

Socially Responsible Investment Pool

Since 2009, Berkshire Taconic Community Foundation has provided donors the opportunity to direct their fund's investment in vehicles aligned with their values and the foundation's vision and mission. This Socially Responsible Investment Pool is available to all BTCF funds.

INVESTMENT OBJECTIVES

The goals of the SRI Pool's portfolio are to:

Reflect foundation and donor values – Provide an option for values-based investing that prioritizes environmental sustainability and the health and well-being of people living in communities in our region and beyond

Produce positive impact – Invest in companies and sectors of the economy that are consistent with the impact that the foundation seeks to achieve

Maximize performance – Achieve compelling long-term investment returns that are sufficient to meet annual spending needs and support long-term growth, as well as asset diversification to minimize risk

THE SRI POOL DOES NOT INVEST IN THE FOLLOWING:

- Oil, gas & consumable fuels
- Fracking
- Tar sands
- Carbon reserves
- Coal
- Nuclear power
- For-profit prison facilities

THE POOL EXCLUDES COMPANIES THAT DERIVE 5% OR MORE REVENUE FROM THE FOLLOWING:

- Civilian firearms
- Gambling
- Alcohol
- Tobacco
- Adult entertainment

Socially-responsible strategies include investments in:

- Best of class managers who consider Environmental, Social and Governance (ESG) factors such as carbon footprint, labor practices and regulatory compliance
- Renewable energy, affordable housing and/or municipal and corporate bonds that finance such activity
- Efforts to enhance education, economic mobility, agribusiness and preservation of natural resources

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INVESTMENT APPROACH

Overall, the diversified, low-cost portfolio seeks to preserve capital and liquidity, and produce long-term growth with moderate risk. The SRI Pool seeks to replicate the Managed Pool's asset allocation mix, to the extent possible, thereby leveraging the insights of the Foundation's Investment Committee and consultant.

The current asset allocation targets are as follows:

Asset Class	Target	Ranges
Global Equity	75.0%	60-85%
Private Equity	0%	0-5%
Flexible Capital	0%	0-20%
Real Assets	0%	0-10%
Fixed Income	25.0%	15-35%
Liquidity	0%	0-5%

INVESTMENT PERFORMANCE

ANNUALIZED RETURNS AS OF DECEMBER 31, 2024			
	1-Year	5-Year	10-Year
BTCF SRI Pool	12.4%	7.5%	7.2%
Policy Benchmark	13.4%	7.8%	7.8%
Community Foundations \$100-250M –Median	10.4%	6.9%	6.6%

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