (as defined in endnote xxxiv), and managers that meet the bar for GEM's racial and social equity lens (as defined in endnote xxxv), respectively, as of 1/1/2021.

Measuring Impact

at GEM A STAKEHOLDER-CENTERED APPROACH TO IMPACT INVESTING

We apply the Impact Management Project (IMP) framework to every investment in our portfolio to examine outcomes for five stakeholders:

- CUSTOMERS
- PLANET
- EMPLOYEES
- SUPPLY CHAIN
- COMMUNITY

Because we invest primarily with third-party, active investment managers, we measure impact in terms of (1) the **portfolio score** to quantify the impact of portfolio companies on the five stakeholders, and (2) the **manager score** to quantify the investment manager's actions that contribute to positive outcomes and/or avoid negative outcomes for stakeholders.

Portfolio Score

net impact of portfolio of companies on stakeholders

Manager Score

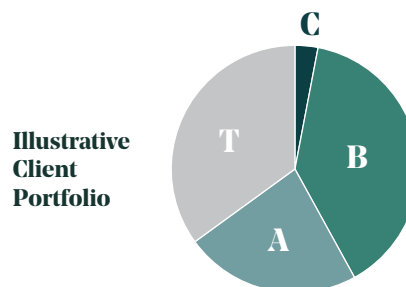
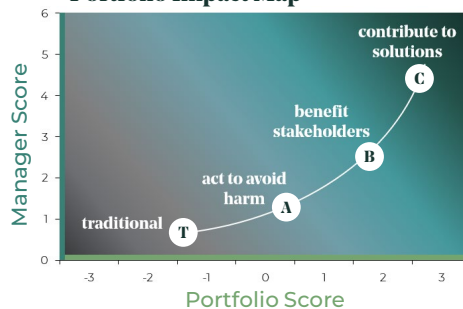
manager's attributes & actions that contribute to outcomes

Our clients have complex, multi-asset class portfolios designed to achieve their risk, return, and impact objectives. We map investments according to the portfolio score and manager score to support our team in classifying investments along a spectrum: (T) Traditional, (A) Act to Avoid Harm, (B) Benefit Stakeholders, and (C) Contribute to Solutions.

We provide transparency to GEM clients regarding the impact classification of investments in their portfolios, and partner with them to develop allocation models that meet their unique objectives.

You can learn more about our approach to impact measurement and read detailed case studies in our primer, [Impact Measurement for Complex Portfolios](#).

Portfolio Impact Map



Note: For more information on the Impact Management Project, visit www.impactmanagementproject.com

Investing for Racial & Social Equity

BY PEDRO HENRIQUES DA SILVA



James Baldwin once observed, “Not everything that is faced can be changed, but nothing can be changed until it is faced.” Inequities in the systems that govern wealth and power, and how they are distributed in our society, are vast—but acknowledgment of those inequities, less so. At GEM, we’ve chosen to face the reality of our society—and, specifically, our industry—and work towards a better one.

Of the investment industry’s \$72 trillion in assets, only 1% is managed by women and people of color,ⁱⁱ and even less is managed by people who are Black. And, while most of us are aware of our nation’s racial wealth gap, its persistence among even the wealthiest households illustrates how pervasive it is. Even among the top 1% of American households, the median net worth for Black families is \$1 million, while the median for white families is \$12 million.ⁱⁱⁱ

We know that diverse teams make better decisions and that investment strategies led by women and people of color perform as well as or better than those led by their all-white, male counterparts.^{iv} So, in 2018, we launched a focused effort to diversify our pipeline and portfolio. In the two years since, we increased the diversity in our pipeline by more than 10x. But while diversity is important, it doesn’t always capture how systems have marginalized, excluded, or harmed specific groups of people.

In an effort to go beyond diversity metrics, at the end of 2019 we launched an integrated, cross-team approach to research racial and social equity in our industry to develop a racial and social equity lens framework that we apply to our investments. These lenses help us examine how capital is allocated, and who reaps the rewards of its allocation.

Our approach centers on groups that face or have faced significant structural or systemic inequities, both in our society and within capital markets. Our frameworks are rooted in who is affected, identified as equity communities, and the depth of impact on an equity community. The development of these frameworks followed nearly a year of research, refinement, and conversation with both investment and non-profit organizations engaged with or leading racial and social justice work.

Racial Equity Lens

How investors engage with the ways that racial identities affect opportunities and outcomes for Black, African-American, Afro-Latino, Native American and Indigenous people.

Social Equity Lens

How investors engage with the ways that social identities affect opportunities and outcomes for individuals; particularly those who are women, Latinx, LGBTQIA+, and/or non-European immigrants.

Today, 24% of our investments contribute to racial or social equity; in all, 37% of our portfolio is invested in funds that are led by women and people of color and/or contribute to racial or social equity.¹ The application of these lenses has enabled us to redefine the role we can play in addressing some of the most pervasive inequities in our society. While our firm and industry still have a long way to go, we’re proud—and humbled—to be engaged in this work. We hope that by facing the reality, we can be a part of changing it.

1. Depicts managers that meet the bar for GEM’s racial and social equity lens (as defined in endnote xxxv), and managers categorized as diverse (as defined in endnote xxxiv), respectively, as of 1/1/2021.

Investment Case Studies

For every investment we make, we define key **attributes of the impact of the investment.**

Impact Theme

We identify an impact theme for every impact investment. We do not invest in impact themes top-down; rather, we source, analyze, and select investments that positively impact stakeholders and have the greatest likelihood of meeting our clients' impact and investment objectives. Despite the bottom-up approach, we have found strong opportunities for impact and investment returns across a broad range of impact themes.

Focus Areas

We define focus areas within each impact theme to support our investment and impact underwriting process. We determine focus areas through in-depth research of the drivers of significant positive outcomes for key stakeholders related to each impact theme. For example, we identified that opportunities for wealth creation are key drivers of positive outcomes for communities within our racial equity and social equity investing themes. These focus areas serve as indicators of potential impact as we seek the best opportunities within and across impact themes.

IMP Rating & Primary Stakeholders

We apply the IMP framework to rate impact as (A) Acts to Avoid Harm; (B) Benefits Stakeholders; or (C) Contributes to Solutions. The framework considers outcomes experienced by all stakeholders, while—at the same time—helping us understand which stakeholders are most impacted and/or have the least agency (i.e., ability to determine how much impact is experienced). Primary stakeholders experience the greatest impact with the least agency, and have a higher relative weight in the overall impact score, as we believe their experiences are most important to understanding the impact of the investment.

Diversity & Equity

We determine if the investment strategy is managed by an individual from an underrepresented background or a diverse team and if the strategy is invested with a racial equity or social equity lens.

Alignment to UN Sustainable Development Goals

We align the expected impact for each investment to the United Nations Sustainable Development Goals, a list of goals adopted by the United Nations Member States in 2015, which serve as a blueprint for peace and prosperity for people and planet, now and into the future.^v

Racial Equity

Precursor Ventures is an early-stage venture capital firm investing in pre-seed and seed stage technology companies. Its founder, Charles Hudson, is Black, and leads a predominantly Black team.



GEM Focus Areas

Capital Access; Wealth Creation; Community Investment & Representation; Black & Indigenous Decision-Makers

IMP Rating

(C) Contributes to Solutions

Diversity

African American-Owned

Key Stakeholders

Communities, Employees, Customers

Lens

Racial Equity Lens

UN SDG Alignment



In an industry where only 1% of capital is invested in Black entrepreneurs,^{vi} Precursor Ventures is flipping the script: 17% of Precursor's portfolio is invested in Black or African-American founders, and another 15% is in bi-racial or Latinx founders. In addition, over 53% of entrepreneurs that Precursor invests in are women, and over 50% are people of color, compared with 12% of capital invested with women and 23% invested in people of color across the industry.^{1 vii, viii}

Precursor utilizes non-traditional networks to identify and invest in leading entrepreneurs at the earliest stages in forming their businesses. A Precursor investment provides capital at a critical moment for entrepreneurs, sending a strong signal to other potential investors and providing a proof point for what is possible when investors back historically overlooked founders. Our investment in Precursor is just one example of how diversity in a portfolio isn't a tradeoff; it's a potentially alpha-generating strategy that can lead to positive outcomes for a range of stakeholders.

Portfolio Company Examples

- Investment company leveraging artificial intelligence to provide \$1 billion to small businesses
- Online grocer facilitating 100% plastic-free, locally sourced food delivery
- Tech-enabled platform redirecting over 2 million pounds of food waste to food-insecure households
- Community-driven styling salon network for people with afro-textured hair
- Healthcare talent management platform that is 25 times more efficient and enables nurses to be hired 3x faster than average
- Travel management platform centered on Africa and the African diaspora

And, importantly: all of the above are Black-led businesses.

1. "People of color" in this case includes people who are Asian American, Multiracial, African American, Latinx, Native American, and from MENA.

Gender Equity

BBG Ventures (BBGV) is a venture capital fund investing exclusively in women-led and women co-led businesses. The co-founders of the firm are both women.



GEM Focus Areas

Capital Access;
Representation at All
Levels; Women
Decision-Makers

IMP Rating

(C) Contributes to
Solutions

Diversity

Woman-Owned

Key Stakeholders

Communities,
Employees, Customers

Lens

Racial & Social
Equity Lens

UN SDG Alignment



In Venture Capital, women make up 13% of founders, but hold just 6% of founder equity.^{ix} In addition, in the United States, women represent 40% of business founders, but receive only 3% of total startup dollars.^x For Black women, who are the fastest-growing group of entrepreneurs in the United States, that number is less than 1%.^{xi}

BBG Ventures addresses the problem head on through actively seeking and investing in women founders across four key themes: sustainable products and platforms, underserved consumers, future of work and education, and health & wellbeing. In addition, in an industry where less than 1% of funding goes to women of color, ~36% of companies in BBGV's most recent fund are headed by Black or LatinX women. Over half of their companies have women of color founders.

Portfolio Company Examples

- Cleaning supply retailer selling a suite of reusable and compostable supplies in an effort to eliminate 100 billion single-use plastic bottles in the United States
- IVF and fertility financing platform that makes fertility treatment more affordable and accessible
- Mobile infrastructure company supporting first responders and disaster teams by enabling connectivity anywhere on earth
- Job network for moms enabling working mothers to remain active in the workforce by connecting over 300,000 professionals to 2,000 companies
- Customized mental healthcare platform boasting 2x faster recovery rates and allowing small businesses to access a diverse group of care providers – 45% of which are providers of color

And, of course: all of the above are women-led businesses.

Affordable Housing & Sustainable Communities

L&M Development Partners is a real estate development company that builds, manages and invests in affordable, mixed-income and market-rate housing, as well as commercial spaces.



GEM Focus Areas

Preserving Affordability; Improving Quality; Promoting Equity and Justice; Sustainable, Affordable Development

IMP Rating

(C) Contributes to Solutions

Key Stakeholders

Communities, Planet, Supply Chain

Diversity

50% of Key Decision-Makers

UN SDG Alignment



Nationwide, the United States has a shortage of more than 7 million affordable homes for the extremely low-income families that need them.^{xii} In context, that means that only 36 affordable and available rental homes exist for every 100 extremely low-income renter households.^{xii} In addition, 15% of all low-income renter households live in units with severe or moderate physical problems (defined as malfunctioning plumbing, heating, or electrical systems, dilapidated public areas, or inadequate maintenance).^{xiv}

In a market where affordable housing is both chronically needed and quickly disappearing, our investment in the L+M Workforce Housing Fund aims to utilize private capital to create and preserve affordable housing while supporting residents and their communities through social services and community investment.

Impact Highlights

- Acquired nearly 2,800 units via the L+M Workforce Housing Fund across five properties in East Harlem and Roosevelt Island that were deregulated by previous ownership and negotiated new regulatory agreements with New York City Department of Housing Preservation and Development and the New York State Housing Finance Agency, restoring long-term affordability in these communities
- Maintain a dedicated team who partner with local businesses and non-profits to support local hiring, grant-making, workforce development programs, and investment in minority- and women-owned business enterprises
- Delivered over 200,000 meals to L+M residents in response to food insecurity caused by COVID-19
- Allocate nearly 500 units for formerly homeless individuals/families through the L+M Workforce Housing Fund and provide the programming/services to specifically support their well-being
- Overhaul undermanaged properties, and provide what are often long overdue upgrades to amenities and onsite programming; these include renovated bathrooms and updated kitchen appliances, and installing energy- and water-efficient improvements

Education for All

Owl Ventures is a venture capital firm that invests in education technology companies.



GEM Focus Areas

Equitable Access; Meaningful, Equitable Outcomes; Promoting Integration and Justice; A Better Future

IMP Rating

(C) Contributes to Solutions

Key Stakeholders

Communities, Customers

Diversity

50% of Key Decision-Makers

UN SDG Alignment



In the United States, educational outcomes are not equal.^{xv} Fifty years after *Brown v. Board of Education*, American schools remain deeply segregated.^{xvi} One in six students is chronically absent, often due to health or other reasons outside of their control.^{xvii} Schools often lack the resources to serve their students, particularly when those students are low-income.^{xviii}

Worldwide, schools face a shortage of 69 million teachers.^{xix} By 2030, an estimated 825 million young people will lack the basic literacy, numeracy, and digital skills to compete for jobs.^{xx} These issues are especially relevant in the age of COVID-19. Our investment in Owl Ventures supports innovative companies that are rising to meet these challenges.

Portfolio Company Examples

- Pediatric telehealth platform that reduced health-related student absenteeism by up to 40% at schools where it was used—with 90% of students returning to class the same day
- Digital science lab enabling >3 million students worldwide to access a virtual lab experience
- School staffing disruptor that led to >150,000 days of teacher absences covered
- AI tutor that has systematically helped students who are English Language Learners score above the 90th percentile while saving teachers 90+ hours of work a year
- Chinese online education platform helping rural, family-run schools access standardized, engaging materials for 30 million students across China
- Cloud-based platform helping 40+ school districts close racial and socioeconomic gaps in resource and time allocation nationwide

Preserving Our Planet

Sunridge Partners, a sustainable agribusiness investor, and GEM's **battery storage** investment are reducing resource intensity and contributing to a more sustainable future.



Our world is dying—and the causes are clear: nearly every system we depend on is not sustainable. Transportation, industrial processes, and electricity and heat production—all reliant on burning coal, oil, and natural gas—collectively contribute 60% of global greenhouse gases^{xxi} Our agricultural practices alone contribute another 24%,^{xxii} while also using 70% of all freshwater available to humans.^{xxiii} If our current way of living persists, we are on track to experience a global temperature rise of as much as 6 degrees Celsius by 2050—well within our lifetimes.^{xxiv}

While human systems have led to a global crisis, human innovation also offers many opportunities for addressing the problem.^{xxv} Our investments in managers like Sunridge Partners harness some of this opportunity to build a more sustainable, robust future.

GEM Focus Areas

Preserving Natural Resources; Sustainable Systems & Infrastructure; Mitigating & Reversing Harm

SUNRIDGE PARTNERS

IMP Rating

(B) Benefits Stakeholders

Key Stakeholders

Planet, Supply Chain

UN SDG Alignment



BATTERY STORAGE

IMP Rating

(C) Contributes to Solutions

Diversity

Key Decision-Maker

Key Stakeholders

Planet

UN SDG Alignment



Impact Highlights

- Invests in companies that conserve, protect, and enhance ecosystems while prioritizing worker safety, job quality, and wellbeing
- Helps portfolio companies integrate sustainability at every stage, including inputs, production, processing, storage, and transportation
- One portfolio company produced a 15x greater annual crop yield with 99% reduction in water use, no fossil fuels or soil use, and a fraction of land use relative to conventional farming

Impact Highlights

- Built 200 megawatts of clean battery storage, helping to reduce carbon emissions from energy use, while decreasing the cost of delivered energy
- Significantly reduces environmental stress from land and water usage associated with less efficient power generation sources
- Replaces natural gas, and provides smoothing effect needed to utilize wind and solar energy, which have variable inputs

Healthcare in the 2020s

Oak HC/FT is a private equity investor. Majority female-owned, the firm makes growth equity investments in healthcare IT, healthcare-related services, and fintech companies in the U.S.



GEM Focus Areas

Increasing Access;
Improving Quality;
Promoting Diversity,
Equity, and Justice;
Promoting Public
Health

IMP Rating

(B) Benefits
Stakeholders

Key Stakeholders

Customers, Supply
Chain, Communities

Diversity

Woman-Owned;
50% of Key Decision-
Makers

UN SDG Alignment



American healthcare faces numerous challenges. Medical errors remain the third leading cause of death in the United States.^{xxvi, xxvii} Hospitals will be short an estimated 200,000 registered nurses per year through 2026.^{xxviii} Meanwhile, access to quality, affordable healthcare remains elusive to many people, most often due to geography, demographics, or cost.^{xxix} And while high-quality, affordable healthcare is integral to the wellbeing of any society, it's especially relevant when the world is in crisis.

Oak, one of our fund managers, invests in companies that consistently rise to meet the challenges facing healthcare in America while embodying all four of our focus areas.

Portfolio Company Examples

- Value-based, primary care provider helping patients save an average of \$200 on care while reporting 39% lower rates of acute medical admissions
- Home health care delivery service currently providing over 17,000 treatments per month to people in the comfort of their own home across the United States
- Healthcare analytics platform that harnesses data on patient encounters for 320 million Americans and partners with a variety of commercial and non-profit stakeholders to reduce disease burden, manage population health, and improve health equity
- Healthcare management hub that partners with employers to deliver comprehensive, patient-centered care—capable of delivering 85-90% of patient care needs with no copays or co-insurance—leading to a 79% improvement in health outcomes
- Tech company revolutionizing the world of pediatric behavioral health, connecting young people and their families to a personalized team of speech and behavioral therapists

Financial Inclusion & Economic Equity

Ribbit Capital is a venture capital firm making early stage investments in technology-based financial services businesses. **Ribbit Capital**

GEM Focus Areas

Access to Capital;
Community
Investment; Quality
Employment

IMP Rating

(C) Contributes to
Solutions

Key Stakeholders

Customers,
Communities

Diversity

50% of Key Decision-
Makers

UN SDG Alignment



In the world today, 1.7 billion adults remain unbanked, including several million people in the United States and Europe.^{xxx} Even in the world's wealthiest nations, economic outcomes are not evenly distributed. One in ten Americans lives below the poverty line, and a majority reports struggling financially, while 91 million are credit-challenged.^{xxxi} Meanwhile, as the wealth gap grows, a growing body of research demonstrates that social mobility—both intergenerational and cross-demographic—is rapidly declining.^{xxxii, xxxiii}

However, technological innovation is just beginning to change how we interact with financial markets, displacing legacy systems and processes used by global financial institutions, and making the world of finance more efficient, transparent, and accessible to those who have historically been excluded from financial markets. Our path to an equitable economic future requires not only change but innovation. Our investment in Ribbit Capital helps to drive both.

Portfolio Company Examples

- Company that provides free access to credit scores and other financial data to over 100 million consumers, leading to a statistically significant increase in credit scores for users, with the greatest improvements for those with the lowest initial scores
- Business helping credit-challenged consumers effectively manage their personal finances, while providing third party resources and information to help prevent people from falling victim to predatory practices
- Platform that helps small and local businesses secure financing that invested \$5 billion across 25,000 businesses, 20% of which would not have had access to financing otherwise
- SME¹ lender in India that has provided over \$1 billion in financing to over 500,000 manufacturing, trading, and service businesses
- Data-powered app that underwrites and disburses small loans to 4 million people in low-income countries who have never had a formal credit history
- Artificial intelligence micro-savings and financial management app that has helped its users save over \$2.5 billion

1. "Small and Medium-Sized Enterprises"

What This Means

WHAT WE'VE LEARNED — AND WHERE WE GO FROM HERE

Implementing our approach has affirmed **two beliefs**:

1

Generating meaningful, positive outcomes and strong investment performance do not have to be mutually exclusive—even in a complex, globally diversified portfolio.

2

Stakeholder-centered impact can be achieved—and should be sought—across geographies, asset classes, and impact themes.

While it's clear to us these are true, we never stop exploring new ways to serve our clients and to contribute to the movement towards a more just, sustainable market for capital.

In the coming years, we'll continue to innovate and build on the work that has proven successful for our clients. Meanwhile, we'll continuously develop systems to benefit our investors, our planet, and our society.

At the end of the day, our work is about our clients and their impact. We aim to protect and build the endowed assets of perpetual institutions so that they can focus on their missions. For those clients who seek it, our impact investing program allows us to extend their missions into their endowments—to build their assets while benefitting people and planet.

Of course, after more than a decade of serving mission-driven clients, we know that "one-size" does not fit all. This is why our approach is built to meet clients where they are, and why we design portfolios to meet the needs, goals, and visions of a broad range of endowments and foundations.

Whether an organization seeks to invest 100% of its assets for positive impact, to allocate only a partial amount, or simply to divest from certain assets as it focuses on mission alignment, our team is dedicated to designing and implementing an appropriate solution.

Client Case Studies

Delivering impact across three different client visions.

The Nathan Cummings Foundation (NCF) is a multigenerational family foundation, rooted in the Jewish tradition of social justice, working to create a more just, vibrant, sustainable, and democratic society. **For the past decade, GEM has proudly served as NCF's OCIO partner.**

In 2018, NCF announced its intention to align 100% of its \$450 million portfolio to its mission. GEM leveraged our dynamic structure, innovative team, and entrepreneurial approach in support of that commitment across a diversified, multi-asset class portfolio.

Today, NCF's portfolio helps advance its pursuit of justice for people and the planet we live on. Through our partnership, NCF is able to focus on the task of high-impact grant-making, knowing their portfolio is working alongside their values.



Rhode Island School of Design (RISD) is a private, nonprofit college founded in Providence, Rhode Island, in 1877—making it one of the first art and design schools in the US. The school engages nearly 2,500 students from around the world in liberal arts studies and rigorous, studio-based learning.

GEM has partnered with RISD to invest their \$300 million+ endowment since 2017. When RISD announced its desire to divest from dedicated fossil fuel strategies without sacrificing alpha, GEM developed an investment policy designed to achieve their dual mandate.

RISD's investment strategy maintains a diversified allocation across asset classes designed to meet their return objective while incorporating their institutional commitment to address global climate change.



The **Patrick J. McGovern Foundation** is committed to bridging the frontiers of artificial intelligence, data science, and technology to transform our world for the better. It supports pioneering neuroscience research and explores how science and technology can improve the quality of life on earth.

The McGovern Foundation selected GEM to be their OCIO partner in 2019. When the foundation wanted to mobilize a portion of its assets for impact, GEM leveraged our comprehensive impact investment approach to build a custom policy for the foundation's highly complex, >\$1 billion portfolio.

The Policy tilts the foundation's portfolio toward impactful outcomes, overweighting to B- and C-rated impact investments over time. It also excludes dedicated fossil fuel strategies, and incorporates both active and passive strategies.

McGovern is able to leverage its invested assets to advance its mission—and benefit people and the environment—without risking the foundation's ability to meet its programmatic objectives.



endnotes

- i. "Most Americans One Paycheck Away from Being Homeless," CentSai, November 23, 2019, <https://centsai.com/life/financial-hardship/one-check-away-from-homelessness/>.
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- xxxv. Managers are considered as having a racial or social equity lens if they score a 1 or 2 on GEM's proprietary equity scales, the details of which can be provided upon request.

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