

# S&P 500 DEI & ESG Strategy

## Q2 2024

June 30, 2024

### Annualized Returns (%)

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception <sup>1</sup>
Gross of fees	4.11	14.58	23.25	-	-	-	-	7.42
Net of fees	4.06	14.47	23.03	-	-	-	-	7.25
Benchmark <sup>2</sup>	4.28	15.29	24.56	-	-	-	-	8.88

<sup>1</sup> Inception Date: October 29, 2021 <sup>2</sup> Benchmark: S&P 500

### Characteristics

	Portfolio Weight	Benchmark Weight
Excess return (gross since inception)	-1.46%	-
Excess return (net since inception)	-1.63%	-
Information Ratio (gross since inception)	-1.35	-
Information Ratio (net since inception)	-1.55	-
Holdings	212	503
P/E using FY1 est	23.0	22.7
P/E using FY2 est	20.1	19.9
Dividend yield	1.4%	1.3%
Historical 3 year EPS growth	22.3%	25.0%
Weighted average market cap	\$1,036,257.35mm	\$1,010,494.71mm

### Sector Weights (%)

	Portfolio Weight	Benchmark Weight
Communication Services	9.84	9.34
Consumer Discretionary	9.78	9.95
Consumer Staples	3.76	5.77
Energy	3.31	3.65
Financials	12.79	12.42
Health Care	11.87	11.72
Industrials	6.31	8.13
Information Technology	34.16	32.45
Materials	2.11	2.15
Real Estate	4.14	2.15
Utilities	1.94	2.26

### Top Ten Holdings (%)

	Portfolio Weight
Microsoft Corporation	8.23
NVIDIA Corporation	7.17
Apple Inc.	6.53
Amazon.com, Inc.	3.56
Alphabet Inc. Class A	2.59
Meta Platforms Inc Class A	2.15
Visa Inc. Class A	1.76
Alphabet Inc. Class C	1.71
Berkshire Hathaway Inc. Class B	1.37
Thermo Fisher Scientific Inc.	1.36

### Portfolio Facts

Inception date	10/29/2021
Assets in strategy	\$99mm
Benchmark	S&P 500
Predicted tracking error	Less than 1.5%
No. of stocks	B/m
Sectors	B/m ± 2%
Annual Turnover	Less than 50%
Min. investment	\$10mm
Vehicle(s) available	Separately managed

Total product assets shown above may include accounts that are not reflected in the Global Investment Performance Standards (GIPS)<sup>®</sup> report below. Portfolio characteristics are subject to change, and current holdings may differ. Past performance is not an indication of future results. Returns are presented gross and net of management fees and include the reinvestment of all income. GIPS-compliant performance information for the firm's strategies and products are available upon request at [info@xponance.com](mailto:info@xponance.com). A GIPS report is found at the end of this presentation. Statistics shown above are supplemental information to the GIPS report at the end of this presentation. Results represent preliminary data which is subject to change. For further performance data, please see the Xponance<sup>®</sup> S&P 500 DEI & ESG Strategy disclosures below.

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### Portfolio Management



#### Sumali Sanyal, CFA

Managing Director, Senior Portfolio Manager, Systematic Global Equities



#### Cameron F. McLennan, CFA

Senior Director, Senior Portfolio Manager, Systematic Global Equities

### About Xponance<sup>®</sup>

Xponance<sup>®</sup> is a multi-strategy investment firm offering strategies across equity and fixed income. We are independent and employee owned by women and diverse professionals, whose common passion is to do the right thing for our clients and each other. Xponance<sup>®</sup> is the successor firm representing the integration of legacy firms, FIS Group, Inc. and Piedmont Investment Advisors, LLC.

### Investment Philosophy & Process

This strategy is designed to provide clients with access to an investment product that has a focus on diversity, equity, and inclusion (DEI) goals like racial justice and workplace equity. This strategy uses unique and differentiated data from shareholder advocacy non-profit As You Sow, along with ESG data from Sustainalytics. The objective is to generate index like returns using a portfolio that has a better ESG profile and higher exposure to companies with positive DEI characteristics when compared to the S&P 500. The strategy is risk aware and has a low turnover.

### Distinguishing Attributes

- Structured and disciplined investment process
- Customized to incorporate ESG considerations
- Experienced investment team
- Corporate culture built on client service and diversity

**Trailing period performance as of 06/30/2024<sup>1</sup>**

(%)	QTD	CYTD	1- Year	3- Years	5- Years	10- Years	Since Inception	Inception Date
Composite Gross	4.11	14.58	23.25	N/A	N/A	N/A	7.42	11/30/21
Composite Net	4.06	14.47	23.03	N/A	N/A	N/A	7.25	
Index	4.28	15.29	24.56	N/A	N/A	N/A	8.88	

<sup>1</sup>Benchmark: S&P 500

Past performance is not indicative of future results. Periods greater than 1 year are annualized. The U.S. Dollar is the currency used to express performance.

Investments in public equities involve risks, including the loss of principal invested. This strategy's returns may fluctuate in response to one or more of many factors, that include financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; general economic environments; portfolio management activities; and data or modeling risk where proprietary models are used in the management of the strategy.

Gross of fee returns are presented before management fees, but after custodial fees and transaction costs and include the reinvestment of all income. Net of fee returns reflect the deduction of the actual management fees (including performance-based fees if applicable) from the monthly gross of fee returns. Actual management fees incurred by clients may vary.

The standard management fee schedule is as follows: First \$50mm: 20 bps; Next \$50mm: 15 bps; Over \$100mm: 10 bps.. Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed terms of basis points ("BPS") for our products. One hundred basis points equal 1%. All fees are negotiable.

Xponance claims compliance with the Global Investment Performance Standards (GIPS®). To obtain GIPS-compliant performance information for the firm's strategies and products, please contact [info@xponance.com](mailto:info@xponance.com).

The firm maintains a complete list and description of composites and limited distribution pooled fund(s) which is available upon request. Please refer to the GIPS® report for additional performance information which is included on the next page of this presentation.

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## Annual Disclosure Presentation

Year End	Performance Results (%)			3-Yr Annualized Ex-Post Standard Deviation (%)		Number of Portfolios	Composite Assets (\$mm)	Total Firm Assets (\$mm)
	Composite Gross TWR	Composite Net TWR	Benchmark <sup>1</sup>	Composite Gross	Benchmark <sup>1</sup>			
2023	22.78	22.56	26.29	N/A	N/A	Five or fewer	80	16,613
2022	-18.06	-18.17	-18.11	N/A	N/A	Five or fewer	66	13,512
2021 <sup>2</sup>	4.37	4.35	4.48	N/A	N/A	Five or fewer	57	14,866

Composite inception date: November 30, 2021.

<sup>1</sup> Benchmark: S&P 500

<sup>2</sup> Results shown for the calendar year 2021 represent partial period performance from November 30, 2021 through December 31, 2021.

Xponance,® Inc. ("Xponance®") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Xponance® has been independently verified for the periods from November 1, 1998 through December 31, 2023. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

On August 31, 2018, FIS Group, Inc. ("FIS Group") acquired Piedmont Investment Advisors, Inc.'s ("PIA") predecessor, Piedmont Investment Advisors, LLC. Xponance®, Inc. ("Xponance®") is an independent, registered investment adviser and is the successor registrant under the Investment Advisers Act of 1940 (the "Advisers Act") to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance® was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a list of composite descriptions and limited distribution pool fund(s) descriptions, which is available upon request.

Xponance is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Our registration as an investment adviser does not imply any level of skill or training and the information in this report has not been approved or verified by the SEC or by any state securities authority.

**S&P 500 ESG and DEI Strategy Composite** contains fully discretionary S&P 500 accounts where the portfolios are constructed to achieve specific target weights for Racial Justice and Workplace Equity Scores from As You Sow and ESG Risk Ratings from Sustainalytics. The S&P 500 ESG and DEI Strategy Composite was created on November 30, 2021. For comparison purposes this strategy is measured against the S&P 500 Index. The S&P 500 is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe. The S&P 500 is a market value weighted index and one of the common benchmarks for the U.S. stock market.

Results are based on fully discretionary accounts under management. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

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The three-year annualized standard deviation measure is not presented because 36 monthly returns are not available.

Internal dispersion presented is an equal-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.