GEM IMPACT ENDOWMENT FUND

Q1 2024 INVESTOR LETTER

Performance – Preliminary Q1 2024

We project that the Impact Endowment Fund (IEF) returned +4.2% in the first quarter and +11.3% for the trailing twelve months (net of all fees and expenses), inclusive of GEM's Q1 projection for the contribution from private investments of +0.75%.[1] Buoyed again by global stocks, the passive Policy Portfolio, or the benchmark against which to measure the value added from active management, returned +4.6% in Q1 and +15.4% for the trailing twelve months. A simple 70% stock / 30% bond benchmark—an undiversified proxy for the level of market risk in the IEF portfolio—returned +5.5% in Q1 and +16.5% for the trailing twelve months. Those figures, along with our long-term absolute return goal of 5% Real, are summarized in the table below.

Preliminary 3/31/2024 Performance	1Q24	1 Year	Since Inc.	3 Year	5 Year	10 Year	Std. Dev. SI
Impact Endowment Fund (net, est.)	3.4%	10.5%	11.0%	-	-	-	7.9%
Projected Impact Endowment Fund (est.)[1]	**4.2%**	**11.3%**	**11.7%**	-	-	-	**7.9%**
Passive Benchmark: Policy Portfolio	4.6%	15.4%	17.1%	-	-	-	11.6%
Difference vs. Policy	*-0.5%*	*-4.1%*	*-5.4%*	-	-	-	*-3.7%*
Long-Term Goal: 5% Real Return	3.0%	8.5%	9.2%	-	-	-	n/a
Global 70/30	5.5%	16.5%	18.4%	-	-	-	11.4%
Impact Endowment Fund (gross, est.)[2]	3.6%	11.1%	11.7%	-	-	-	7.9%

We're pleased with the portfolio's results and the strength of performance across key asset classes. We believe that will show in the total portfolio's benchmark-relative results over a more reasonable time horizon as equities cool from their unsustainable surge.[3] The objective for the IEF, of course, is to deliver a smooth path to returns of 5% plus inflation through disciplined, diversified asset allocation and rigorous manager selection.

Portfolio

- Public Equity and Hedge Funds continued to deliver strong results, with broad based contributions across managers and hedges targeting distinct sectors.
- Buyouts markups and exits drove Private Equity returns, while Venture Capital moved closer to a rebound on a thawing IPO market but weighed on overall PE results.
- Real asset benchmarks had a volatile year, but Private Real Estate and Private Natural Resources investments performed as expected given the sector mix.

[1] Projected performance figures incorporate GEM's Private Projection for the final month of the most recently completed quarter. The Private Projection is GEM's current expectation for such portion of the portfolio that is not yet "Priced," which is generally the private portfolio. GEM bases its expectation on (i) a quantitative assessment of historical investment performance of such asset, and (ii) adjustments to valuations reflecting material changes and activity of individual assets, using information available as of the date of this report. In this process, GEM typically (a) considers any preliminary estimates provided by underlying managers or sponsors, (b) uses publicly available pricing information relating to assets in the private portfolio, (c) factors in any commentary or material valuation movements that have been communicated by underlying managers or sponsors, and (d) assesses historical returns to determine GEM's confidence in the accuracy of any preliminary marks. GEM's Private Projection is a hypothetical or projected return determined by GEM based on actual portfolio holdings but estimating values for the "unpriced" portion of the portfolio. Actual returns will be determined when final marks are available and will vary, perhaps materially (either positively or negatively). Past performance is not indicative of future results.

[2] The "gross" estimated performance figures noted herein are net of underlying manager fees and expenses and gross of GEM advisory fees and fund expenses. The "net" estimated performance figures are net of both underlying manager and GEM fees and expenses. GEM advisory fees and fund expenses are not specifically allocated at the asset-class level.

[3] Based on GEM analysis of historical market returns. Data available upon request.

Positioning

- A sanguine outlook for economic growth and corporate earnings drove global stocks higher.
- Portfolio positioning is similar to last quarter's end, with modest variance to long-term Policy targets.
- IEF is slightly overweight Growth-oriented exposure via Equity, neutral on Inflation-oriented exposure with a preference for Commodities over REITs, and underweight Income-oriented exposure.

Impact

- ~22% of the Impact Endowment Fund is allocated to investments that are rated Contribute to Solutions, meaning they aim to drive positive stakeholder outcomes in areas including healthcare, education, affordable housing, gender and racial equity, renewable energy, and circular economy.
- Another ~32% is allocated to investments that are rated as Benefit Stakeholders, meaning they aim to positively benefit people and the planet across a range of impact themes and asset classes.
- ~39% of strategies are led by women and people of color[4] and ~36% invest with a racial/social equity lens.[5]

[4] Managers are considered diverse if (a) 25% or more of the firm founders/owners are non-white and/or non-male and/or (b) 25% or more of the key decision-makers for the strategy in which GEM invests are non-white and/or non-male.

[5] 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.

MARKET REVIEW: ESCAPE VELOCITY?

A series of warmer-than-expected inflation reports and other Q1 economic data caused a collapse in the market's expectation for near-term interest rate cuts. Did stock investors care? As a group, they did not. Even as the consensus in the US for six cuts became five became four became three, and bond yields rose concurrently, the strength of corporate earnings pushed equities up steadily.

Since November 1, 2023—a five-month period—US stocks are on a heater, up 24.8%, which ranks in the 98th percentile of equivalent horizons back to 1970. Normally, those sorts of explosions come during one of two market environments: after large drawdowns (as in the aftermath of the Covid correction in 2020, post-GFC in 2009, and the wake of Volcker's rate hikes in 1982), or immediately preceding large drawdowns (as in 1999 prior to the tech bubble's denouement).

There's rarely been this level of gain without pain, but the current episode is distinctive in its lack of distinction. Corporate earnings are strong and broadening, the labor market is tight but normalizing, and inflation levels seem politically tolerable for now. To many commentators, these are goldilocks, mid-cycle conditions. To us, as always, it is time for diversification and a steady hand.

"First, Goldilocks said the interest rates were too high. Then Goldilocks said they were too low. Then, in agreement with the Federal Reserve Board, she finally said they were just right."

Cartoon by Christopher Weyant

Growth

Global equities, as measured by the MSCI ACWI, rose 8.2% in Q1 and 23.2% for the trailing twelve months. The S&P 500 ended the quarter at an all-time high, it's 22nd of the year. Among major markets, Japan led the way during the quarter (+11.0%) on continued enthusiasm for the economy's long-awaited reflation, followed by the US (+10.6%), Europe (+5.2%), and China (-2.1%). Across sectors, tech (+12.1%) and communication services (+11.5%) drove the bulk of returns, while real estate (-0.7%) and rate sensitive utilities (+1.8%) lagged.

Credit, as measured by the Bloomberg US High Yield Index, rose 1.5% in Q1 and 11.1% for the trailing twelve months. Credit spreads are now not just razor thin, but historically so.

Inflation

Commodities, as measured by the Bloomberg Commodity Index, rose 2.2% in Q1 but are down 0.6% for the past twelve months. Unique supply and demand dynamics pushed commodities in different directions: oil up, natural gas way down, most agriculture down, cocoa way up. Precious metals like gold and silver continued to climb on reserve-diversifying foreign central bank purchases.

REITs, as measured by the MSCI US REIT Index, fell 0.3% in Q1 and are up 10.4% over the last twelve months. It's been a disappointing run for REITs relative to stocks. Regional malls were up (+11.1%), telecom REITs were down (-8.8%), but during the quarter there was a less obvious sector narrative.

Income

Treasuries fell 1% during the quarter and have risen a meager 0.1% over the past year. TIPS fell 0.1% during the quarter and are up 0.5% for the past year. The yield on the 10-year Treasury rose steadily throughout the quarter, from 3.9% to 4.2%, which was perhaps inevitable since professional consensus coming into the year was for precisely the opposite to occur. Furthermore, real rates—not inflation expectations—drove the increase. As a TS Lombard blog noted, "When the economy is raising rates rather than the Fed, it signals growth."

GLOBAL PERSPECTIVES: IMPACT & ESG INVESTING

Insights from the 2024 Mission Investors Exchange Conference

Mission Investors Exchange is a leading impact investing network for foundations, philanthropic asset owners, and their partners. Following are a few highlights from their 2024 National Conference, held May 7-9 in Los Angeles.[6]

Two key themes emerged in the commentary from conference speakers and participants:

First, the interconnectedness of various societal and environmental challenges, emphasizing the need for a systems-level approach rather than addressing issues in isolation. At GEM, we believe this is an important evolution in impact investing. In our view, the impacts of investments are inherently interconnected and experienced by a range of stakeholders, and therefore should be measured and managed accordingly. This perspective underpins our GEM IMP Framework for evaluating impact, and informs our approach to optimizing impact across myriad themes and objectives.

Second, the ability of patient, long-term capital to provide "catalytic funding"—often considered "impact-first" investing—to unlock additional financial resources. This type of capital can drive change and help build infrastructure, enabling organizations and communities to move and absorb the capital influx more effectively. At the same time, speakers continued to emphasize the importance of working to identify opportunities across the spectrum of capital (pictured below)—from traditional, returns-focused-only investments to impact-first investments, to philanthropic grants—to generate both targeted impact goals and investment return objectives. This reflects a core tenet of our approach: the notion that investors do not need to sacrifice returns in order to deliver positive impact outcomes. We employ a total portfolio approach with each client, considering investments across this continuum in an effort to maximize both.[7]

	Impact Investing			
Traditional	**ESG**	**Impact**	**Impact-First**	**Philanthropy**
No consideration of impact on people and planet	Considers environmental, social, and governance factors to mitigate investment risk	Generates measurable positive impact for people and planet alongside investment returns	Accepts return trade-off to generate positive impact	Impact with no expectation for economic return

[6] Much of this section is adapted from Impact Entrepreneur's "Innovating Philanthropy: Insights from the 2024 Mission Investors Exchange Conference."
[7] Returns are not guaranteed.

In response to recent backlash and political opposition to impact investing, ESG investing, and DEI efforts, Tonya Allen, President of McKnight Foundation, encouraged investors not to be fearful, but rather to push harder towards better outcomes for people and the planet. This reflects GEM's view that it is incumbent upon all of us to move beyond simply mitigating risks—which we've discussed is a key drawback of ESG investing—instead seeking solutions to the pressing issues facing global stakeholders.

Another interesting panel discussed the potential to leverage federal funding for impact investing. The Inflation Reduction Act—when adjusted for inflation—provides more capital than the New Deal.[8]

Greenwashing Litigation—and ESG Rebranding—on the Rise

This month, California Attorney General Rob Bonta announced that the state aims to seize assets from several large oil companies that, according to the state, were "illegally obtained profits" due to the companies' false advertisement regarding the environmental sustainability of their products. This follows a similar suit to the September 2023 case against Exxon Mobil, Shell, Chevron, ConocoPhillips, and BP alleging a "climate deception campaign" that denied the impact of fossil fuels on climate change despite the organizations' 50-year awareness of the relationship between the two.[9]

These are not the first lawsuits of their kind: In fact, Truth In Advertising (TINA.org) tracked more than 100 lawsuits alleging "greenwashing" as of late 2023, with the majority based on deceptive environmental labels such as "environmentally-" or "earth-friendly," "sustainable," "recyclable," or "carbon reduction."[10] With growing skepticism about "ESG" and risk of lawsuits for misrepresentation, it is unsurprising that the terms "Sustainability Report," "ESG Report," "Corporate Responsibility Report," and "Climate Report" during quarterly earnings calls for S&P 500 Companies have all declined sharply since 2021.[11] Of course, the question remains: Will more regulation and increasingly skeptical investors result in better products? Or in more rebranding efforts? A recent RBC Capital Markets survey demonstrated that 56% of sustainable fund debuts relabeled their products as "thematic" rather than "ESG." Unfortunately, we believe these investments will have the same pitfalls as ESG investment products, with a focus on risk reduction and product placement rather than delivering positive impact for people and the planet.

IEF Portfolio Impact

We've written extensively about the GEM IMP Framework and its application to our multi-asset endowment portfolios (see *Impact Management for Complex Portfolios*, our primer for applying the GEM IMP Framework to a globally diversified, multi-manager portfolio). Our work seeks to understand how our investments impact five key stakeholders—customers, planet, employees, supply chain, and community—and classifies each investment on a continuum from *Traditional* (or no discernable benefit to stakeholders), to *Avoids Harm*, to *Benefits Stakeholders*, and ultimately, to *Contributes to Solutions* (drives solutions to pressing challenges). As detailed below, the Impact Endowment Fund generally avoids Traditional investments and seeks to expand access to investments that *Contribute to Solutions* while balancing the need for a diversified, risk-managed endowment approach.

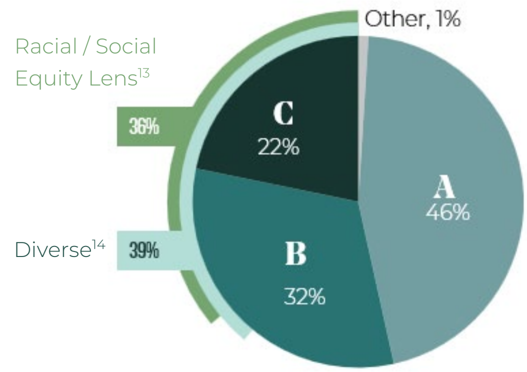
Recognizing the disparities in representation and outcomes in the investment industry, we have sought to increase the diversity and racial and social equity in our investment program at each stage

[8] The White House, FACT SHEET: One Year In, President Biden's Inflation Reduction Act is Driving Historic Climate Action and Investing in America to Create Good Paying Jobs and Reduce Costs.
[9] ESG Today, California Seeks to Seize Big Oil Companies' Profits in Climate Greenwashing Suit.
[10] Truth in Advertising, By the Numbers: Greenwashing Class-Action Lawsuits.
[11] Bloomberg Law, S&P 500 Executives Back Off 'ESG' Reports in Earnings Calls.

of our process. As a result of our focused efforts to expand the diversity of our investment pipeline, and the development of our racial and social equity lenses for evaluating investor engagement with affected communities, we have a level of portfolio diversity that we believe is leading in the investment industry.

The IEF's Impact Profile is shown at right.

IEF Impact Profile[12]



ASSET CLASS REVIEW [15, 16]

Public Equity (estimated)

Preliminary 3/31/24 Performance	1Q24	1 Year	Since Inc.	3 Year	5 Year	10 Year
Public Equity (net, gross)	**9.9%**	**28.6%**	**32.3%**	-	-	-
MSCI ACWI	8.2%	23.2%	25.0%	-	-	-
Difference	*+1.7%*	*+5.4%*	*+7.3%*	-	-	-
Public Equity (net, net)	9.7%	27.8%	31.5%	-	-	-

IEF Public Equity, representing 32.1% of the portfolio, rose 9.9% in Q1 and 28.6% over the trailing twelve months on a net, gross basis.[17] The portfolio outperformed the primary benchmark, the MSCI All Country World Index (ACWI), by +1.7% during the quarter and +5.4% for the past year.

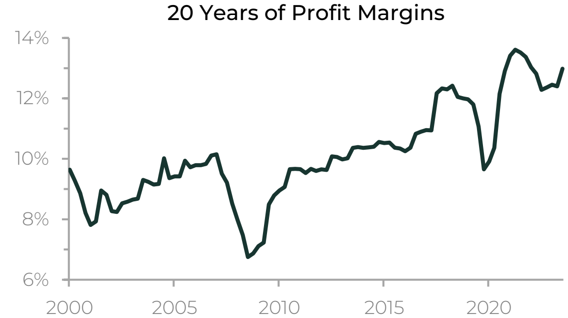
This is the fifth straight quarter Public Equity has outperformed its benchmark and alpha generation remains broad-based across our roster of investment managers. That level of consistency will be hard to replicate, but the Public Equity portfolio's balanced exposures across key factors (sector, style, and geography, shown in the table at right) have meant that our managers' stock selection continues to be the primary driver of returns rather than any allocation tilts, which we view as less reliably driven by our managers' investment skill.

	Exposure	ACWI	+ / -
Sector			
Sensitive	42%	42%	-
Cyclicals	21%	20%	+1%
Balance Sheet Biz	15%	18%	-3%
Defensive	19%	20%	-1%
Style			
Value	25%	35%	-10%
Core	49%	52%	+3%
Growth	24%	13%	+11%
Geography			
US	58%	64%	-6%
Dev (Ex-US)	28%	26%	+2%
EM (Ex-China)	9%	7%	+2%
China	3%	3%	-

[12] Exposures as of 4/1/2024. "Other" includes overlays, hedges, investments not able to be rated, and investments rated Traditional; Traditional investments make up<1% of the portfolio.
[13] 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.
[14] Managers are considered diverse if (a) 25% or more of the firm founders/owners are non-white and/or non-male and/or (b) 25% or more of the key decision-makers for the strategy in which GEM invests are non-white and/or non-male.
[15] Please see the note regarding Asset Class Performance in the Important Notes. Exposures are as of first day of subsequent quarter.
[16] A full list of top contributors and detractors is available upon request.
[17] Performance is net of manager fees and expenses, gross of GEM's oversight fee and fund expenses.

For the year, biotech-focused Fairmount (Benefits Stakeholders) led the way up 91.0% net, gross (90.1% net, net) despite a volatile backdrop in the sector, and RV Capital (Benefits Stakeholders), Blacksheep (Avoids Harm), Nellore (Avoids Harm), and Cat Rock (Avoids Harm) all earned more than 35% for the year. Laggards over that time included regional specialist Generation Asia (Contributes to Solutions, +0.2% net, gross | -0.6% net, net), which faced headwinds as China declined 16.9% during the year, and Ownership Capital (Contributes to Solutions, +12.5% net, gross | +11.7% net, net), where a challenging funding environment was a headwind for their life sciences investments.

20 Years of Profit Margins



Source: Bloomberg. Depicts S&P 500 profit margins from 2000 through 3/31/2024.

Equity markets seem to many to be on sturdy footing. Profit margins are healthy, earnings growth is beginning to broaden beyond the mega cap leaders, and valuation differentials—across sectors and regions—appear justified by fundamentals. For most of the last decade, earnings per share growth came from debt-fueled stock buybacks. Now many corporates expect top line growth, durable operating leverage, and productivity gains from AI. Fundamentals also matter again, as intra-sector dispersion has climbed. Even the average cross correlation among pairs of Magnificent 7 stocks has fallen, which signals the importance of stock-specific factors over merely thematic ones. Many of our managers have recently highlighted that, despite optically high valuations at the index level, there are plenty of opportunities to buy good businesses at attractive prices.

Not all is rosy, of course. And never is rosiness especially sustained. But we believe the portfolio is well positioned, and well balanced, to navigate shifts in sentiment or other hiccups brought on by overvaluation, geopolitics, labor weakness, or otherwise. We continue to pursue excellence in manager selection with a rigorous risk management overlay—controlling exposures to individual styles, sectors, geographies, and positions with sustained alpha in mind.

Hedge Funds (estimated)

Preliminary 3/31/24 Performance	1Q24	1 Year	Since Inc.	3 Year	5 Year	10 Year
Hedge Funds (net, gross)	**7.6%**	**20.2%**	**19.3%**	-	-	-
Credit Suisse Hedge Fund Index	5.3%	11.3%	9.1%	-	-	-
Difference	*+2.3%*	*+8.9%*	*+10.3%*	-	-	-
Hedge Funds (net, net)	7.4%	19.4%	18.5%	-	-	-

IEF Hedge Funds, representing 14.3% of the portfolio, returned +7.6% in Q1 and +20.2% for the trailing twelve months. The Credit Suisse Hedge Fund Index benchmark returned +5.3% in Q1 and +11.3% for the year. Relative to global stocks, and given the portfolio's roughly 60% beta, the portfolio generated approximately three percentage points of alpha for the year.

SurgoCap (Benefits Stakeholders) was a top contributor for the year. We invested with SurgoCap in Q3 2023, and the fund has generated a 26.1% net, gross return since then (+25.4% net, net). SurgoCap is a woman-led hedge fund founded in 2022 by Mala Goankar after her 24-year tenure at Lone Pine. Mala has demonstrated a strong commitment to promoting diversity in the hedge fund industry and has built a diverse team that invests in disruptive technology across enterprise data, financials, healthcare, and industrials. As market performance broadened at the end of last year, so did contributors to

SurgoCap's performance, which included diverse names from industrials (GE, Rolls Royce, Canadian Pacific) to Enterprise Data (Nvidia) and Healthcare (McKesson). Biotech-focused Deep Track (Benefits Stakeholders, +34.7% net, gross | +33.8% net, net) and Teton (Avoids Harm, 24.4% net, gross | +23.5% net, net) also contributed meaningfully, the former benefiting from widening dispersion in the biotech sector, and the latter increasing gross exposure and pursuing a range of opportunities in Korea, Latin America, and elsewhere. Only China-focused Teng Yue (Benefits Stakeholders, -12.5% net, gross | -13.4% net, net) lagged. Though we have resized Teng Yue down over time, we continue to have conviction in the manager. There are few deeply fundamental China-focused long/short managers we consider exceptional. China markets are currently beaten up, down more than 60% from peak-to-trough. Several of our endowment peers have said explicitly that there's "no price" that would cause them to allocate. And the exodus of institutional investors likely means more mispriced securities. That's typically a good set up for future returns, for long-only and long/short investors alike, so weighed against the risks involved, our preference has been to stay put.

AEOLUS CAPITAL MANAGEMENT LTD.

Within the Hedge Fund portfolio, we continue to broaden our absolute return roster. During the quarter we invested $20 million with property casualty reinsurance firm, Aeolus.[18] Aeolus (Avoids Harm) is nearly 20 years old and is now majority owned by Elliott Management. We first met the firm as part of our insurance-linked securities market mapping in late 2022 and engaged in some preliminary diligence at the time. As we prepared for the 2024 contract renewal cycle, our thesis was that the capital imbalance that led to strong 2023 results for investors in the market would persist into 2024. From an impact perspective, the catastrophe reinsurance industry has been a major advocate for, and an important player in, incorporating and measuring climate risk in financial assessments. However, the industry does not seek to directly reverse the harmful effects of climate change or other environmental risks, but rather focuses on mitigating their impact on key stakeholders, supporting what we believe is an appropriate Avoids Harm impact rating. Aeolus launched its Spire strategy in 2014 in response to investor requests for a lower risk means of accessing the collateralized reinsurance market. The strategy focuses on peak perils like hurricanes and earthquakes, with higher attachment points that imply target returns of cash rates plus 5-7%.[19]

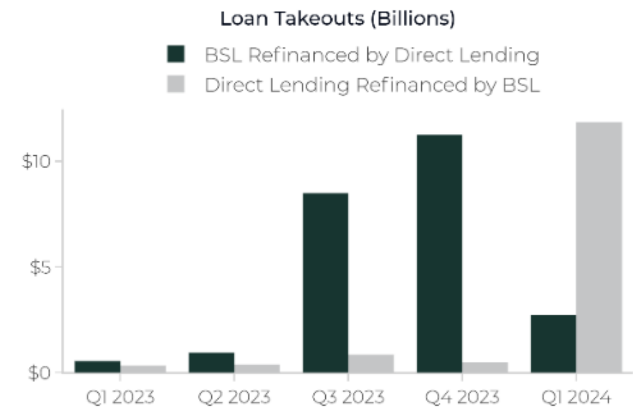
Credit

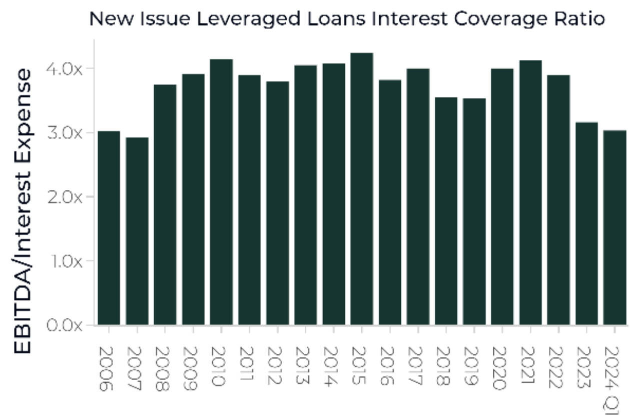
Final 12/31/23 Performance	1 Year (SI)	3 Year	5 Year	10 Year
Credit (net, gross)	**7.6%**	-	-	-
Bloomberg High Yield Index	13.4%	-	-	-
Difference	*-5.9%*	-	-	-
Credit (net, net)	6.8%	-	-	-

Credit accounts for 4.4% of the Impact Endowment Fund, primarily consisting of a passive allocation to maintain our target credit exposure while existing private credit managers call capital and we identify new opportunities. Through December 31, our private Credit managers earned 7.6% for the year, underperforming the liquid benchmark, the Bloomberg US High Yield Index, which rose 13.4%. Golub's opportunistic GEMS fund (Avoids Harm), focused on performing, high-quality credit instruments, has been the primary contributor, offset by special situations firm Nexus (Avoids Harm), which has lagged.

[18] In Homer's Odyssey, Aeolus is the King of Aeolia and the ruler of the winds.
[19] Attachment points specify the magnitude of insured losses required before reinsurance begins to pay out. Contracts with higher attachment points therefore require more severe insured losses, which reduces the expected contract return along with the risk of loss.

The CEO of a large asset management firm recently remarked to us that "bad loans are made in good times." With spreads as tight as they are, with bank capital and the broadly syndicated loan market once again competing for financings (see at left below), with interest coverage requirements trending lower (see at right below), the private credit market is adequately—if not over—capitalized in our view. Certainly, there will be some gains to some firms who have superior access to compelling credits, but we hear more and more about so-called "lender on lender" violence, or maneuvers by creditors to undermine the relative position of others. We're not certain these kinds of shenanigans are NPV positive over the life of a fund and, more generally, we are concerned that they are symptomatic of an industry segment that has consumed too much capital too quickly.





Source (both charts): Pitchbook as of 4/4/2024.

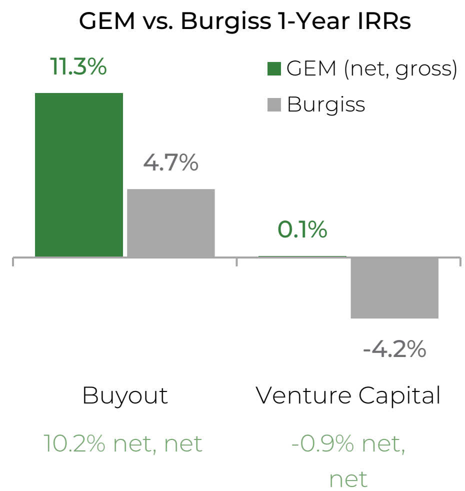
As we telegraphed last quarter, we made what will likely turn out to be our last commitment in private credit for the year. Nexus (Avoids Harm) is a special situations firm, founded in 2013 by Damian Giangiacomo and Michael Cohen, both ex-Apollo investors. They have a flexible mandate to invest across capital structures and utilize a downside-protected approach with asset or cash flow coverage, while preserving equity-like upside with conversion or other features. They've engaged in carve outs, debt-for-control deals, and turnarounds, normally targeting businesses in education, consumer, business services, and e-commerce. Nexus has a detailed ESG policy setting guidelines for how the businesses in which they invest should consider ESG factors in their operations and they engage with their portfolio companies in efforts to drive towards positive ESG outcomes. For example, Nexus engaged Sperber Landscape, a commercial landscaping services business, to implement enhanced environmental sustainability practices including reducing water usage through better irrigation strategies and supporting biodiversity by focusing recommendations on native and environmentally friendly plantings. We invested in their Fund III in 2020 and expect to back them again in their $1.25 billion Fund IV. Although Fund III has been slow, we expect Nexus to shine if market conditions deteriorate and their structuring prowess can shine through.

In our credit taxonomy we seek relationships with leading managers that we believe are well suited to execute in distinct areas of the market and phases of the credit cycle. This includes exposures across quality yield (Golub), niche or specialized (Sabal, Rialto), and distressed; Nexus's strategy fits the last.

Private Equity

Final 12/31/23 Performance	1 Year (SI)	3 Year	5 Year	10 Year
Private Equity (net, gross)	2.3%	-	-	-
MSCI ACWI	22.2%	-	-	-
Difference	*-19.9%*	-	-	-
Private Equity (net, net)	1.5%	-	-	-

Private Equity represents 27.6% of the Impact Endowment Fund, comprised of Buyout and Venture Capital representing 12.8% and 14.8% of the IEF, respectively. As we've written, comparisons to liquid benchmarks like the MSCI ACWI are highly volatile over any given year, but longer term we believe our decision to implement our equity exposure through private markets should prove beneficial.[20] Compared to the universe of private funds across Buyout and Venture Capital—represented by the Burgiss Universe—we're pleased with our manager selection skills in each opportunity set. The IEF's Buyout and Venture Capital managers are outperforming their counterparts by +6.6% and +4.2% net, gross (+5.5% and +3.3% net, net), respectively, over the past year. We believe our selection process and access advantages in both buyouts and venture capital positions us to deliver returns in excess of the median fund over time.



Buyouts

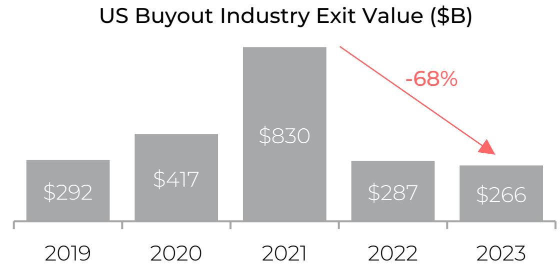
The small buyout portfolio continued to drive strong returns, from both markups and exits. San Francisco Equity Partners (Benefits Stakeholders) completed a dividend recapitalization of SV Labs, a beauty and personal care contract manufacturer, resulting in a significant distribution. That investment has now returned more than 7x our initial investment and is marked at a 15x return net, net.

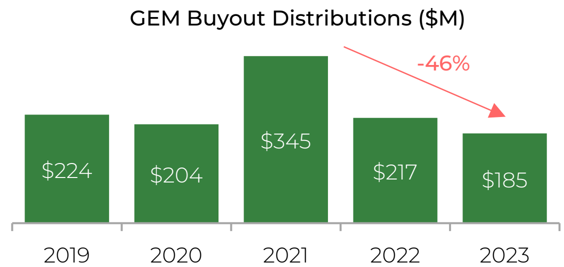
Education Growth Partners (EGP) also contributed. EGP (Benefits Stakeholders) is focused on niche education opportunities with investments centered on three themes—Education, Workplace, and Learning & Change. This has led to a portfolio of investments that include companies providing cost-reducing services to educational organizations (AllCampus, Kangarootime), supporting struggling students (Edmentum), and using data to assess learning or training efficacy (Edmentum, Emtrain). Their investment in Kangarootime, a provider of childcare center management software that helps streamline all aspects of center management, was written up as they onboarded new customers and expanded their product suite with existing customers, driving an increase in recurring revenue of ~40% year-over-year.

Middle market software focused firm Diversis (Avoids Harm) continues to be the primary detractor from the markdown of Marketron, a revenue management software company, in line with declining public valuations. We expect Diversis' operational changes will take time to impact progress and valuations.

[20] Returns are not guaranteed.

Princeton University's outgoing CIO, Andy Golden, recently remarked in the *Financial Times* that it's the "worst environment ever" for private equity liquidity. The trickle of exit activity is certainly true for the industry writ large relative to the halcyon days of 2021. Exits in the EF are down too, but nowhere near as badly as the industry. Our emphasis on operations-minded managers, deploying reasonable amounts of capital, paying moderate purchase prices, and selling upstream to larger strategics and larger-cap PE firms has supported our capital velocity. Buyout capital calls are down too, such that net flows were less negative in 2023 than in 2022. The same is true in venture capital, where the pace of liquidity has been even slower and weighs even more heavily on the largest university endowments.





Source: Pitchbook and GEM. Both charts as of 12/31/2023.

Venture Capital

In Venture Capital, late-stage venture manager Vy's (Benefits Stakeholders) interest in SpaceX was the primary contributor for the year, along with some crypto-related positions owned by Paradigm (Avoids Harm) and fintech-focused Ribbit (Avoids Harm). SpaceX closed 2023 executing another tender offer for insider shares at a $175 billion valuation. That's up sharply from the $137 billion funding round the company executed to start 2023. We believe SpaceX is an extraordinary asset. It has a significant head start in the commercial space sector, generates meaningful portions of its $9 billion of 2023 revenue from its launch services business—sending payloads into orbit for NASA and for private companies—and even more from its low-orbit satellite internet business, Starlink. It's also growing quickly, with more bandwidth and throughput opportunities expected when the Starship megarocket flies.

Zeev (Benefits Stakeholders) detracted during the year after several write downs in key positions for the fund. H Capital (Benefits Stakeholders) also detracted, marking down Bytedance and restaurant supply chain company Meicai over the course of the year on weakness in China.

Y Combinator

We committed to Y Combinator (Benefits Stakeholders) during Q1, as one of a small collection of direct limited partners in a significantly oversubscribed fundraise. As a reminder, Y Combinator ("YC") was initially founded in 2005 to provide a university-like mentorship and coaching experience for founders in exchange for a fixed percentage of ownership in each startup. Their strategy—building diverse founder "batches" (as YC calls them) and providing long-term, engaged capital—aligns closely with several UN Sustainable Development Goals and has led to some generational success stories like AirBnB, Stripe, Instacart, Reddit, Dropbox, Coinbase, Twitch, and others that have driven positive customer outcomes, if not fundamentally altering how customers engage with particular industries.[21] When the firm first raised a committed fund in 2015, we began a relationship. It took five years of courtship, but we ultimately invested in 2020 in their early-stage fund and a continuity vehicle, adding capital in 2021 across a broader platform. The track record is exceptional: The worst batch over time has been a 6.0x gross multiple of capital, with many returning over 100x. At the time of our most recent reup, there were several operational changes at YC: (1) They

[21] In particular, SDG 2 (end hunger, achieve food security and improved nutrition, and promote sustainable agriculture), SDG 8 (promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all), SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and SDG 10 (Reduce inequality within and among countries.

had a new president in Garry Tan, a YC alumnus who left his own venture firm to return to YC when the opportunity presented itself; and (2) one of Garry's first strategic decisions was to shutter the dedicated growth stage program, recentering YC on its core early-stage mission. We committed to three YC funds as part of this raise, each capturing a distinct part of the YC company life cycle. It will be our largest venture commitment for the year.

We also re-upped with a commitment to the third fund of Vy Capital (Benefits Stakeholders). Over a relationship that began in 2014, GEM has invested roughly $215 million into two Vy funds and executed four co-investments, and it is our largest venture relationship today. Collectively, those investments are marked at a 2.7x net multiple of capital. Led by Alexander Tamas and John Herring, Vy looks to invest in founder-led global tech companies, with a particular emphasis on disruptive tech. Their focus aligns well with UN Sustainable Development Goals 8 (promote sustained, sustainable growth) and 10 (reduce inequality within and among countries) by having strong positive outcomes on customers and communities. For example, Vy's investment in Upgrade enables borrowers with merely "fair" credit to access affordable fixed-rate credit, free credit monitoring, and financial education services. Importantly, Upgrade focuses their suite of services on helping borrowers gradually reduce the amount and cost of their debt. They've provided that Fund III will be the same size as Fund II ($500 million), which we believe is appropriate.

On venture capital broadly, we remain bullish. We agree with Kim Lew, Columbia University's CIO, who said recently on a podcast that what's at risk in venture is not long-term returns, but the timing of those returns. Innovation and company formation paired with elite manager access and appropriate capital discipline is still a compelling recipe for exceptional outcomes.

Real Estate

Final 12/31/23 Performance	1 Year (SI)	3 Year	5 Year	10 Year
Private Real Estate (net, gross)	**-6.5%**	-	-	-
MSCI US REITs	13.7%	-	-	-
Difference	*-20.2%*	-	-	-
Private Real Estate (net, net)	-7.3%	-	-	-

Real Estate represents 10.3% of the Impact Endowment Fund. The Private Real Estate portfolio softened through Q4 as private marks trended down toward public, returning -6.5% over the past year against the MSCI REIT benchmark return of 13.7%. Relative to the Burgiss Universe, our Private Real Estate portfolio has underperformed over the last year by -3.2% net, gross (-4.2% net, net).

Manufactured housing property manager ClearTrail (Avoids Harm) continued to support performance. Denver-based lodging manager Silverwest (Avoids Harm) detracted for the year due to the commercial development difficulties facing their downtown Los Angeles property. Event attendance at the Staples Center, which anchors the neighborhood near Silverwest's property, is down sharply since Covid. Affordable housing manager Belveron (Contributes to Solutions) also saw write downs this quarter at their Austin, TX properties as that market softened. Those properties, however, continue to provide an attractive cash yield while Belveron pursues exits.

As noted in our Outlook piece distributed earlier in the year, we spent much of our real estate bandwidth during the quarter on studying public market managers and opportunities. The public markets appear cheap and less levered relative to private opportunities, especially as deterioration of real estate fundamentals is beginning to wash over a wider swath of sectors.

Natural Resources

Final 12/31/23 Performance	1 Year (SI)	3 Year	5 Year	10 Year
Private Natural Resources (net, gross)	5.2%	-	-	-
Bloomberg Commodity Index	-7.9%	-	-	-
Difference	*+13.1%*	-	-	-
Private Natural Resources (net, net)	4.4%	-	-	-

Natural Resources represents a 2.4% allocation for the Impact Endowment Fund and returned 5.2% for the year, outperforming the Bloomberg Commodity Index benchmark return of -7.9%. Relative to the Burgiss Universe, the portfolio outperformed over the year by +5.8% net, gross (+4.8% net, net).

As we've noted in prior letters, the IEF's Natural Resources portfolio is concentrated in a handful of small investments given the portfolio's zero-percent neutral exposure to commodities and exclusion of fossil fuel investments.[22] The latter was an important driver of relative returns during the period. The decline in the Bloomberg Commodity Index was largely driven by the energy component of the index, to which the IEF has no exposure. We believe our concentrated portfolio is well-positioned to lead due to tracking error relative to the broader commodity benchmark over the short term.

While performance was flat for the quarter, both LS Power and Greenstone, the two largest investments in the Natural Resources portfolio, continue to make good progress. LS Power (Contributes to Solutions) has a development pipeline of more than 17 gigawatts of battery storage and clean energy opportunities that will support the energy transition away from fossil fuels. Greenstone (Benefits Stakeholders) released their 2023 ESG Report, the second in the firm's history, that highlighted continued progress on key initiatives:

- Biodiversity and Land Rehabilitation: Rehabilitated and revegetated artisanal mining areas in northern Brazil.
- Indigenous Rights and Engagement: Exceeded target employment rates from traditional landowner groups. Worked directly with Indigenous groups for seed collections, cultural heritage monitoring services, and rehabilitation work.
- Emissions Reduction: Reduced greenhouse gas emissions through the use of grid power which is often sourced from hydroelectric or solar sources. Greenstone is also exploring the use of solar and battery storage technology at certain sites to further reduce generator use.

We continue to evaluate opportunities to deploy capital with well-positioned managers focused on climate and the energy transition.

[22] GEM defines "fossil fuels investments" as investments in private or public companies that either own fossil fuel reserves, or extract or provide services related to the extraction of fossil fuels. For portfolio construction, we define exposure to such investments as: (a) ownership of interests in commingled funds when the primary purpose of the fund is making fossil fuel investments, (b) co-investments alongside any commingled fund, regardless of its primary purpose, in fossil fuel investments, and (c) direct investments, including through a separately managed account, of such fossil fuel investments. There is no guarantee that GEM will be successful in identifying or avoiding all exposure to fossil fuel investments, and based on GEM's definition of "exposure" (set forth above), there may be "fossil fuels investments" held indirectly.

POSITIONING

Portfolio positioning has changed little over the course of the quarter. We began the year acknowledging that P/E multiples were high in equities and risk premia were compressed, but that the updraft from easing monetary policy and disinflation would likely continue until otherwise disrupted. We received little disinflation and a more hawkish monetary policy tone, but it wasn't enough to stall the equity momentum. Nvidia singularly contributed a meaningful share of the index gains, but small caps kept up with the S&P 500, and the economic narrative turned even more sanguine. Our other diversifying factors were firmly in the back seat. Equity surrogates in Credit, Commodities, and REITs all lagged, and short duration again trumped long.

Impact Endowment Fund Exposures vs. Policy Portfolio – as of 4/1/2024

Return Factor	Exposure	Policy	vs. Policy	Benchmark
Growth-Oriented	68.7%	66.0%	+2.7%	
Equity	60.6%	58.0%	+2.6%	MSCI ACWI
Credit	8.0%	8.0%	+0.0%	Bloomberg High Yield Index
Inflation Oriented	13.5%	12.0%	+1.5%	
Commodities	1.9%	0.0%	+1.9%	Bloomberg Commodity Index
REITs	11.6%	12.0%	-0.4%	MSCI US REIT Index (gross)
Income-Oriented	17.8%	22.0%	-4.2%	
Treasuries	13.8%	15.0%	-1.2%	Bloomberg US Treasury Index
TIPS	7.5%	7.0%	+0.5%	Bloomberg US Treasury Inflation Notes Index
Cash	-3.5%	0.0%	-3.5%	Bank of America 0-3 Month US Treasury Bill Index

Our factor views are as follows:

Equity: We remain overweight, removing some hedges on European stocks going into quarter end. We continue to believe that a more micro-driven market, where fundamentals matter, supports our posture. With the predominance of the IEF equity risk allocated across active managers, with a significant portion in private managers, we believe that we can outrun whatever headwinds to passive equity beta may exist for the rest of the year from elevated valuations and/or rising yields.

Credit: We are neutral in our Credit exposure. As noted earlier, any future allocations will likely be in liquid form rather than private given the tightness of spreads, and we simply prefer the skew in Equity relative to the bounded upside of Credit.

Commodities: We remain overweight, with much of the quarter's uplift coming from our gold position. Gold has defied rising real yields, likely due to sustained central bank purchases. Other key commodities to which we're exposed remain in structural undersupply.

REITs: We are neutral to REITs. It was a frustrating quarter since we expect over time that REITs will behave similarly to stocks, as they have over longer horizons. We added exposure throughout the quarter on dips and will likely add an active manager in Q2 who we believe can capitalize more effectively on dispersion in the sector.

Treasuries: We are neutral to our nominal bond target, without an especially strong opinion on where yields are heading from here. We have generally been in the "higher for longer" camp, which is why we refrained from adding duration meaningfully toward year-end 2023. Our view was the Fed would cut at least once or twice to signal a willingness to start the process in 2024, but even that may get pushed to 2025.

TIPS: We are neutral to our inflation-linked bond target too. Several sell-side banks promoted breakeven inflation trades to us this quarter to capitalize on narrow spreads between TIPS and Treasuries, but we are generally ambivalent given current market pricing.

FIRM DETAIL

Firm and Team Update

As of April 1, GEM's total assets under management totaled $11.8 billion, up 6% over this time last year after paying out year-end distributions.[23]

We've taken the opportunity to reframe our client count, subdividing our client base into two cohorts for clarity and transparency. The first cohort is our OCIO clients, for whom we steward the vast majority of investable assets in a holistic, risk-balanced manner. The second cohort is our "alternatives" clients, for whom we steward a narrower mix of assets. Our Endowment Fund clients, for example, are in the OCIO cohort, whereas our Growth Fund clients are in the alternative cohort.

We have, as of April 1, 37 OCIO relationships, representing ~90% of our AUM. Our alternatives relationships conversely contribute the other 10% of AUM. The count of alternative clients will blur the picture over time, we expect. Some in that cohort, for example, started small with us in anticipation of adding capital over time. We'll continue to pull apart the client base in this manner to support your oversight.[24]

Employee count grew by one on a net basis during the quarter, while the number of investment professionals fell by one reflecting analyst turnover.

On the Impact Team, Pu-Ning Chiang departed GEM to accept a role with a Singapore-based family office. While we were sad to see Pu-Ning go, we believe this role is perfect for her—it allows her to live closer to her family while leveraging her background in neuroscience and impact investing to support a family office in growing their impact practice. Meanwhile, we are thrilled to add Ann Eubank as a Senior Associate on our Impact Team. Ann graduated from Johns Hopkins with a degree in math, before getting her MBA at Northwestern. She has developed strong investment and impact experience working on PIMCO's impact team and on Partners Group's private equity team. We have no doubt she will hit the ground running when she joins the team in July.

We continue to engage the industry to expand perspectives on impact investing and its role in the portfolios of mission-driven groups. Partner and Head of Impact, Meredith Heimburger, led the Welcome Intensive for the third year in a row at Confluence Philanthropy's annual conference in March. This day-long seminar provides an introduction to impact investing for new members of Confluence Philanthropy, a network of more than 250 asset owners and allocators working to align capital with their values. Meredith also participated in a closed interview session with current VC Include Fellows. VC Include works to accelerate investments into historically underrepresented emerging managers at scale. The interview focused on ways that new and emerging managers can identify and work with institutional asset allocators to launch their funds.

[23] Total firm AUM includes all GEM assets under management; excludes assets under advisement and other related entities.

[24] Total firm AUM includes all GEM assets under management; excludes assets under advisement and other related entities. OCIO Client Relationships excludes clients with alternatives-specific mandates, GEM employees, and investors who do not require full investor service. Please see definition of Alternatives Mandate in Important Notes.

2024 Quarterly Investor Calls	July 30 | November 12 GEM's quarterly update to investors will be held on the above Tuesdays from 2-3pm ET on Zoom.

Note: Listed communication and engagement items are not comprehensive and are subject to change.

IMPORTANT NOTES

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GEM is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. More information about GEM's investment advisory services can be found in its Form ADV Part 2, which is available upon request.

For the information of investors in the United States of America: None of the interests in the funds have been or will be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any U.S. state. Such interests may only be offered or sold directly or indirectly in the United States to any U.S. person in reliance on exemptions from the 1933 Act and such laws. In addition, the funds have not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended.

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- All GEM-related data is based on GEM's positions along with information and reports provided to GEM by managers and GEM's analysis thereof, including performance, exposures, and asset allocations. Asset Exposure may represent the holding of an actual investment or a synthetic version thereof.
- Private investment NAV is based on the most recent NAV adjusted to reflect cash flows, if a current NAV is not yet available from the private investment sponsor.
- Totals may not sum due to rounding.
- Total performance figures for the Impact Endowment Fund, unless otherwise noted, is net of all GEM fees and fund expenses. Individual investor performance will vary based upon date of admission and such investor's applicable percentage used to calculate the management fee, as set forth in more detail in the Memorandum of the fund. Returns reflect reinvestment of dividends and distributions. Figures are subject to revision until the independent audit of the fund is complete.
- <u>Asset Class Performance:</u> The "net, gross" performance figures noted herein are net of underlying manager and/or investment-level fees and expenses and gross of GEM advisory fees and fund expenses. The "net, net" performance figures are net of both underlying manager and/or investment-level fees and expenses and GEM fees and expenses. GEM advisory fees and fund expenses are not specifically allocated at the asset-class or investment level. Therefore, in order to reasonably present net extracted performance in accordance with regulatory requirements, GEM has applied the "spread" between an investor's and/or fund's total portfolio's gross and net performance presented herein, plus a historical investor- and/or fund-level expense ratio, to each asset class and/or investment as a proxy for a fee and expense load.
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- Performance for periods of longer than one year is annualized unless otherwise noted.
- All exposures are as of first day of subsequent quarter to incorporate beginning of quarter flows, if applicable.
- GEM reserves the right to modify its current investment strategies, exposures and techniques based on changing market dynamics or client needs.
- Market-related data included in charts and graphs is sourced from various public, private and internal sources including, but not exclusively: Bloomberg and similar market data sources, central banks, government and international economic data bureaus, private index providers, bond rating agencies, industry trade groups and subscription services. The third-party sources of information used in this report are believed to be reliable. GEM has not independently verified all of the information and its accuracy cannot be guaranteed.
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- References to specific securities and case studies are for illustrative and discussion purposes only and do not constitute investment recommendations.
- Burgiss Private Equity and Private Real Assets represent Burgiss Manager Universe performance metrics for select vintage years to align with GEM's portfolio as well as vintage years prior to GEM's inception in 2007 for historical presentations. The Burgiss Manager Universe provides coverage of research-quality performance and behavioral data on private capital funds and their holdings. The underlying dataset is sourced exclusively from limited partners and includes complete transactional history of thousands of funds. GEM is unable to access, and therefore cannot independently verify, the underlying data.
- Because of confidentiality restrictions, we are unable to disclose certain manager names.
- Statements regarding forward-looking returns, market events, future events or other similar statements constitute only subjective views, are based upon GEM's current long-term capital market assumptions, expectations and beliefs, should not be relied on as fact, are subject to change due to a variety of factors including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond GEM's control. Future evidence and actual results could differ materially from those set forth in, contemplated by, or underlying these statements. In light of these risks and uncertainties, there can be no assurance that these statements are not or will prove to be accurate or complete in any way.
- Projected performance: Projected performance figures incorporate GEM's Private Projection for the final month of the most recently completed quarter. The Private Projection is GEM's current expectation for such portion of the portfolio that is not yet "Priced," which is generally the private portfolio. GEM bases its expectation on (i) a quantitative assessment of historical investment performance of such asset, and (ii) adjustments to valuations reflecting material changes and activity of individual assets, using information available as of the date of this report. In this process, GEM typically (a) considers any preliminary estimates provided by underlying managers or sponsors, (b) uses publicly available pricing information relating to assets in the private portfolio, (c) factors in any commentary or material valuation movements that have been communicated by underlying managers or sponsors, and (d) assesses historical returns to determine GEM's confidence in the accuracy of any preliminary marks. GEM's Private Projection is a hypothetical or projected return determined by GEM based on actual portfolio holdings but estimating values for the "unpriced" portion of the portfolio. Actual returns will be determined when final marks are available and will vary, perhaps materially (either positively or negatively).

BENCHMARKS, ABBREVIATIONS, & DEFINITIONS

ENDOWMENT STRATEGY BENCHMARKS

5% Real Return: 5% plus CPI – All Urban Consumers annual percentage change.

Global 70/30: Blended portfolio representing 70% MSCI ACWI/30% Bloomberg Barclays U.S. Aggregate Bond index returns.

ABBREVIATIONS

EF: Endowment Fund

EP: Endowment Pool

GF: Growth Fund

Green EF: Green Fund or Green Endowment Fund

Impact EF or IEF: Impact Endowment Fund

NAV: Net Asset Value

OF: Offshore Fund

SI: since inception

DEFINITIONS

Alternatives Mandate: GEM clients are considered to have an alternatives mandate if the investment strategy we employ on their behalf is primarily invested in alternative assets; this includes the GEM Growth Fund, Access Funds, bespoke advisory funds, and GEM Capital Partners.

Attribution measures GEM's 'value added' contribution to portfolio performance relative to the Policy Portfolio, which does not include any fees or expenses. Asset allocation effect measures the impact of the decision to allocate assets differently from the Policy Portfolio. Investment selection effect measures the relative performance between GEM's investments and the relevant asset class benchmark. Either of these effects may be positive or negative. This metric is calculated using GEM's total portfolio return net of transaction costs and underlying manager expenses, but, unless otherwise noted, gross of GEM advisory fees and fund expenses in order to provide the recipient with the actual contribution to total gross portfolio performance.
Direct Investments: GEM investments transacted in the open and/or over-the-counter markets and in private enterprises.
Endowment Fund: GEM Endowment Fund, LP (formerly known as Global Endowment Fund II, LP)

Endowment Pool: Prior to January 1, 2017, the Endowment Pool included the Growth Fund, the Endowment Fund and the Offshore Fund. From January 1, 2017, through December 31, 2019, the Endowment Pool included the Growth Fund and the Endowment Fund. As of January 1, 2020, the Endowment Pool is comprised solely of the Endowment Fund.
Endowment Strategy: Through December 31, 2019, the Endowment Strategy included the Growth Fund, the Endowment Fund, the Offshore Fund, and certain series of Global Endowment Targeted Strategy Fund, LP (excluding series that do not adhere to GEM's Investment Policy Statements). From January 1, 2020, through December 31, 2021, the Endowment Strategy was comprised of the Endowment Fund, the Offshore Fund, and certain series of Global Endowment Targeted Strategy Fund, LP (excluding series that do not adhere to GEM's Investment Policy Statements). As of January 1, 2023, the Endowment Strategy is comprised of the Endowment Fund, the Offshore Fund, the Green Endowment Fund, the Impact Endowment Fund, and certain series of Global Endowment Targeted Strategy Fund, LP (excluding series that do not adhere to GEM's Investment Policy Statements).
Fossil Fuel Investments: Investments in private or public companies that either own fossil fuel reserves, or extract or provide services related to the extraction of fossil fuels. For portfolio construction, GEM defines exposure to such investments as: (a) ownership of interests in commingled funds when the primary purpose of the fund is making Fossil Fuel Investments, (b) co-investments alongside any commingled fund, regardless of its primary purpose, in Fossil Fuel Investments, and (c) direct investments, including through a separately managed account, of such Fossil Fuel Investments. There is no guarantee that GEM will be successful in identifying or avoiding all exposure to Fossil Fuel Investments and based on GEM's definition of "exposure" (set forth above), there may be "Fossil Fuel Investments" held indirectly.
Green Fund or Green Endowment Fund: GEM Green Endowment Fund, LP
Growth Fund: GEM Growth Fund, LP (formerly known as Global Endowment Fund I, LP)
Historical volatility/standard deviation: annualized monthly standard deviation, calculated as sum of the square of the difference between monthly actual returns and average monthly return, multiplied by the square root of 12.
Impact Endowment Fund: GEM Impact Endowment Fund, LP
Impact Investment: To select Impact Investments, GEM utilizes the GEM IMP Framework, a comprehensive model adapted from the Impact Management Project's Impact Management "norms" and Impact Classes, and applied by GEM to assess impact by evaluating investment strategies and managers, including but not limited to the impact of portfolio companies on key stakeholders and investment managers' contributions to impact. For more information on the Impact Management Project, please see https://impactfrontiers.org/norms/. For the avoidance of doubt, GEM reserves the right to modify the GEM IMP Framework and its application.
IRR, or internal rate of return, may be provided for a particular asset class or other subset of investments within the GEM EP. IRR's are based upon valuations as of the date referenced and assume liquidation of the portfolio at fair market values on the date referenced. The figures do not reflect, and would therefore be reduced by, the GEM management fees, performance fees and certain expenses in respect of the relevant investments. There can be no assurances that current fair market value is a true representation of actual market value, nor can there be any assurances that the implied IRR will not be materially different from the actual IRR that may be achieved. There can be no assurances that unrealized value included in the fair market values will be realized at the time the investment is liquidated. Investments which are currently reflecting unrealized gain may realize a loss when actually liquidated.
Offshore Fund: GEM Endowment Fund Offshore, Ltd. (formerly known as Global Endowment Fund III, Ltd.)
Policy Portfolio represents the hypothetical portfolio that results from investing in the benchmark for each return factor based on the "Target" allocation for each return factor determined for the applicable policy set forth below, which benchmarks and targets have varied over time, generally within the ranges presented below. The returns for the Policy Portfolio do not reflect GEM management fees, performance-based compensation in certain prior years, and certain expenses in respect of the relevant investments.
Portfolio-level Leverage represents exposure in excess of portfolio cash as a % of pool NAV. Short options are counted as notional underlying exposure (i.e. delta adjusted), CDS as maximum loss, currency forwards other than direct hedges counted as 1 month estimated maximum loss. Relative value positions represent the higher of required margin and 1 month estimated max loss. 1 month estimated max loss is based on internal calculations.

IMPACT ENDOWMENT FUND POLICY PORTFOLIO WEIGHTS & BENCHMARKS

Return Factor	Target	Range	Benchmark
Growth-Oriented	66%	60-80%	
Equity	58%	30-70%	MSCI ACWI
Credit	8%	-5-20%	Bloomberg High Yield Index
Inflation Oriented	12%	5-20%	
Commodities	0%	-3-5%	Bloomberg Commodity Index
REITs	12%	0-20%	MSCI US REIT Index (gross)
Income-Oriented	22%	10-30%	
Treasuries	15%	5-30%	Bloomberg US Treasury Index
TIPS	7%	0-30%	Bloomberg US Treasury Inflation Notes Index

ENDOWMENT STRATEGY ASSET CLASS PERFORMANCE REPORTING BENCHMARKS

Asset Class	Benchmark
Global Equity	MSCI ACWI
Hedge Funds	Credit Suisse Hedge Fund Index
Real Estate	MSCI REITs
Natural Resources	Bloomberg Commodity Index
Fixed Income	Bloomberg Treasury Index
Overlays / Portfolio Hedges	3 Month SOFR

Any indices and other financial benchmarks are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of management fees, incentive fees and other expenses. Comparisons to indices/benchmarks have limitations because indices/benchmarks have volatility and other material characteristics that may differ from the relevant GEM fund. Any index/benchmark information contained herein is not meant to imply that these are the only relevant indices/benchmarks and is not intended to imply that the portfolio of the relevant GEM fund was similar to the index/benchmark either in composition or element of risk. There is no guarantee that the relevant GEM fund, or any subset thereof, will meet or exceed any applicable index/benchmark. Although the index and benchmark information presented herein has been obtained from sources believed to be reliable, GEM does not guarantee its accuracy, completeness or fairness. In addition, the composition of each of these indices/benchmarks is not under GEM's control and may change over time in the discretion of the respective provider of such index/benchmark, which may affect the results of the performance comparisons.

Further information, including return factor definitions, can be found in the Investment Policy Statement, available upon request. Historical Policy Portfolio weights and benchmarks are available upon request.

GEM reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.