



FINANCIAL INVESTMENTS THAT DO GOOD

At the East Bay Community Foundation, you can do good even before you make your first grant – through social impact investing.

We offer a new investment pool for your charitable fund that provides potential for solid returns by investing in corporations that meet standards for:

Environmental, health, and safety concerns of the customers and communities they touch;

Social impact on workers and communities; and

Governance transparency and good corporate business practices.

Environmental, Social and Governance (ESG) Investment Program

ESG investing, which was formerly known as socially responsible investing, enables you to have your investment portfolio professionally managed consistent with relevant sustainable investment policies. A cornerstone of ESG is the expectation that sustainable, long-term returns are correlated with effective and prudently governed social, environmental and economic systems.

ESG mirrors the core values of the East Bay Community Foundation and many of our donors. Beyond direct impact investing, ESG enables you to take an active role in influencing the behavior of public companies, including their impact on the environment, adoption of sustainable business practices, contribution to local communities, and promotion of diversity and gender equality in the workplace, to name just a few.

Owning public equities enables investors to promote long-term and meaningful change by influencing corporate behavior. An ESG investment program can offer exposure to stock market returns without necessarily sacrificing performance. In fact, multiple studies over the last 15 years have concluded that the stocks of companies with better records on ESG issues can at least perform as well as the market, and may also outperform stocks with poor ESG characteristics over the long-term.

We have selected ClearBridge Investments to manage our ESG investment fund. ClearBridge does not approach ESG investing in a vacuum, but instead applies a rigorous process to form portfolios of companies with both strong financial characteristics and compelling ESG records. We believe their original, fundamental research, company engagement and time-tested stock selection all support the potential for sustainable returns and improved corporate practices.

ClearBridge Investments: Actively Promoting Best Practices in ESG

- Assets under management of approximately \$106.2 billion, as of June 30, 2014
- Over 25 years managing ESG investment portfolios with broad coverage across eight strategies
- ESG analysis integrated as part of fundamental, bottom-up research process that seeks “best-in-class” companies within each industry
- Sector-specific analysts research both financial and ESG factors for each stock
- Active company engagement, and shareholder advocacy, including proxy voting according to ESG guidelines
- Public education and support of global ESG/ impact investing initiatives

A Pool for Donors with Long Horizons

Composition: Similar to our current Long Term Pool and a strong fit for donors with long-term granting horizons of seven to 10 years or more.

Approximate Allocations: 67% equities (Large Cap Growth, 16%; Multi Cap Growth, 11%; All Cap Value, 27%; and International ADR 13%) and 33% Fixed Income Taxable. These allocations will change from time to time as investment opportunities and market conditions change. However, the mix of equity to fixed income will remain within 5 percentage points.

Results: Since 2006, ClearBridge’s Multi Cap Growth ESG investment strategy has consistently outperformed the Russell 3000 Growth Index. The program is designed to achieve returns commensurate with our current Long Term Pool.

Fees: Combined fees will be consistent with the fees incurred in EBCF’s Long Term Pool.

For More Details:

- [ClearBridge ESG Portfolios: Sustainability Takes Center Stage](#)
- [ClearBridge Investments: Multi Cap Growth ESG Strategy Shareholder Engagement Report](#)