

Refugee ETF is the first retail investment product that facilitates investments in a global index comprised of listed companies with robust policies and initiatives related to the economic integration of refugees. Our ETF incentivizes private sector economic integration of refugees by screening for companies that support refugees through 1) hiring & supply chains; 2) entrepreneur support; and 3) education and skills development.

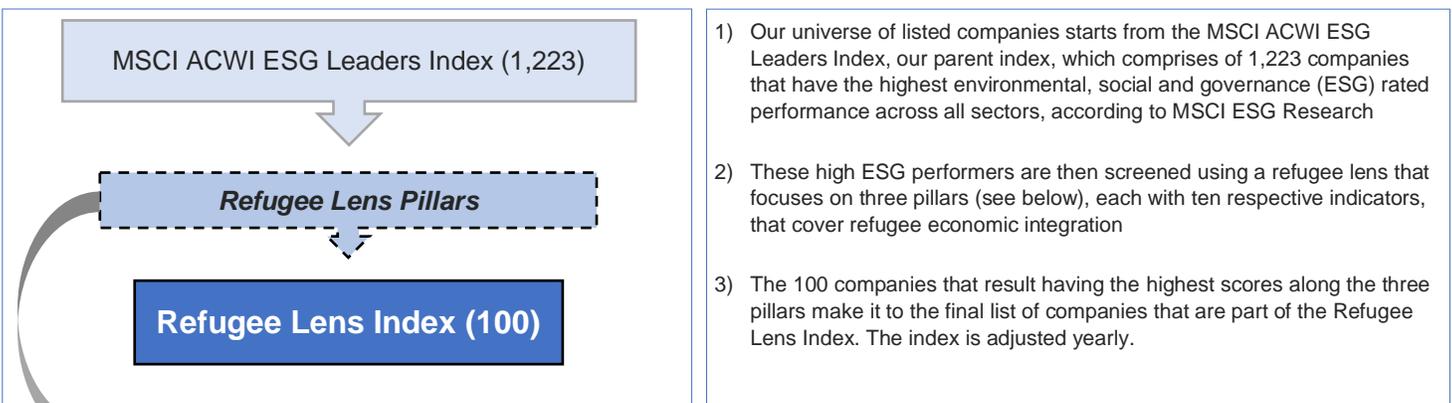
Opportunity / Problem*

- 1) Over 70 million people are currently forcibly displaced worldwide, including 25M refugees – and that number is projected to grow to over 300M by 2030. Refugees are displaced on average for over 25 years, thus making economic integration the most efficient, realistic and sustainable solution to improve the livelihoods of refugees and give them back their dignity
- 2) Refugee displacement and refugee economic integration are not converging, leading to increasing negative effects on refugees themselves as well as the global economy. Several studies have shown that lack of refugee economic integration, together with other social, environmental and governance issues, negatively impact corporations in three ways: 1) Productivity Loss; 2) Customer Loss; 3) Supply Chain Disruption
- 3) Private sector solution is needed as governments and philanthropy around the world do not have the budget nor are best placed to hire and educate refugees, and/or support their entrepreneurial endeavors at scale
- 4) Corporations that support the economic integration of refugees, alleviating these negative impacts, currently do not have any investment product that rewards this corporate behavior and incentivizes them to scale their action
- 5) Private Markets solutions (e.g. Private equity, Private debt funds, etc.) with a refugee lens are currently small, difficult to scale and only available to institutional investors or come directly from the balance sheet of Governments, Philanthropic Foundations and Multilateral Organizations
- 6) Capitalizing on the current growing market trend in both ESG investment and socially themed ETFs. Companies listed in socially themed ETFs are incentivized to create impact around that theme because it creates sustainable competitive advantage.

Solution / Investment Thesis

Refugee ETF tracks the *Refugee Lens Index*, which lists companies worldwide with strong policies and practices relative to the economic integration of refugees. The purpose of Refugee ETF is to 1) incentivize listed corporations to continue refugee investment; and 2) raise awareness on refugee economic integration through a targeted retail investment product.

Refugee Lens Index Methodology



- 1) Our universe of listed companies starts from the MSCI ACWI ESG Leaders Index, our parent index, which comprises of 1,223 companies that have the highest environmental, social and governance (ESG) rated performance across all sectors, according to MSCI ESG Research
- 2) These high ESG performers are then screened using a refugee lens that focuses on three pillars (see below), each with ten respective indicators, that cover refugee economic integration
- 3) The 100 companies that result having the highest scores along the three pillars make it to the final list of companies that are part of the Refugee Lens Index. The index is adjusted yearly.

Hiring & Supply Chains: rating companies on whether they are hiring refugees, sourcing from refugee-owned businesses, and sourcing from businesses that employ refugees.

Sample Indicators

- Does the company employ or is committed to employ refugees?
- More than 1000 refugees, between 1000 and 5000, or greater than 5000?
- Timeline: in the next year, 2 - 5 years or more than 5 years?
- Is the company sourcing from refugee owned and/or businesses that employ refugees?

Entrepreneur Support: rating companies on their support towards refugee entrepreneurs and small businesses through investment, incubation, and/or facilitating access to market.

Sample Indicators

- Does the company support refugee entrepreneurs and small businesses?
- Less than 50 refugees, between 50-200, greater than 200
- Does the support come in the form of investment, incubation, acceleration, access to market or all four forms?

Education / Skills Development: rating companies that support inclusive and quality education as well as targeted professional development activities for refugees.

Sample Indicators

- Does the company support education programs that facilitate the integration of refugees into their hosting economies?
- Less than 500 refugees, between 500-1000, greater than 1000
- Does the company support skills development programs that facilitate the economic integration of refugees?

*Sources Opportunity/Problem: 1) UNHCR Global Trends – Forced Displacement Report 2018; 2) Tent & Center for Global Development - The Economic and Fiscal Effects of Granting Refugees Formal Labour Market Access; 3) IFC & The Bridgespan Group – Private Sector & Refugees. Pathways to Scale; 5) RIN – Paradigm Shift. How Investment can Unlock the Potential of Refugees; 6) CNBC – Boom in ETFs continues with SRI

Fund Profile

Fund Terms

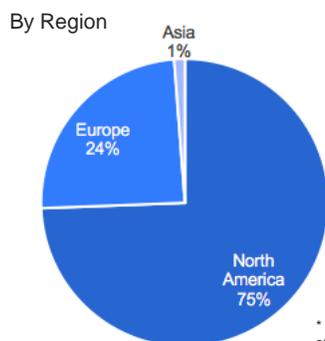
Fund Type	Exchange Traded Fund
Asset Class	Equity
Market Cap.	Broad Market
Geographic Focus	Global
General Attribute	Refugees
Benchmark	MSCI ACWI ESG Leaders Index
Number of Holdings	100
Expense Ratio*	0.76%
Expected Fund Size (1Y)*	USD 100 Million

* Expense Ratio is an estimate, which is the average of expense ratios of similar impact themed ETFs (e.g. SDGA ETF, Vegan ET, etc.)
 * Expected Fund Size is estimated to be USD 100 Million in 1 year with a minimum ticket of USD 3,000.

Target Investors

The product is targeted at both retail and institutional investors that want to contribute to alleviating the refugee crisis, with a commercial and scalable solution, while looking for a public markets liquid product. Furthermore, this is also a product that caters more generally to impact and sustainable investors that want to grow their exposure towards other important social themes such as this one and eventually want to do it through the public markets.

Portfolio Breakdown*



By Industry

Information Technology	43.3%
Communication Services	21.6%
Consumer Discretionary	11%
Financials	10.5%
Health Care	7.6%
Consumer Staples	5.1%
Industrials	0.9%
Energy	0.1%

* Region classifications are based on the location of the headquarters of companies.

* Industries classifications are based on the Bloomberg classification.

Impact

Examples of Impact from our Top Holdings

- Microsoft** has committed USD 34 million on programs that would help alleviate the refugee crisis including the economic integration of refugees through education programs and digital skills training. Furthermore, through its subsidiary LinkedIn they are working on professional development initiatives with refugees in Sweden and Canada
- Starbucks** is leading a global effort to welcome and employ 10,000 refugees by 2022. This is ~4% of its current total workforce. Moreover, the company is playing a key role in funding specialized job training programs to create job ready refugees
- SAP** is committed to empowering 60,000 young refugees between the ages of 10 and 24 over the period of four years with coding skills through yearly "Code Weeks" in nine countries around the world.

Aggregated Impact Data from our Holdings*

- Total funding allocated to the economic integration across USA, Europe, Asia and MENA of refugees is **~80.6 million**
- **Pillar 1:** Total refugees hired or expected to be hired in the next 5 years are **20,220**
- **Pillar 2:** Total refugee linked start-ups (i.e. led or employing refugees) funded, incubated and/or accelerated are **624**
- **Pillar 3:** Total refugees provided/to be provided with education and skills development are **238,000**.

* This data is highly conservative as we are currently only using publicly available data from Refugee focused orgs. such as Tent, UNHCR, IRC and sustainability reports of the holdings and there's the possibility to use private data if the product is launched. Refugees impacted come from all over the world (e.g. Venezuela, Syria, Iraq, El Salvador, Honduras, Guatemala, Somalia, S. Sudan, DRC, Myanmar, etc.)

Financial Performance and Top Holdings

Top 10 Holdings*

Microsoft	27.3%
Alphabet	15.7%
Johnson & Johnson	6.7%
Cisco Systems Inc.	4.6%
Verizon	4.5%
Citi	3.3%
Accenture PLC	3.2%
L'Oreal SA	2.9%
SAP	2.8%
Starbucks Corp	2.5%
Total	71%

* Holdings are subject to change

Performance and Risk

Return	1 Y
Fund	33.7%
S&P 500	31.5%
MSCI ACWI ESG Leaders Index	25.3%

Risk	Fund vs S&P 500
Correlation	0.926
Beta	1.003

Risk	Fund vs MSCI ACWI ESG Leaders Index
Correlation	0.679
Beta	0.928

Assumptions

- Weight of holdings in the Refugee ETF is based on the USD adjusted market cap as of 2018/12/31 as investment is happening on 2018/12/31
- Weighting will be different in the real world where it would weight for both market cap and impact score
- Risk and Return is as of 12/31/19 because it is on a yearly basis from 12/31/19
- Performance and Risk was only modelled for a basket of 60 rated companies instead of 100 as currently there are only 60 companies with public refugee economic integration information. Nevertheless, there's the expectation that more companies will join this growing trend, thus allowing for a larger basket of 100 highly rated companies using to the refugee lens index methodology
- As the returns change every quarter, it was assumed that the weight of each company will automatically be rebalanced based on the returns (e.g., If there's a negative return, the total market cap of a company will decrease). So, the rebalancing would be automatically embedded in the calculation without rebalancing separately every quarter
- For calculations of USD adjusted Market Capitalization, an exchange rate as of 2018/12/31 was used, given weighting using the market cap as of 2018/12/31
- Investment is in the common stock market.

Risks and Risks Mitigants

Risk	Probability	Materiality	Mitigation
Political	Low	High	Like with issues such as climate change and gender equality, even in conservative countries, which go against the integration of refugees, corporations are independently and increasingly taking action on these issues including the alleviation of the refugee crisis
Impact	Medium	Medium	Having a robust set of refugee-linked indicators, which can truly measure the impact of companies on this specific issue and score them accordingly
Scale of Problem	High	High	The root causes of refugee displacement are driven by armed or political conflict, ethnic tension, systematic discrimination, climate change or natural disaster. Therefore, it is hard to reduce the growth of the displacement, but we can certainly increase economic integration
Reputational	Low	High	Only a tiny portion of companies included in the index have been attacked by conservative press and institutions around their commitments and action in integrating refugees. Most companies believe solving this issue is the moral thing to do and also makes economic sense
Financial	Low	Medium	This is a highly liquid product that based on our analysis would outperform its two benchmarks.