

2024 SUSTAINABILITY REPORT

 **MAKENA**





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Letter from the CIO



Makena's sustainability efforts in 2023 were centered around carbon tracking and advancing diversity of thought in our investments. Our approach is guided by our core investment principles and consistent with our fiduciary responsibility to preserve and grow our clients' capital over the long term.

Makena's long-term investment horizon and fiduciary duty to our clients shape our firm architecture and investment approach. We believe that incorporating material ESG and DEI factors into our investment process is not only aligned with, but actually stems from our long-term investment philosophy. Our long-term approach means that we prioritize investments with sustainable business practices, durable business models, and strong governance structures. By integrating these factors into our analysis, we ensure that we are considering all aspects of a company's operations and their potential impact on long-term financial performance. This approach allows us to identify opportunities and mitigate risks that may not be immediately apparent from a purely financial standpoint. Ultimately, by aligning our investment decisions with sustainable considerations, we better position ourselves to generate strong returns for our clients while contributing to a more resilient global economy.

Considering sustainability at all levels makes us better long-term stewards of capital. Therefore, we have continued to evolve our investment process with new information and best practices, specifically as it relates to sustainability integration.

- **Investing in the energy transition.** The global energy transition continues to be a compelling and expanding investment opportunity. In 2023, global energy transition investment totaled a record \$1.8 trillion, marking the 10th consecutive year of setting a new investment milestone.¹ Despite that quantum of capital, we believe this theme is supported by a number of tailwinds, which include declining input costs, technological advancements, extensive infrastructure buildout, and a favorable policy backdrop. We made several commitments in 2023 to managers—namely, LS Power, Neos, and Sandbrook—who are capitalizing on energy transition-related themes.
- **Measuring and monitoring carbon emissions at the portfolio level.** We are at the early stages of calibrating the carbon footprint of our portfolio. In Q4 2023, we engaged MSCI to help us measure Scope 1 and 2 carbon emissions in our Public Equity portfolio. This work is ongoing, however, we intend to use the data to inform future conversations with our managers about portfolio risks associated with climate change. We have laid the groundwork to extend this work to our private investments as well.

¹ BloombergNEF, "Global Clean Energy Investment," January 2024.

- **Engaging & monitoring DEI in the portfolio.** We have integrated DEI into all stages of the investment process. DEI is a consideration at the initial screening, diligence, and underwriting stages of each investment opportunity. As examples, deal teams are responsible for raising DEI-related questions during onsite diligence meetings and codifying managers' approaches, efforts, and goals in IC recommendation memos.
- **Being an active member of sustainability-focused organizations.** Makena belongs to a number of organizations and forums that promote best practices around ESG and DEI within the industry. These help us broaden our traditional sourcing network and stay abreast of best practices and events.

Since we first developed an ESG policy in 2012, our approach to sustainable investing has continuously evolved and improved over time. We look forward to providing future updates on our progress particularly as it relates to our two core areas of focus: environment and diversity. As always, we are guided by the goal of generating outsized returns for our clients as we continue to improve our approach to sustainable investing.



Larry Kochard
Co-Chief Investment Officer



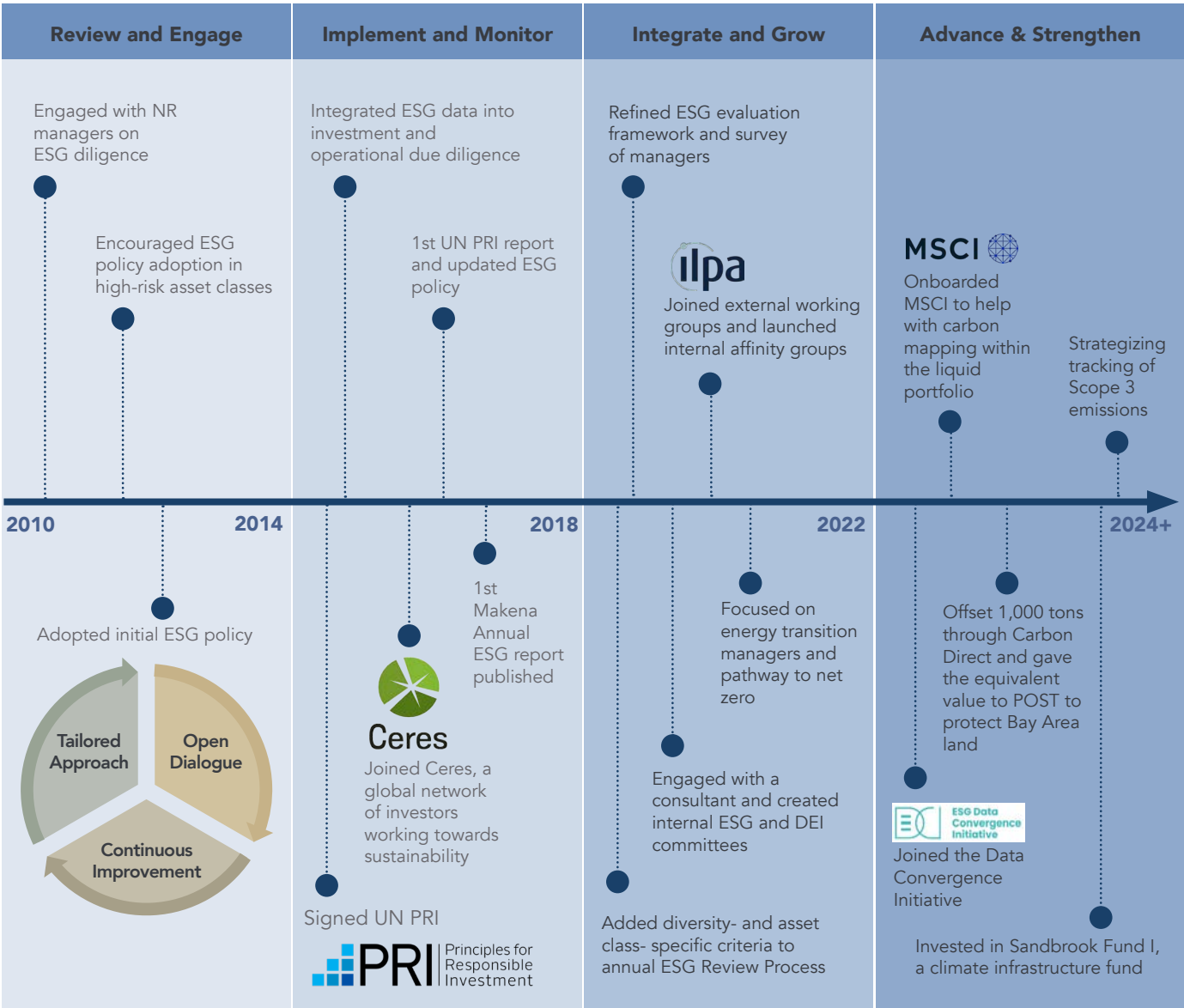
Jackson Garton
Co-Chief Investment Officer



Makena's Investment Philosophy

Our sustainable investment framework starts with and is rooted in our fiduciary responsibility to deliver the highest risk-adjusted, long-term returns for our investors. We believe that integrating sustainability considerations into our investment activities can enhance financial outcomes and operating performance. Our approach is built on positive engagement to advance processes and enhance risk evaluation.

Makena’s Sustainability Timeline & Approach



Our focus on sustainability is consistent with one of our core investment principles: maintaining a long-term focus. Makena’s journey with sustainability began nearly 14 years ago with a recognition that ESG factors can materially affect long-term investment performance and an acknowledgement that we had the opportunity

to be a positive influence on our investment partners. As we have grown and learned as a firm, ***we have also taken a more targeted and intentional approach to sustainability, shifting from our initial focus on compliance and disclosure to one in which we target ESG criteria that can drive value creation.***

Our approach to incorporating sustainability into the investment process, which includes both pre-investment diligence and post-investment monitoring, is detailed below. Our framework focuses on identifying and mitigating ESG risks that could impact financial outcomes and operating performance.



Partnerships

Makena has consistently engaged in partnerships and networking groups to guide our frameworks and refine our approach to sustainability.



Principles for Responsible Investment (UN PRI)

UN PRI is a United Nations-supported international network of investors working together to implement six aspirational principles surrounding sustainability. As of December 2023, the number of signatories rose to 5,372, representing 740 asset owners and over \$121 trillion in AUM in aggregate. Makena was

pleased with our score this past year—ranking higher than the median in seven out of ten categories—and we are simultaneously focused on areas of improvement going forward, within the parameters of our investment strategy.



MSCI ESG Research

MSCI ESG Research is an ESG management tool designed to provide asset managers with the ability to monitor portfolio-level ESG investment risks, environmental impacts, and governance ratings. Makena leverages the platform to track Scope 1, 2, and 3 carbon emissions across our liquid portfolio and compare our sustainability performance against relevant public benchmarks. We are engaged with the MSCI team on potentially expanding our tracking and benchmarking capabilities to include our private portfolio as well.



Coalition for Environmentally Responsible Economies (Ceres)

Ceres is a nonprofit, peer-networking group that works to connect investors, companies, and policymakers to address sustainability challenges and promote responsible business and investment practices. Makena participates in working groups that provide investors with the tools to identify risks within their portfolios and engage with companies. One of our areas of focus has been standardizing the collection and reporting of emissions data.

Looking Ahead: 2024 Goals

Our goals in 2023 were to increase our commitment towards our two main areas of focus: fostering environmental sustainability and further integrating DEI into our investment process and firm culture. While these are long-term goals, we are pleased with the progress made this past year.

Regarding environmental sustainability, we doubled down on our partnership with the Peninsula Open Space Trust (POST) to offset our business-level carbon footprint in 2023. We also engaged with managers, industry stakeholders, and the broader LP community to strategize on a process and timeline for our portfolio's carbon foot printing and potential decarbonization. Our goal for 2024 is to assess the Scope 1 & 2 carbon emissions of our portfolio as a baseline and outline areas for potential improvement across managers. We are also mindful of the new SEC rules, which will require enhanced climate-related standardization and disclosures and help guide the codification of our processes and work.

In 2023, we effectively rolled out DEI data collection across our portfolio and potential manager roster. This work increases our awareness around the composition of our portfolio and reinforces our belief that diverse teams outperform. We have also engaged with managers on this topic to encourage best practices across the portfolio. In 2024, our goal is to continue to systematize our data capture at the pipeline level, offer feedback to our managers on ways they can incorporate or improve their DEI initiatives, and enhance overall manager engagement. ■

Areas of Focus

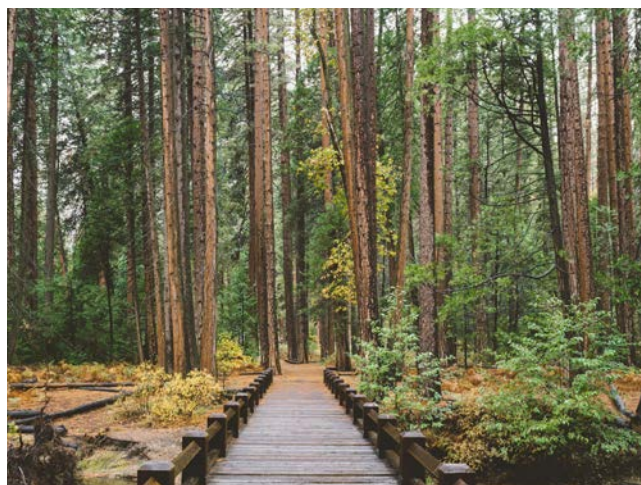


Carbon Tracking and Reduction Efforts

In early 2024, the SEC adopted a new ruling that aims to enhance and standardize climate-related disclosures by public companies. The SEC's decision to adopt these rules reflects a response to investors' demand for more consistent, comparable, and reliable information about the financial effects of climate-related risks. Transparency around carbon accounting and offsets has long been a challenge across the industry, but we believe clearer guideposts set by the SEC will lead to improvements in this space.

Historically, the availability of detailed and accurate data has been the primary impediment to estimating portfolio-level carbon emissions, but we are working with peers and across working groups to continually advance our measurement capabilities. This year, we leveraged the MSCI ESG Research platform to generate our first quantitative look-through on carbon emissions across our liquid portfolio. The platform allows us to track the portfolio's financed Scope 1, 2, and 3 carbon emissions, measure the weighted average carbon intensity (WACI), and understand the core drivers of our portfolio's emissions profile through a detailed attribution analysis. We can then compare our sustainability performance against relevant public benchmarks.

Our results indicate that Makena's liquid portfolio compares favorably from a carbon emissions standpoint against a NAV-weighted, blended benchmark composed of public indices. Based on Makena's equity ownership of each underlying position exposure, our liquid portfolio generates ~36 tons of CO₂e in terms of Scope 1 + 2 emissions for every \$1 million invested,² a value that is 43% lower than the blended benchmark.³ The attribution analysis of our results suggests that Makena fund managers as a whole are selecting greener underlying securities than comparable public indices. The portfolio also remains comparatively underweight in the energy and utilities sector relative to the blended benchmark, driving these results. Going forward, we will continue to monitor portfolio level emissions, though acknowledge our tracking and measurement methodologies may change as this space evolves.



² Data is inclusive of investments reported by Makena Public Equity and Long/Short managers, but excludes Opportunistic Hedge Funds and Fixed Income. Results exclude investments where data was unavailable.

³ The blended benchmark is a NAV-weighted combination of the 14 indices that Makena Public Equity and Long/Short managers use to report their own performance against. This includes 4,740 unique underlying exposures that have been re-weighted according to the % NAV that the corresponding benchmark represents within our marketable securities portfolio.

Carbon Removal Initiatives

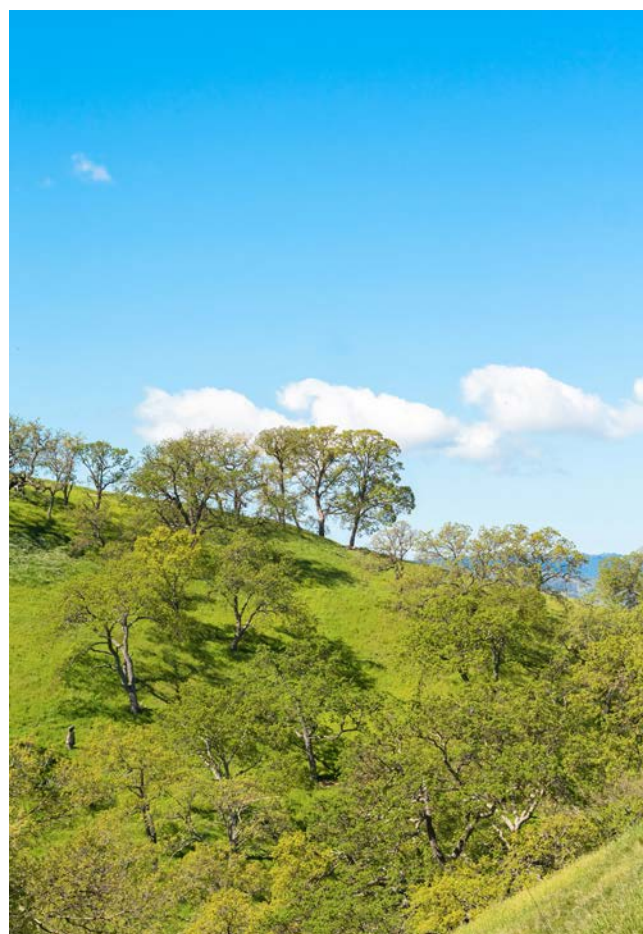
In 2022, we engaged in a study to evaluate Makena's Firm carbon footprint along with potential offset options. As part of this process, we conducted calls with our investment partners, engaged with ESG consultants, and researched carbon offset providers. We estimated our annual carbon footprint as 900 tons of CO₂, which covers Scope 1, 2, and 3 emissions, but excludes our investment activities. We met with accreditation agencies, project developers, brokers, consultants, and peers to evaluate various approaches to offsetting our emissions, and ultimately achieved net zero emissions at the business level by acquiring 1,000 tons of carbon removal credits through the Carbon Direct Platform.⁴

In 2023, we redirected the equivalent sum previously allocated to Carbon Direct to POST to fund their Redwoods Program. While the carbon benefits of our donation will not be verified by a carbon registry and so will not qualify as an offset, we believe that more of our dollars will be deployed toward beneficial projects by eliminating spending on brokers and verification.

POST's Redwoods Program has clear benefits for carbon removal. This program aims to restore the Santa Cruz Mountains' redwood landscape post the 2020 fires, focusing on tree planting, biomass removal, road clearing, soil remediation, and implementing fire prevention measures. POST has already planted over 28,000 redwood seedlings in fire-damaged areas, enhancing carbon absorption and ecosystem restoration. Additionally, efforts to manage biomass with eco-friendly technology like air curtain burners will minimize CO₂ emissions. Because of their height and

longevity, the carbon absorption of a redwood is significantly higher than that of other varieties and POST's activities to manage fire risk bolster the durability of the program.

The Makena Foundation has supported POST since 2022, with their conservation and stewardship efforts focused on local, Bay Area lands. Our decision to fund POST aligns with our commitment to carbon removal, biodiversity, and community engagement, while supporting a non-profit with shared values. POST's mission to preserve open spaces resonates with our dedication to stewardship not only within our firm but also in our relationships and community involvement.



⁴ Please see endnotes for certain information required to be disclosed pursuant to California Assembly Bill 1305 on Voluntary Carbon Market Disclosures.

Manager Highlight

Neos Partners



Neos is one of our managers with a strategy related to and benefitting from the theme of decarbonization. Neos Partners was founded in 2022 to invest at the intersection of energy transition and critical infrastructure, pursuing second-order investment opportunities. To provide further definition of this approach, first-order investments related to energy transition would include companies that enable or benefit from the transition to renewables, the electrification and decarbonization of transportation, and energy transition-centric utilities. An example of a second-order implication of these trends would be that the growth in demand for renewable power directly benefits businesses that sell mission-critical components and services to solar and wind farm operators.

Neos targets middle-market companies that are leaders in their respective sub-sectors, with core focus areas including the power grid, energy efficiency, environmental services, renewables, and critical infrastructure. By making private, control-oriented investments within the energy transition and critical infrastructure value chains, Neos is able to drive ESG impact through partnership with management. The fund squarely aligns with our energy transition thesis and longer-term conviction in the opportunity set, with secular tailwinds behind climate-oriented companies as well as the demand for electrical components and the anticipated skilled labor shortage further underpinning the opportunity set.



Diversity, Equity, and Inclusion

Makena's Commitment to DEI

Diversity, equity, and inclusion (DEI) continue to be a top strategic priority at Makena. A critical, initial step in our DEI journey was articulating Makena's DEI commitment:

"Makena believes that ***diversity, equity, and inclusion are integral to our values and our mission. We further believe that diversity will make for a richer firm culture and better investment outcomes.*** We seek to build a team of the best and the brightest, welcoming individuals from any background including race, ethnicity, gender identity and expression, sexual orientation, age, veteran's status, national origin, disability, marital status, socioeconomic status and/or religion."

This is a commitment we reference frequently internally and communicate in our external-facing materials.

Makena DEI Committee Work

In June 2021, Makena established a DEI Committee to pursue strategic and tactical initiatives to increase and expand DEI in three core pillars: our team, our portfolio, and our community. The DEI Committee meets quarterly and is the primary body driving the substantive progress we have made over the past year. A number of notable highlights are included below:

Recruit diverse talent

We have achieved significant progress in expanding diversity in our recruiting efforts in the last year. In all processes, we require a diverse slate of Makena interviewers, consider how any candidate can contribute to Makena's "diversity of thought," incorporate a Diversity Rider into contracts, and promote internal awareness of the demographic breakdown of all potential candidates considered. In our analyst recruiting processes, we continue to work with partners to access diverse talent pools (i.e., Morehouse College, Out For Undergrad, and Management Leadership for Tomorrow).

Invest in DEI learning and development

We aim to arm colleagues with skills, coaching, and language to better foster a culture of inclusion and collaboration. In 2023, we continued a quarterly DEI speaker series, and hosted the second offsite for team leaders with content focused on coaching diverse teams.

Build DEI into the investment process

Makena has progressed on integrating DEI into all stages of the investment process. We engage with industry forums (i.e., ILPA, IADEI, BLCK VC, AAAIM, CapIntro) to expand our connections beyond our traditional networks and to stay current on the latest metrics and

definitions. We track demographic data at the pipeline and portfolio level through both our internal CRM and annual sustainability survey. At the diligence stage, we engage with managers on their attitudes towards DEI, the efforts they are making to improve DEI within their organization and externally, and the goals they are setting for themselves. The deal team codifies both the quantitative and qualitative metrics in the investment recommendation memos presented in Makena's Investment Committee forum.

Build a supportive workplace

We have continued to celebrate and recognize the diversity of our colleagues at Makena. We completed our third annual culture survey in 2023 in order to amplify all employee voices and identify areas of improvement. Other initiatives include affinity groups, monthly newsletters which highlight various cultural events, regular internal reporting on DEI progress, more inclusive and supportive employee policies (i.e., Makena-subsidized backup childcare), and refined evaluation criteria to explicitly include creating opportunities for diverse colleagues. In addition, we are striving to stay abreast of best practices and participate in events that promote diversity, equity, and inclusion throughout the industry (i.e., 100 Women in Finance, the Kayo Conference Series, and Rock the Street, Wall Street).



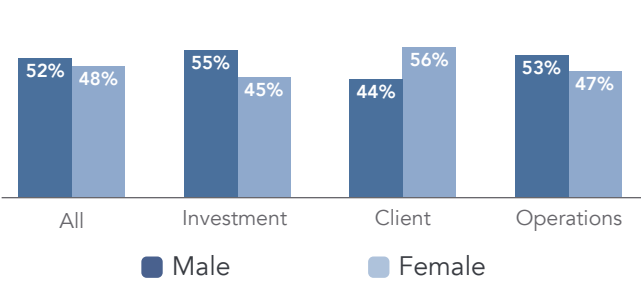
Diversity Within Makena

We are making significant progress towards increasing diversity, with regards to gender and race/ethnicity, at the total firm level. As shown in the below, females comprise 48% of Makena employees as of year-end 2023. This is a considerable increase compared to the end of 2021, when females accounted for 38% of the firm. This gender balance is ahead of the broader asset management industry’s female composition of 25%.⁵ At year-end 2023, 42% of Makena’s employees classified as ‘non-white’ compared to 40% last year. In both years, Makena’s racial diversity has exceeded the industry average of 30%.

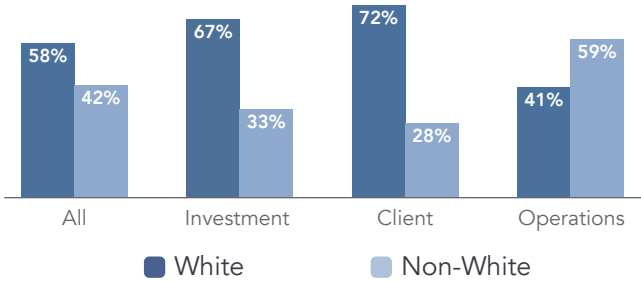
We made strides toward achieving some of our longer term diversity goals, notably on the hiring front, by working with recruiters and diversifying our traditional pipeline of talent. 54% of recent hires are female, and 59% of recent hires are ethnically diverse. Of all hires since December 2021, 81% are either ethnically diverse and/or female.

We achieved our long-term goal of 40% non-white employees and have made progress on our long-term goal of 50% female employees at the total firm level.

Makena Gender by Team



Makena Racial Diversity by Team



⁵ McKinsey, “The state of diversity in global private markets: 2023,” August 2023.

Diversity Within the Portfolio

Diverse Manager Definition and Data Collection

Beyond diversity at the firm level, we are committed to measuring diversity within our portfolio. We collect granular data on the gender and racial/ethnic diversity of our managers through our annual sustainability survey. As a reminder, our criteria for defining a “diverse manager,” which anchors on the Knight Foundation’s work, is as follows:

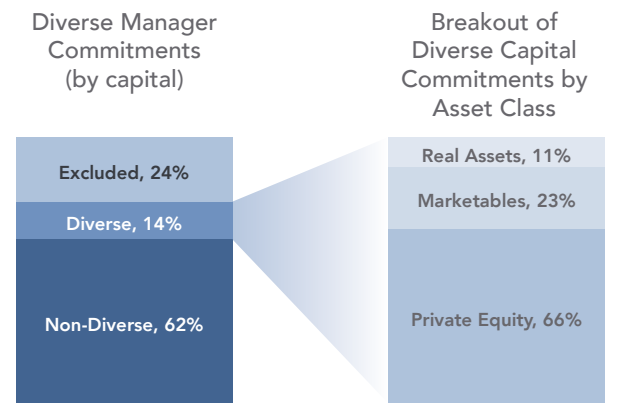
We consider a firm “diverse-owned” if 33% or more of its equity ownership is held by women and/or minorities. We classify minorities as Hispanic, Black, Asian, and “other” (Native American, Pacific Islanders, and others). We only include U.S.-based firms because the definition of minority is from the perspective of the U.S.

We understand the threshold of inclusion, 33%, is a moving target. As the industry continues to evolve, Makena will as well. We believe that the presence of diverse owners influences thought processes and decision making, and therefore believe it is still better to have a more inclusive definition in the earlier stages of this work.

Data collection has been a key first step in establishing a baseline and tracking our progress going forward. This marks the third year we have (1) included a set of questions in our annual survey to illuminate the racial/ethnic diversity of our portfolio managers, and (2) tracked demographic data at the pipeline level. This level of reporting not only informs us but also encourages managers to address their own internal composition.

Diverse Manager Commitments Tracking

In 2023, diverse manager commitments made up 14% of total investments by capital, and 25% of total investments by count, as shown in the below figures.⁶ We recognize it will take many years to materially shift the composition of the portfolio with regards to diverse and non-diverse managers, but we are pleased with our recent progress. We believe these investments are a result of the broader work and energy we have put into widening the top of the funnel, seeking out managers with diverse teams, and establishing the dialogue within our investment committee around how diverse teams can make better decisions.



⁶ The “Excluded” commitments represent managers who are not U.S.-based, per our criteria and definition of a “diverse manager.”

Diverse Manager Pipeline Tracking

Throughout 2023, Makena's investment team took over 900 manager meetings, of which >25% were with diverse managers.⁷ Notably, ~30% of private equity team meetings were diverse, and this level remained consistent throughout the year. We believe that widening the top of the funnel beyond our traditional networks and being aware of the demographic breakdown of the manager meetings we take increases the likelihood of spending more time with and ultimately investing in diverse managers.

services, and information services sectors, while serving on the board for 20 companies during her tenure, leaving us excited about the opportunity to partner with her as she builds her own firm and strategy at Astira. Astira's strategy will be a continuation of Azra's entrepreneurial approach to subsector thesis generation that she developed at Abry, with similar sector focus, but a more hands-on, operational approach to working with portfolio companies throughout the value creation process. Our commitment to Astira allows Makena to work with another diverse, emerging manager. ■

Diverse Manager Highlight



Astira Capital Partners represents one of our new diverse manager commitments in 2023. Founded by Azra Kanji in 2023, Astira is a middle-market Private Equity firm focused on investment opportunities in B2B workflow solutions within governance, risk & compliance (GRC), financial services, government tech, and marketing sectors. Azra was a Partner at Abry Partners and had been at the firm for nearly two decades prior to launching Astira Fund I in June of last year. She became one of the most senior Partners at Abry and generated an impressive track record across communications, business

⁷ Diverse manager status is based on Makena judgments on gender and race of members of the C-suite, which we look to as a proxy for firm ownership, because Management Company ownership information is typically not available at initial meetings or in earlier stages of diligence.

Portfolio Analysis



Portfolio Sustainability Analysis

Survey Results

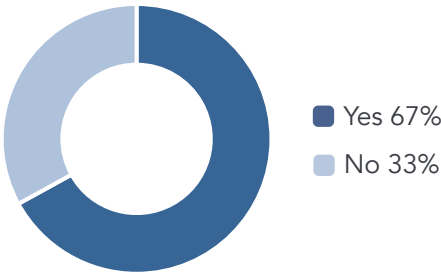
Since 2016, we have conducted an annual sustainability survey to engage with our managers on responsible investing and stewardship. The following information is intended to summarize the results from 96 Makena managers across our Real Assets, Marketables, and Private Equity portfolios.⁸

ESG Incorporation

67% of Makena’s managers incorporate ESG into their investment criteria and due diligence process⁹

Further, 37% of Makena’s managers are actively engaged with their portfolio companies on ESG issues post-investment. 62% of our Real Assets managers and 50% of our Private Equity managers report engaging with a portfolio company to improve ESG practices, demonstrating the active approach our managers take to creating value within their investments. Our most advanced managers have evolved from an ESG “checklist” approach to a

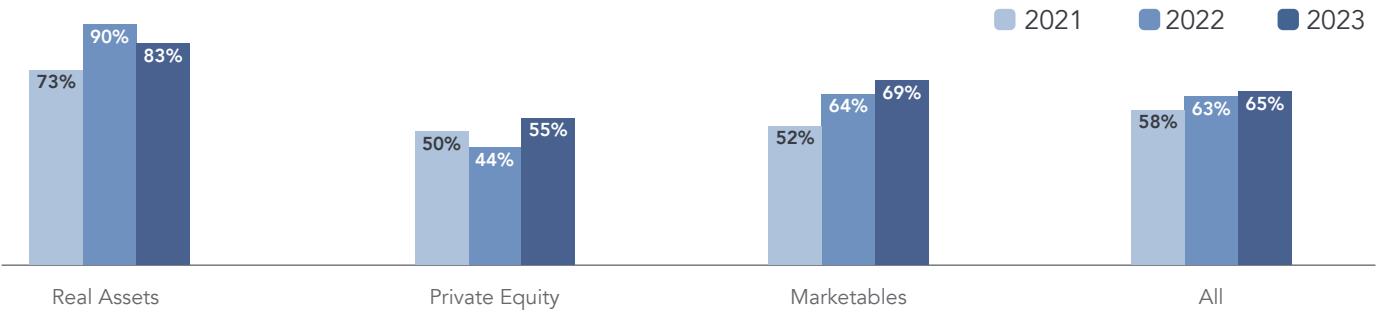
more customized approach, which defines an ESG roadmap and outlines clear goals and KPIs bespoke to each company.



ESG Monitoring

65% of Makena’s managers directly monitor ESG progress within their portfolio companies¹⁰

Managers have made progress in the past year on this effort though there is still room to grow. Over the past year, our Marketables portfolio showed particular signs of progress, with 69% of managers now monitoring ESG progress within their portfolio companies, representing a 5% increase.

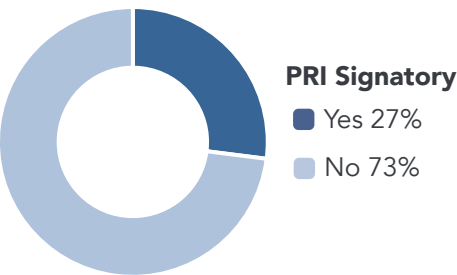


⁸ Report references year-end 2023 data, which is the latest we have received from managers. Managers represented make up 44% of MEP NAV, and 67% of continuing manager MEP NAV as of 12/31/2023.
⁹ Weighted by NAV.
¹⁰ Weighted by manager count.

Sustainability Organizations

34% of Makena’s managers are signatories to at least one organization focused on furthering diverse ESG goals, with 27% of Makena’s managers being signatories of the UN PRI ¹¹

Makena’s managers are also members of groups such as the Net Zero Asset Managers Initiative, the International Corporate Governance Network, the Global Real Estate Sustainability Benchmark, and the ESG Data Convergence Initiative.





Principles for Responsible Investment



ESG Data Convergence Initiative



G R E S B



ICGN
International Corporate Governance Network

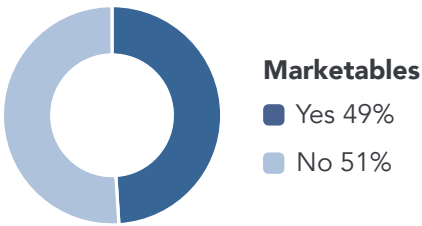
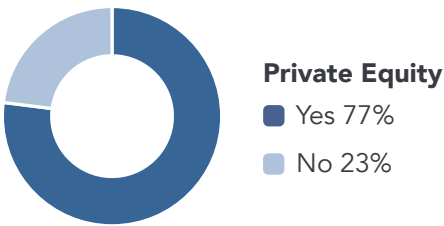
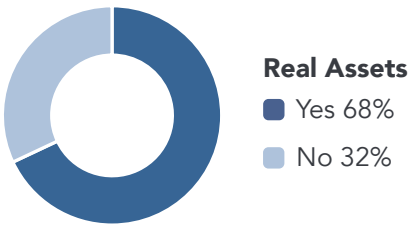
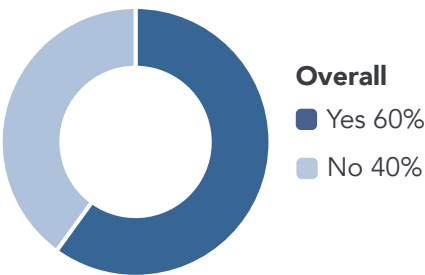
NET ZERO
ASSET
MANAGERS
INITIATIVE



ESG Policy

60% of Makena’s managers have codified a formal ESG policy¹²

Across our portfolio, we are pleased that 6 managers adopted ESG policies during 2023. Real Assets continues to be the leader in ESG efforts among our asset classes, but Private Equity and Marketables have shown marked improvement from years prior. In 2023, three Private Equity managers and two Marketables managers adopted policies to formalize their ESG approach.

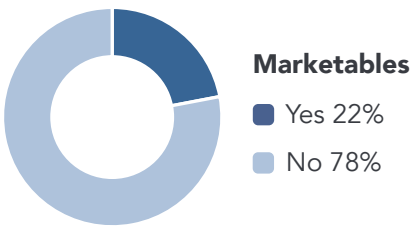
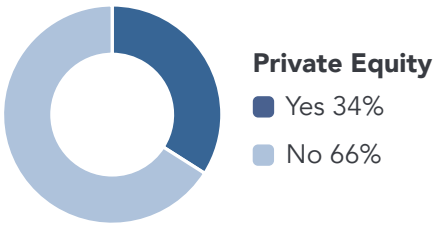
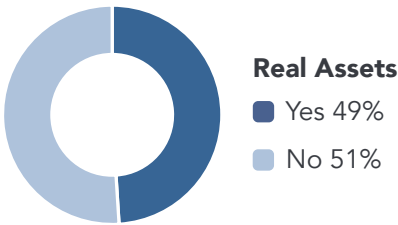
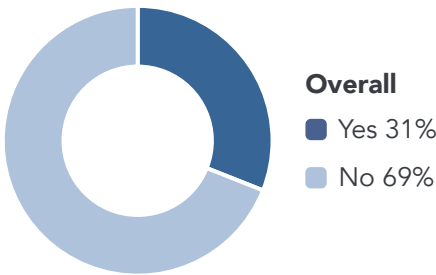


¹¹ Weighted by NAV.
¹² Weighted by NAV.

Carbon Footprint Tracking

31% of Makena’s managers are tracking their carbon footprint, led by Real Assets¹³

Alongside us, many of our managers track carbon emissions at either the firm level or the portfolio level. Over 30% of our managers track carbon emissions at either Scope 1, 2, or 3 levels. As an example, GLP Capital Partners, a Real Assets manager that invests in storage assets, has developed a carbon methodology document in line with the GHG Protocol to guide inventory development. In accordance with the GHG Protocol methodology, GLP collects data from various parts of the organization and allocates carbon emissions to Scope 1, 2, or 3 based on where the source falls within GLP’s operational boundary.



¹³ Weighted by NAV.

Sustainability Approach: Manager Spotlight

EMK Capital



EMK stands out as a leader in our portfolio based on their survey results and engagement. EMK Capital was founded in 2015 with the goal of building the UK's best regarded middle-market private equity firm. Recognizing the balance between short-term financial gain and long-term success, EMK's strategy hinges on the principle that the best companies will not only stand the test of time, but also be leaders and stewards of a more sustainable future economy. With regards to ESG efforts, EMK has been a clear leader within the UK as well as across the broader investment ecosystem in terms of their internal efforts as a firm and the integration of ESG factors throughout the investment process. EMK follows both a Responsible Investing Policy and an ESG Policy and is an active member of numerous organizations and coalitions related to responsible investing. In addition to UN PRI, these organizations include: Level 20, UK Sustainable Investment and Finance Association, and UK Government's All Party Parliamentary Group on ESG.

EMK seeks to have a net positive impact on the environment and society and takes a very active approach with potential and existing portfolio companies through their Responsible Investment Pillars. The three pillars of value creation, value protection, and positive impact highlight the ability to drive long term outcomes through incorporating ESG factors across the investment process, from pre-investment ESG screening and due diligence to post investment

operational improvement initiatives. Prior to an investment, EMK identifies relevant ESG factors, targeting areas to reduce risk and lower cost of capitals, as well as screening out investments with negative impact. Any critical ESG-related issues are incorporated into EMK's first 100-day plan, and companies are onboarded to EMK's Sustainable Business Transformation Program (SBTP) within the first year of ownership – continuing to reduce business risk by addressing areas of focus, preparing for new regulations, and providing a roadmap towards more sustainable business practices. Following the implementation of the SBTP, EMK uses data driven progress tracking that scores each company on their enabling foundations (governance and strategy) and their strategy fundamentals (climate change, emissions, sustainability, etc.) to identify continued areas of improvement within each business and the broader portfolio. Through these formalized efforts, EMK ensures that each company receives a tailored approach to ESG value creation and monitoring.

EMK has a strong track record of excellence in responsible investing. In 2017, despite having only just raised and closed on Fund I, EMK was selected as the winner of the Capital Finance International award for the 'Best Responsible Investing Team UK'. In 2021, EMK received the British Private Equity & Venture Capital Association's 'Excellence in ESG' award.

Sustainability at the Portfolio Company Level

Arcline Portfolio Company



Cooper Machinery Services specializes in providing critical support and services for gas compression and power generation equipment. Cooper is proactively aligning with the EPA's recently passed "Good Neighbor" air quality standards. Cooper is investing across research and development, component inventory, workforce training, new field staff, and design process improvements to ensure that they are positioned to help customers achieve compliance.

Neos Partners Portfolio Company



FastGrid is a leading provider of engineering, design, and consulting services focused on solar and battery energy storage. While the transition to renewable energy requires substantial electrical engineering services, there is a structural shortage of engineering talent in North America as well as a scarcity of pure-play renewable energy focused engineering firms. FastGrid is in a unique position to provide mission-critical, technical engineering services that are required to develop renewable energy projects across the United States.

VMG Portfolio Company



Spindrift is an all-natural sparkling water made with real squeezed fruit. All of Spindrift's fruit comes from local, family farms, supporting small businesses and individuals and promoting sustainability. Additionally, Spindrift has given 1% of sales since the company's founding to environmental organizations as part of their 1% for the Planet pledge – a network of businesses committed to supporting a healthy natural environment.

TCI Portfolio Company



Safran is dedicated to a safer and more sustainable aviation industry. Given the long-term need to reduce carbon emissions from air travel, Safran is at the forefront of innovation, designing engines, supporting the introduction of sustainable fuels, and developing use cases for electric power in aviation. As an example, Safran's LEAP engine, introduced into aircraft in 2016, requires 15% less fuel as compared to previous generation engines, releasing less CO₂ emissions. On a firm level, 75% of Safran's R&T efforts are dedicated to environmental efficiency, with the goal of a 30% reduction in greenhouse gas emissions (Scope 1 and 2) from Safran products by 2025. ■

Internal Sustainability & Corporate Responsibility



Community Engagement

Makena was founded in 2005 by professionals from leading North American endowments and places a high value on civic-mindedness and diversity in our firm culture. We invest for the next generation with collaboration as the foundation of our work. We recognize that a team culture built on meritocracy, excellence, and empowerment is our greatest asset. Makena promotes philanthropic involvement and initiatives at various levels beyond the firm.

At the leadership level, our Managing Directors currently serve or have participated on the Investment Committees of leading institutions, including University of Virginia, William & Mary, The Virginia Retirement System, Harvard Management Company, and Stanford Management Company.

Through both volunteering and financial support, we are longstanding supporters of several organizations within our community which are core to our firm values.

In 2023, we held multiple firm-wide service days alongside the Second Harvest Food Bank of Silicon Valley, a group we have supported for many years through food bank distribution events. We continue to support Rock the Street, Wall Street, a mentorship program where female employees work with female students interested in finance. This was Makena's third year involved in the financial literacy training and mentorship program, working predominantly with students at Summit Preparatory in Redwood City. The firm also remains active in our engagements with the Samaritan House of San Mateo. During the holiday season, members of the firm were matched with 21 local families to sponsor and deliver gifts, and the firm sponsored a shelter for 187 clients. Additionally, Makena hosted a backpack drive in the summer to supply kids with return to school equipment and participated in a toy drive.

Employee Donation Matching Program








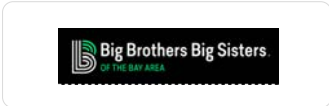




Over the course of 2023, Makena and its employees in aggregate made donations to 52 different charitable organizations through our employee matching program. Donations went towards causes that our employees are passionate about, such as the environment, healthcare, human rights, equal opportunity, education, and the arts. Makena also held its third annual "Makena Day of Giving," during which the firm matched 125% of all employees' donations, resulting in a total of over \$200k in donations. Together with financial commitments from the Makena Foundation, the firm committed over \$1 million to various charitable organizations over the course of the year.

Makena Foundation

In 2020, we established the Makena Foundation, growing it to a ~\$6 million fund to direct charitable giving and volunteering toward non-profit organizations supporting vulnerable populations and the environment in our local community of the San Francisco Bay Area. The primary objective of the Foundation is to support organizations that have demonstrated success at increasing access, opportunity, and advancement across at least one of three areas:

1. **Social welfare, food security, and basic needs,**
2. **Education and youth development, and**
3. **Environmental impact and sustainability.**

The Foundation prioritizes local organizations with which Makena can build long-term, multifaceted partnerships. Additionally, the Foundation seeks to aggregate causes supported by individuals across the firm to strengthen our combined ability to contribute. In 2023, the Makena Foundation partnered with 13 organizations, the majority of which we have supported in prior years. These organizations include:

	Core Organizations	Employee Sponsored	Disaster Relief
Basic Needs / Social Welfare	 		
Education / Youth Development	  	 	
Environmental Impact		 	

The Foundation is built to exist in perpetuity, with an annual budget to allocate across non-profits and select charities that align with the mission of the Foundation. Within this framework, organizations are proposed by employees and ultimately decided upon by a committee comprised of individuals across functional departments with oversight by Makena's Executive Committee. ■

About the Authors



Lara Banks, Managing Director, is responsible for portfolio management and manager selection for Makena's Private Equity and Venture Capital portfolios. Lara is also a member of Makena's Management and Investment Committees. Lara earned an M.B.A. from Harvard Business School and a B.A. in Economics and Government from Cornell University where she graduated Magna Cum Laude.



Jonathan Van Gorp, Managing Director, is responsible for portfolio management and manager selection for Makena's Real Assets portfolio. Jonathan is also a member of Makena's Management and Investment Committees. Jonathan earned a B.B.A. in Finance from the University of Georgia.



Claire Marshall, Senior Investment Analyst, works on Makena's Private Equity team. Claire earned a B.A. in Psychological and Brain Sciences from Dartmouth College.



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Voluntary Carbon Market Disclosures

An entity that purchases or uses voluntary carbon offsets that makes claims regarding the achievement of net zero emissions, claims that the entity, related entity, or a product is "carbon neutral," or makes other claims implying the entity, related entity, or a product does not add net carbon dioxide or greenhouse gases to the climate or has made significant reductions to its carbon dioxide or greenhouse gas emissions shall disclose on the entity's internet website all of the following information pertaining to each project or program:

TIST Agroforestry: The International Small Group and Tree Planting Program (TIST) Kenya engages rural communities to plant trees on and around small agricultural plots. The combination of trees, crops, and livestock within small areas creates a diversified agroforestry farming system. These stands of trees, the smallest of which cover only a dozen square meters, generate fuelwood, timber, and food while removing carbon from the atmosphere on land that would otherwise be underutilized. TIST's unique program design empowers communities to work together to create carbon removal projects that increase participants' income.

(a) The name of the business entity selling the offset and the offset registry or program.	Seller: Carbon Direct Registry: Verra
(b) The project identification number, if applicable.	VCS 899
(c) The project name as listed in the registry or program, if applicable.	The International Small Group and Tree Planting Program (TIST)
(d) The offset project type, including whether the offsets purchased were derived from a carbon removal, an avoided emission, or a combination of both, and site location	Carbon removal
(e) The specific protocol used to estimate emissions reductions or removal benefits.	AR-AMS0001: Simplified baseline and monitoring methodologies for small-scale A/R CDM project activities implemented on grasslands or croplands with limited displacement of pre-project activities - Version 6.0
(f) Whether there is independent third-party verification of company data and claims listed.	Yes (Aster Global Environmental Solutions Inc.)

ICICO IFM: Ejido IFM credits are from a mix of several improved forest management (IFM) projects developed by the Integrator of Indigenous and Campesino Communities of Oaxaca (ICICO) and local communities (ejidos) in central Mexico. The projects use a straightforward baseline and conservative carbon accounting that only generates and recognizes carbon credits for additional forest growth and associated carbon removal. Ejido members co-design and implement forest health treatments to achieve this growth by clearing out dead or diseased trees to allow healthier trees to grow. Each project is community-led and tailored to the local ejido. ICICO has a successful track record of implementing projects that build upon traditional governance practices and implement livelihood strategies aligned with ejidos' social and cultural values for land and forests.

(a) The name of the business entity selling the offset and the offset registry or program.	Seller: Carbon Direct Registry: Climate Action Reserve
(b) The project identification number, if applicable.	CAR 1461, CAR 1463
(c) The project name as listed in the registry or program, if applicable.	Integrator of Indigenous and Peasant Communities of Oaxaca (ICICO) Ejido Improved Forest Management (IFM)
(d) The offset project type, including whether the offsets purchased were derived from a carbon removal, an avoided emission, or a combination of both, and site location	Carbon removal
(e) The specific protocol used to estimate emissions reductions or removal benefits.	CAR - Mexico Forest Protocol
(f) Whether there is independent third-party verification of company data and claims listed.	Yes (SCS Global Services)

Pacific Biochar: Pacific Biochar produces biochar from the Humboldt Sawmill facility in Scotia, California. This project has modified the heat and electricity co-generation facility at Humboldt Sawmill to produce biochar. A carbon rich portion of the ash stream, normally separated from the mineral ash and re-injected into the boiler as fuel, is now harvested as biochar and applied to soil instead. Diverting biomass from the power plant for carbon removal, rather than burning it, increases the amount of biomass that gets converted to long-lasting biochar rather than decomposing and returning to the atmosphere as carbon dioxide. Carbon Direct’s analysis shows that biochar produced by Pacific Biochar is durable, additional, and brings benefits to soils and forests. In particular, by creating additional demand for certain types of wood that are not usually economic, this project contributes to reducing the risk of wildfire in California’s fire-prone forests.

(a) The name of the business entity selling the offset and the offset registry or program.	Seller: Carbon Direct Registry: European Biochar Certificate / Carbon Standards International
(b) The project identification number, if applicable.	N/A
(c) The project name as listed in the registry or program, if applicable.	Pacific Biochar Humboldt Sawmill Project
(d) The offset project type, including whether the offsets purchased were derived from a carbon removal, an avoided emission, or a combination of both, and site location	Carbon removal
(e) The specific protocol used to estimate emissions reductions or removal benefits.	EBC - Guidelines for the Certification of Biochar Based Carbon Sinks
(f) Whether there is independent third-party verification of company data and claims listed.	Yes (Bio.Inspecta)