

CLIENT CUSTOMIZED CONTENT

Organization logo

SAMPLE REPORT



CLIENT CUSTOMIZED CONTENT

This will be a headline that highlights the client organization and its mission

CLIENT CUSTOMIZED CONTENT

## Letter to Constituents Here

Dear Friends,

This is a customized letter to stakeholders that can either be written by the client organization or by SouthCol's communications team. This is the place to summarize the year, talk about shared accomplishments and mission.

The purpose of this letter is to provide transparency on the objectives of the organization, how assets are managed, and the Board's role.

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Sincerely yours,

Dave Smith  
President & CEO

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### Board of Directors

Ms. Traci Peterson  
Board Chair

Mr. James Bergman  
Vice Chair  
and Secretary

Ms. Sarah Rosenberg  
Treasurer

Ms. Hannah Hanover  
Immediate  
Past President

Dr. Felicia Arche

Mr. Juan Gomez

Mr. Jerome Hill

Ms. Jan Jones

Mr. Brad Swanson

Ms. J'ai Washington

Ms. Victoria Winters

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At **Name of Client Organization Here**, we take our responsibilities as stewards seriously. We implement a fiduciary process that is substantiated by applicable legislation, case law, and regulatory opinion letters that represent best practices in stewardship and fiduciary governance. This disciplined process helps ensure that we are in compliance with stated policies and acting in the best interests of those we serve.

## 1 | Organize

The first phase of the fiduciary process is centered on an in-depth awareness of fiduciary responsibilities. Governing documents, agreements, and roles must be reviewed and clearly defined in writing. Any conflicts of interests are addressed, and client assets are protected from theft and embezzlement.

## 2 | Formalize

As the name suggests, this phase is focused on formalizing investment objectives, time horizon, risk levels, and return goals. Asset classes are chosen to be consistent with objectives and time horizon. A detailed investment policy is written that defines socially responsible investing strategies, as applicable.

### The Fiduciary Process

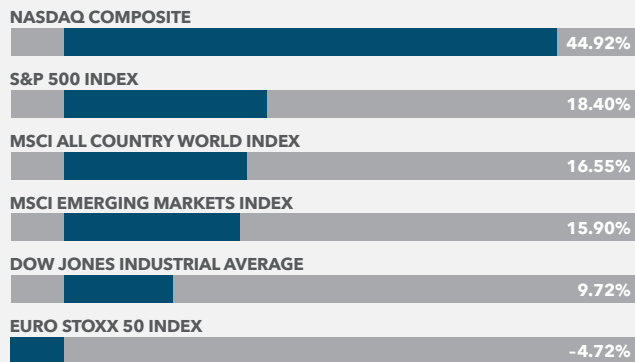
## 4 | Monitor

Regular reporting compares investment performance against benchmarks and the investment policy statement. Additional reporting measures the impact of socially responsible investing. Organizational changes of investment managers are reviewed, and controls are in place to monitor trading and proxy voting. Fees are reviewed to ensure fairness.

## 3 | Implement

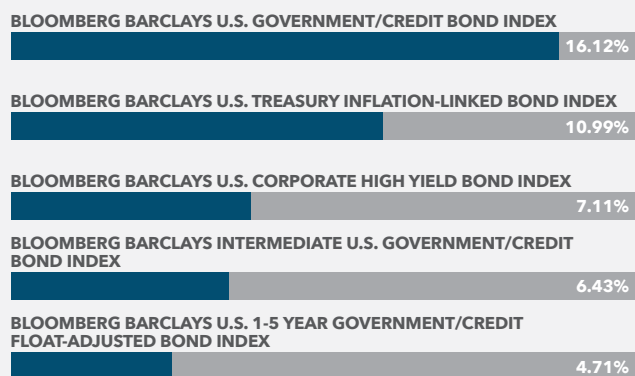
During this phase, reasonable due diligence is followed to select each investment manager. Each client's investment strategy is implemented in compliance with their stated provisions. All investment decisions are documented and in accordance with fiduciary obligations of care.

## 2020 Equity Index Returns



Source: Bloomberg

## 2020 Bond Index Returns



Source: Bloomberg

## 2020 MARKET OVERVIEW

2020 was a tumultuous year. For investors, 2020 was marked by the economic ravages of a global pandemic, one of the most severe U.S. recessions on record, policy and other uncertainties surrounding a U.S. presidential election, and market volatility which in March saw the S&P 500 down approximately 34% from its prior record high. However, despite what we viewed as tumult and drama, many segments of the financial markets ended the year with positive returns and provided yet another reminder of the importance of staying the course in the midst of market uncertainty.

2020 was also a year of contrasts. For many white-collar workers who had the option to work remotely, the economic fallout was less severe. For many service workers the economic toll was much more pronounced and painful. Similar contrasts were seen in equity market returns. The value of large growth-oriented companies<sup>1</sup> in the U.S. and the technology-heavy NASDAQ index fared well in 2020, appreciating by approximately 35% and 45%, respectively. The 50 largest European equities,<sup>2</sup> by contrast, declined in value by nearly 5% and large domestic value equities declined by more than 2% in 2020.<sup>3</sup> Bond market returns in 2020 were more consistently positive across segments (see chart “2020 Bond Index Returns”), driven by supportive monetary policy and a commitment by the Federal Open Market Committee (FOMC) to maintain historically low interest rates.<sup>4</sup>

## CLIENT CUSTOMIZED CONTENT

### PORTFOLIO STRATEGIES

This paragraph outlines the specific strategies for the client organization so the stakeholders understand how the Board manages the asset with regard to risk, time horizon, environmental, social and governance factors and overall returns. SouthCol will draft this language in collaboration with the client organization.

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<sup>1</sup> As measured by the Dow Jones U.S. Large-Cap Growth Total Stock Market Index.

<sup>2</sup> As measured by the EURO STOXX 50 Index.

<sup>3</sup> As measured by the Dow Jones U.S. Large-Cap Value Total Stock Market Index.

<sup>4</sup> Source: Wall Street Journal.

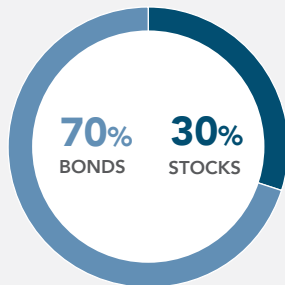
# 2020 Model Portfolios and Performance

SAMPLE REPORT

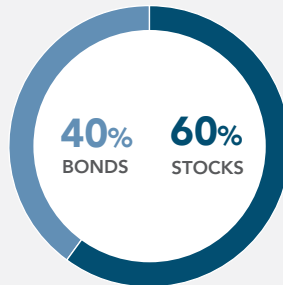
CLIENT CUSTOMIZED CONTENT

Name of Client Organization Here

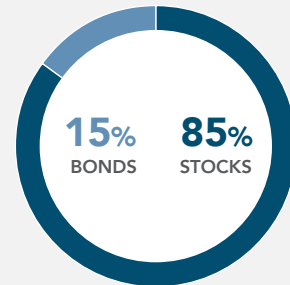
## Model Portfolios



CONSERVATIVE



MODERATE



AGGRESSIVE

Note: Models are constructed and periodically rebalanced to target allocations that will vary based on market fluctuations. Accounts hold various equity and fixed income instruments and may include cash and cash equivalents.

## Performance as of Month, Day, Year<sup>1</sup>

	TRAILING 1 YR	TRAILING 3 YRS	TRAILING 5 YRS
<b>Aggressive Model</b>			
<b>Client</b> — Aggressive Model	0.00 %	0.00 %	00.00 %
Benchmark: <b>Client</b> Aggressive Blended Benchmark <sup>2</sup>	0.00	0.00	00.00
<b>Moderate Model</b>			
<b>Client</b> — Moderate Model	0.00	0.00	00.00
Benchmark: <b>Client</b> Moderate Blended Benchmark <sup>3</sup>	0.00	0.00	0.00
<b>Conservative Model</b>			
<b>Client</b> — Conservative Model	0.00	0.00	0.00
Benchmark: <b>Client</b> Conservative Blended Benchmark <sup>4</sup>	0.00	0.00	0.00

1) Time Weighted Rate of Returns are calculated net of all fees.

2) **Client** Aggressive Blended Benchmark: The Benchmark is composed of 85% MSCI All Country World Index World(USD)(TRN), 15% Bloomberg Barclays Capital U.S. Aggregate Bond TR (1/1/2016–1/1/2018), 54% Russell 1000 TR, 21% BNYM Dev Mkt Classic ADR Ind, 9% Bloomberg Barclays Capital Intermediate U.S. Government/Credit TR, 6% BNYM Emg Mkt Classic ADR Ind, 5% S&P Small Cap 600 TR, 3% Bloomberg Barclays Capital Gbl Agg Ex USD TR Hdg USD, 2% BOFAML 3-Month U.S. TBill TR (1/2/2018 to date).

3) **Client** Moderate Blended Benchmark: The Benchmark is composed of 60% MSCI All Country World Index World(USD)(TRN), 40% Bloomberg Barclays Capital U.S. Aggregate Bond TR (1/1/2016–1/1/2018), 38% Russell 1000 TR, 26% Bloomberg Barclays Capital Intermediate U.S. Government/Credit TR, 14% BNYM Dev Mkt Classic ADR Ind, 8% Bloomberg Barclays Capital Gbl Agg Ex USD TR Hdg USD, 4% BNYM Emg Mkt Classic ADR Ind, 4% S&P Small Cap 600 TR, 4% Bloomberg Barclays Capital 1-3 Govt/Credit Bond TR, 2% BOFAML 3-Month U.S. T-Bill TR (1/2/2018 to date).

4) **Client** Conservative Blended Benchmark: The Benchmark is composed of 65% Bloomberg Barclays Capital U.S. Aggregate Bond TR, 35% MSCI All Country World Index World(USD)(TRN) (1/1/2016–1/1/2018), 44% Bloomberg Barclays Capital Intermediate U.S. Government/Credit TR, 20% Russell 1000 TR, 14% Bloomberg Barclays Capital Gbl Agg Ex USD TR Hdg USD, 9% BNYM Dev Mkt Classic ADR Ind, 7% Bloomberg Barclays Capital 1-3 Govt/Credit Bond TR, 2% BOFAML 3-Month U.S. T-Bill TR, 2% BNYM Emg Mkt Classic ADR Ind, 2% S&P Small Cap 600 TR (1/2/2018 to date).

Source: Envestnet, Inc.

CLIENT CUSTOMIZED CONTENT

These pages will contain actual metrics relative to the client organization's portfolio.

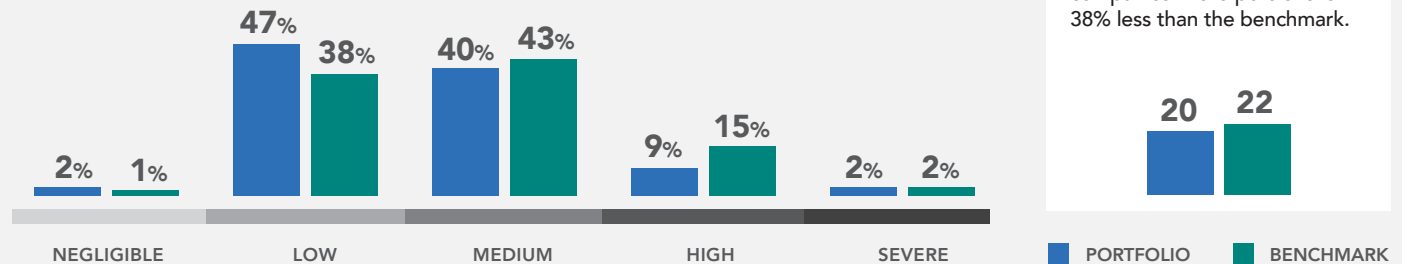
## Portfolio Exclusions

Avoid exposure to companies with severe controversies and those that generate significant revenues from the following areas:

	 ADULT ENTERTAINMENT	 ALCOHOL	 FIREARMS	 GAMBLING	 MILITARY WEAPONS	 NUCLEAR POWER	 TOBACCO	 SEVERE CONTROVERSIES
COMPANIES IN YOUR PORTFOLIO	0	0	0	0	0	0	0	0
COMPANIES IN BENCHMARK <sup>1</sup>	0	4	0	3	13	16	2	18

## Environmental, Social, and Governance (ESG) Risk Rating

The ESG Risk Rating measures the degree to which a company's economic value is at risk driven by environmental, social, and corporate governance factors, as assessed through Sustainalytics<sup>2</sup> calculation of the company's unmanaged ESG risks.



## Portfolio Tilts



### Climate Solutions

Portfolio: 2x more exposure compared to the benchmark towards companies providing renewable energy, green transportation, or energy efficiency solutions.



### Resource Protection

Portfolio: 3x more exposure compared to the benchmark towards companies focused on sustainable agriculture or water scarcity solutions.



### Community

Portfolio: 2x more exposure compared to the benchmark towards companies involved in education development, affordable housing, financial inclusion, or health care innovations.

<sup>1</sup> CRSP U.S. Large Cap Index.

<sup>2</sup> Sustainalytics is a third party firm that provides ESG research, ratings, and analytics.

CLIENT CUSTOMIZED CONTENT

These pages will contain actual metrics relative to the client organization's portfolio.

## The companies held within the portfolio...

...produce approximately  
42,405 Gigawatt hours (GWh)  
of renewable energy annually



Powering  
3.5 million homes  
per year

## A \$10,000,000 investment results in...

...59% lower carbon emissions than the holdings in the CRSP U.S. Large Cap Index.  
This relative reduction is equivalent to the approximate annual carbon emissions of:



148,100  
gallons of  
gasoline



280  
passenger  
vehicles  
driven for one year



1,450,000  
pounds of  
coal



Carbon sequestered by  
2,133 trees grown for  
10 years, or 1,720 acres  
of U.S. forest in one year

## A \$10,000,000 investment results in...

...1,913 cubic meters lower water use than  
the holdings in the CRSP U.S. Large Cap Index.  
This relative reduction is equivalent to:



4 million  
water bottles



34 percent  
less waste

Source: S&P Trucost Company level CO2 data; Environmental Protection Agency website.

**This page contains the appropriate and required legal disclosures for the report, so it is approved for distribution to the client organization and stakeholders.**

## INDEX DEFINITIONS

**Bloomberg Barclays 1-3 year Government/Credit Bond TR Index** is a total return index that incorporates bonds in both the Treasury Bond and the Agency Bond Index, as well as U.S. corporate and some foreign debentures and secured notes, with maturities of one to three years.

**Bloomberg Barclays Global Agg Ex USD TR Hdg USD** – the Bloomberg Barclays Global Aggregate Ex U.S. tracks investment grade government, corporate, agency, and mortgage-related bonds in markets outside the U.S.

**Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index** is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index with less than 10 years to maturity.

**Bloomberg Barclays Intermediate U.S. Government/Credit TR** – The Bloomberg Barclays Intermediate U.S. Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index with less than 10 years to maturity. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

**Bloomberg Barclays U.S. 1-5 year Government/Credit Float-Adjusted Bond Index** is a float-adjusted version of the U.S. 1-5 year Government/Credit Index, which tracks the market for investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

**Bloomberg Barclays U.S. Aggregate Bond TR** is an index of U.S. dollar-denominated investment-grade U.S. corporate, government, and mortgage-backed securities.

**Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market.

**Bloomberg Barclays U.S. Government/Credit Bond Index** is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

**Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index** measures the performance of the U.S. Treasury Inflation Protected Securities (TIPS) market.

**BNYM Dev Market Classic ADR Ind** – The S&P BNY Mellon Developed Market Classic ADR Index seeks to track developed market-based American depository receipts (ADRs) trading on U.S. stock exchanges, subject to size and liquidity requirements.

**BNYM Emg Mkt Classic ADR Index** – The S&P BNY Mellon Emerging Market Classic ADR Index is capitalization-weighted and designed to track emerging market-based American depository receipts (ADRs) trading on U.S. stock exchanges. The index is rebalanced and reconstituted quarterly.

**BOFAML 3-MONTH U.S. T-BILL TR** – The Bank of America/Merrill Lynch 3-month U.S. Treasury Bill Index is an index of short-term U.S. Government securities with a remaining term to final maturity of less than three months.

**CRSP U.S. Large Cap Index** includes U.S. companies that comprise the top 85% of investable market capitalization.

**Dow Jones Industrial Average** is an unmanaged index of 30 common stocks comprising 30 actively traded blue chip stocks, primarily industrials, and assumes reinvestment of dividends.

**Dow Jones U.S. Large Cap Growth Total Stock Market Index** measures the performance of large-cap U.S. equity securities that are classified as “growth” based on a multi-factor analysis.

**Dow Jones U.S. Large Cap Value Total Stock Market Index** measures the performance of large-cap U.S. equity securities that are classified as “value” based on a multi-factor analysis.

**EURO STOXX 50 Index** is a market capitalization-weighted stock index of 50 large, blue-chip European companies operating within Eurozone nations. Components are selected from the EURO STOXX Index, which includes large-, mid-, and small-cap stocks in the eurozone.

**MSCI All Country World Index** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. It captures large and midcap representation across 23 developed markets and 27 emerging markets countries.

**MSCI Emerging Markets Index** is a free float-adjusted market-capitalization index that is designed to measure equity market performance in the global emerging markets.

**NASDAQ Composite** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market.

**Russell 1000® TR** is an index that measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 or the largest companies in the Russell 3000® Index based upon a combination of their market cap and current index membership.

**S&P 500 Index** is an unmanaged index comprising 500 widely held U.S. securities considered to be representative of the stock market in general.

**S&P SMALL CAP 600® TR** is a float-adjusted market capitalization weighted index that is designed to measure the performance of 600 small-sized companies in the U.S.

## IMPORTANT DISCLOSURES

The information, analysis, and opinions contained in this report are for general and educational purposes only. The views expressed are as of the date hereof and may change at any time without notice. SouthCol assumes no obligation to update or otherwise revise our opinions or this report.

Nothing contained in this report is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. Portfolio and Performance data (on page 4) and Alignment and Impact statistics (on pages 5-6) are provided by Envestnet, Inc. Performance data is unaudited. All ESG data including impact scores are believed to be from reliable sources; however, we make no representation as to accuracy or completeness.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for information only and do not imply that an account will achieve similar results. The index composition may not reflect the manner in which a portfolio is constructed; unlike these indices and benchmarks, a portfolio may contain types of securities that are different than those reflected in these indices and benchmarks and will not be as diversified as these indices and benchmarks. Indices are unmanaged and investors cannot invest directly in indices. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns.

This material is not meant as a recommendation or endorsement of any security or strategy, nor is this intended to be a client-specific suitability analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. No assurance can be given that the investment objective of an account will be achieved.

Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. This report is for general informational purposes only and is not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally.

Investment losses, including a loss of principal, may occur from time to time. Nothing herein is intended to imply that an account's investment methodology may be considered “safe,” “risk free” or “risk averse.” **For a complete description of risks, as well as fees, costs and expenses, please refer to the SouthCol Advisors, LLC. Form ADV Part 2A.**

**PAST PERFORMANCE IS NOT AN INDICATOR OR GUARANTEE OF FUTURE RESULTS. THERE IS NO GUARANTEE THAT AN ACCOUNT WILL ACHIEVE COMPARABLE RESULTS TO THOSE SET FORTH IN THIS REPORT OR THAT THEY WILL ACHIEVE THEIR INVESTMENT OBJECTIVES IN THE FUTURE.**