



The Forum for Sustainable and Responsible Investment

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Sustainable, Responsible and Impact Mutual Fund and ETF Chart

Fund Profile:

Domini Social Bond Fund -- Institutional shares

General Fund Information

Ticker: DSBIX

Assets under management (AUM): \$184.65M (in US\$ millions)

General Fund Type: Bond (Fixed Income)

Specific Sizes or Types of Investments: Intermediate-term investment grade bonds that meet Domini's social/env standards

Financial Objective: Current income and total return

Specific ESG Focus: The Domini Social Bond Fund seeks to play a positive role in the economic revitalization of underserved communities. The Fund's investments include debt instruments issued by a range of noncorporate entities, including government agencies, states, and municipalities, as well as corporate debt. Domini seeks out investments that have social impact across a spectrum of community development activities. Specifically, the Bond Fund seeks to identify investments that support affordable housing, small business development, community revitalization, rural development, education, the environment, or healthcare. Corporate debt is subject to the same standards applied to Domini's stock funds.

To invest, call: 1-800-498-1351

Fund Institution Information

Institution Name:

Domini Social Investments LLC

Mutual Funds Description: Built on the fundamental belief that the way you invest matters. We offer mutual funds that let you pursue your financial goals while making a difference worldwide, working for change on issues ranging from sweatshop labor to climate change. For information, call 1-800-762-6814 or visit www.domini.com.

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Account Minimums

Minimum Account: \$500,000

Minimum IRA: \$500,000

Methodology

Screening Venue: In-house

Screening Party: Domini Social Investments

Screening Database Used: Proprietary

Screening Process: Non-corporate issuers present a unique opportunity to focus on three key themes: • Increasing access to capital, especially for those historically underserved • Creating public goods, especially for those most in need • Filling capital gaps left by current financial practice These three themes flow from our belief that healthy economies must be built on a strong foundation of fairness and opportunity for all. These themes provide diversification across a broad range of social issues, including affordable housing, education, community revitalization, rural economic development, the environment, and health care. Asset Class Analysis Below, we provide examples of several types of fixed income investments and the standards we utilize to determine which securities are considered eligible for investment: **Mortgage-Backed Securities** In keeping with our commitment to increasing access to capital to those historically underserved, the Domini Social Bond Fund has, since its inception, maintained a substantial, long-term commitment to affordable housing primarily through the purchase of securities backed by pools of residential mortgages. Ginnie Mae, a government owned corporation, as well as, Fannie Mae, and Freddie Mac, which are government-sponsored entities, play a prominent role in ensuring access to affordable housing. Among the range of debt instruments they offer are those targeted to increasing liquidity in the housing markets for low-income borrowers, in the development of multi-family housing and for a variety of community revitalization projects. In addition, these institutions have programs to help financially struggling homeowners stay in their homes or otherwise avoid foreclosure. These efforts play an important role in stabilizing neighborhoods, supporting affordable home prices, and promoting a healthy overall housing market. **Municipal Bonds** We generally consider municipal bonds “debt issued by states, cities, counties or other quasi-public organizations” to be closely aligned with our investment themes of creating public goods, particularly in jurisdictions with below-average resources. They help finance: • Essential infrastructure and services such as buildings, roads, and power supplies • Economic Development • Healthcare facilities and services • Educational facilities and services • Other services needed to close the gap between these localities and the rest of society Municipal bonds can also help to ensure broad access to environmentally beneficial technologies to all members of society. We therefore look to invest in municipal bonds that generate environmentally positive impacts for underserved communities. Municipal issuers have a key role to play in terms of: • Low-carbon technologies • Pollution control • Climate adaptation, such as disaster prevention and recovery We will seek to avoid purchasing the relatively few government-issued bonds that are explicitly issued to finance the development of projects, such as nuclear power plants or casinos, which are fundamentally misaligned with our investment objectives **Sovereign Debt** National governments around the world issue bonds (debt) to finance a wide variety of public goods including education, infrastructure, national defense, the judiciary and social welfare. Although sovereign debt is issued to finance such public goods, debt raised by governments with a history of corruption can be misallocated and misused at the expense of the well-being of the nation and their own citizens. Our standards emphasize three key issues—corruption, democratic governance and the dangers of nuclear weapons proliferation. We exclude from our portfolios those countries with the worst records according to Transparency International’s Corruption Perceptions Index, governments that are classified as “not free” by Freedom House, countries that fail to adequately protect freedom of the press, as defined by Reporters Without Borders, and countries with significant human rights concerns, as defined by the U.S. State Department of Human Trafficking Report. Our concerns about nuclear weapons lead us to eliminate from consideration the general debt obligations of the United States government (U.S. Treasuries) and of Russia, which maintain more than 90% of the world’s arsenal of nuclear warheads. **Green Bonds** Green Bonds are designed to finance projects and activities that address climate change or serve other environmentally beneficial purposes. They are issued by corporations, states and cities, non-profit organizations and international development banks. We are cautiously optimistic about the development of this new theme-based form of fixed-income investment. We are concerned, however, that an overly aggressive use of the word “green” could be applied to projects that in fact have environmentally harmful or neutral impacts, thereby threatening the credibility of this important avenue for financing critical unmet environmental needs. We have therefore established our own guidelines to identify appropriate green bonds for the Fund, considering the social and environmental record of the issuer as well as the specific purpose of the bond. The following are some of the key questions Domini asks when evaluating green bonds: • Who benefits from the proceeds of the bond? We favor investments that generate positive impacts for people and communities in need, with a special focus on vulnerable groups, including low-income populations, minorities, and immigrants. • Can the proceeds from the bond contribute to innovations that address serious sustainability challenges? We favor investments such as those mitigating the impacts of fossil fuels in energy-intensive industries, promoting energy efficiency, or otherwise addressing environmental and social justice issues. • What is the quality of the issuer’s relations with communities, customers, employees, suppliers and the environment? Does the issuer maintain credible due diligence processes to address environmental and social risks? We will seek to avoid the following: • Bonds that finance projects with substantial sustainability concerns such as first-generation biofuels, waste-to-energy plants using toxic substances, or projects that prolong fossil fuel

dependence such as refurbishment of coal power plants. • Bonds issued to finance nuclear power, activities related to the mining of coal or uranium, or the production of weapons, tobacco, alcohol or gambling. • Finally, we believe that the real estate industry is in a unique position to reduce greenhouse gas emissions through energy efficiency improvements that are low cost and that create value within the underlying asset. The Fund is managed through a two-step process designed to capitalize on the strengths of Domini Social Investments and Wellington Management Company. Domini sets social and environmental guidelines and objectives for each asset class, and develops an approved universe of companies, and Wellington utilizes proprietary analytical tools to manage the portfolio. Wellington Management Company has been serving as submanager of the Fund since January 7, 2015. Campe Goodman, CFA, is primarily responsible for the day-to-day management of the Fund, assisted by other members of Wellington Management's US broad market team.

Proxy Voting Information

Proxy Voting Guidelines or Policies: [Open external link in new window](#)

Proxy Voting Records: [Open external link in new window](#)

Specific Screening Information by Category

Environment

- **Climate / Clean Technology:** *Combination of Positive and Restricted/Exclusionary Strategies* - Climate change is a theme that affects multiple industries and sectors. Domini seeks to avoid investment in companies that are the worst contributors to climate change, and to include companies with strong energy efficiency measures or that offer climate solutions. We also engage directly with our holdings on a range of climate change issues.
- **Pollution / Toxics:** *Combination of Positive and Restricted/Exclusionary Strategies* - We favor companies that have a record of handling today's pollution challenges effectively and without regulatory controversy, while developing more sustainable practices for tomorrow.
- **Other Environmental:** *Combination of Positive and Restricted/Exclusionary Strategies* - Our environmental analysis includes consideration of renewable and alternative energy sources, eco-efficiency/resource conservation, recycling, safer technologies, and lifecycle design, pollution control and abatement. Nuclear power excluded.

Social

- **Community Development:** *Combination of Positive and Restricted/Exclusionary Strategies* - Domini seeks out investments that have social impact across a spectrum of community development activities. Specifically, the Bond Fund seeks to identify investments that support affordable housing, small business development, community revitalization, rural development, education, the environment, or healthcare.
- **Diversity & Equal Employment Opportunity:** *Combination of Positive and Restricted/Exclusionary Strategies* - Women and minorities represented in management positions; open work environment for minority groups
- **Human Rights:** *Combination of Positive and Restricted/Exclusionary Strategies* - Endorsement of international norms and standards, respect for indigenous peoples and cultures
- **Labor Relations:** *Combination of Positive and Restricted/Exclusionary Strategies* - Continuous health and safety improvements, fair and just compensation, solidarity with unionized workforce.
- **Conflict Risk:** *Restricted/Exclusionary Investment* - Respect for human rights is a fundamental consideration for us. We take a pragmatic approach, recognizing that corporations often operate in difficult environments, including countries where the state is either hostile to human rights protections or cannot fulfill its duties. Global companies face numerous controversies in their day-to-day operations, including many that indicate a company is failing to live up to its responsibilities. Domini seeks to avoid investment in such companies for our mutual funds, including those with significant connections to the government of Sudan.

Governance

- **Board Issues:** *Combination of Positive and Restricted/Exclusionary Strategies* - Honest accounting practices, openness in communications, commitment to diversity.
- **Executive Pay:** *Combination of Positive and Restricted/Exclusionary Strategies* - Factor is considered, but rarely sole, deciding factor.

Products

- **Alcohol: No Investment** - No investment in companies that derive significant revenues from the manufacture of alcoholic beverages
- **Animal Welfare: Restricted/Exclusionary Investment** - Look for companies minimizing use of animals in required safety tests and investing and advocating in use of new testing technologies as substitute for animals.
- **Defense/Weapons: No Investment** - No investment in companies deriving significant revenues from the manufacture of military weapons. The Fund also excludes nuclear power based on environmental concerns and concerns relating to nuclear weapons proliferation.
- **Gambling: No Investment** - No investment in companies that are significant providers of gambling goods and services.
- **Tobacco: No Investment** - No investment in companies that derive significant revenues from the manufacture of tobacco products.

Other

- **Other/Qualitative:** *The Fund excludes U.S. Treasuries to reflect our serious concerns about the risks posed by our country's nuclear weapons arsenal and continuing large military expenditures. U.S. Treasuries go to fund repayment of our national debt, incurred in part by our ongoing military expenditures, including those devoted to maintaining our nuclear weapons arsenal.*
- **Shareholder Engagement - Shareholder Resolutions:** Filed or co-filed with companies on environmental, social or governance issues
- **Shareholder Engagement - Private Dialogue:** Conducted with companies on environmental, social or governance issues
- **Description of Shareholder Engagement:** *At Domini, we seek to influence corporations through shareholder activism. This includes direct dialogue with corporate management, the filing of shareholder proposals, and the principled use of proxy voting. In pursuing our clients'™ sustainability objectives, we seek to influence the actions of corporations on a wide range of social, environmental and governance issues. When we have a concern with a company, we often begin by encouraging corporate management to come to the table to discuss our concerns. Shareholder proposals are an important part of the corporate governance process, and have been instrumental in raising emerging issues and changing corporate practices. Since 1994, Domini has filed more than 250 shareholder proposals at more than 95 different corporations.*

Performance Data

Data provided by: Bloomberg - Information current as of June 30, 2020

Year-to-date rate of return: 7.08%

1-year rate of return: 9.84%

3-year rate of return: 5.54%

5-year rate of return: 4.71%

10-year rate of return: --

Previous year rate of return: 9.39%

Management fee: 0.32%

Expense ratio: 0.57%

Standard deviation: 4.31%

Benchmark used: Barclays U.S. Aggregate Index

Disclaimer: The Domini Social Bond Fund is not insured and is subject to market risks, including interest rate and credit risks. During periods of rising interest rates, bond funds can lose value. The Domini Social Bond Fund currently holds a large percentage of its portfolio in mortgage-backed securities. During periods of falling interest rates, mortgage-backed securities may prepay the principal due, which may lower the Fund's™ return by causing it to reinvest at lower interest rates. Some of the Domini Social Bond Fund's community development investments may be unrated and carry greater credit risks than its other investments. You should consider the Domini Funds' investment objectives, risks, charges and expenses carefully before investing. View or order a copy of the Funds' current prospectus for more complete information

on these and other topics. Please read the prospectus carefully before investing or sending money. Obtain a copy of the Funds' current prospectus for more complete information on these and other topics by calling (800)762-6814.

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