

Baker Avenue
WEALTH MANAGEMENT



Impact Investing

Q1 2024: QUARTERLY FOCUS ~ GOVERNANCE

Sustainable Impact Classifications:



Bridging Your Financial & Social Objectives



Our values are reflected in everything we do.

As a certified B Corporation member and a signatory of the Principles for Responsible Investment (PRI), we join a family of global organizations unified under the belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation.

In addition, we are committed to elevating diversity & inclusion in our business practices and have achieved the global standard for inclusion by becoming Diversio certified.

BakerAvenue's Impact Investing / ESGC Screening Criteria:

ENVIRONMENTAL

Energy Efficiency
Greenhouse Gas Emissions

Carbon emissions
Energy Efficiency
Product Carbon Footprint
Sustainable Water
Policy Regulatory Adherence

SOCIAL

Corporate Diversity & Inclusion
Gender Equality

Board Members Pay
Ownership
Weapons Policy
Ethics History

GOVERNANCE

Impact Disclosure Scores
Corporate Behavior

Anti-Competitive Practices
Corruption & Instability
Financial System
Instability
Compensation
Structure Board

CITIZENSHIP

Philanthropy
Corporate Behavior

Innovation & Creativity
Commitment to Peace
Human Rights & Sustainable
Employee Development
Satisfaction Scores
Community Outreach

Baker Avenue's Impact Strategy

Incorporates long-term capital appreciation with downside protection. We seek to consider both financial return and social good. The strategy invests in a diversified portfolio of stocks and ETFs in low-risk markets, and protects principal in high-risk markets by moving to cash.

The strategy proactively monitors long-term market trends to evaluate the risk / reward of having market exposure versus protecting capital.

Key Benefits:

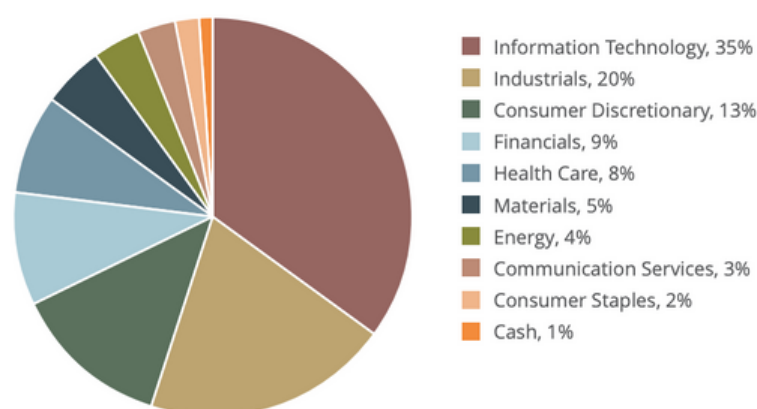
Invests in preeminent and financially-solid companies that allocate their resources with the goal of creating positive change in their communities and the world.

Broad sector and industry diversification.

A variety of internal and external analytical tools are used to isolate socially responsible and high-quality securities.

Strict and unemotional sell discipline using both technical and fundamental criteria.

Sector Diversification:



Portfolio Characteristics:

Style	Socially Responsible Core Equity
Forward Price/Earnings Ratio	21.0
Dividend Yield	1.4%
Long-Term EPS Growth	13.2%
Equity Beta	1.13
Weighted Average Market Cap	\$464 B
Number of Holdings	30-40

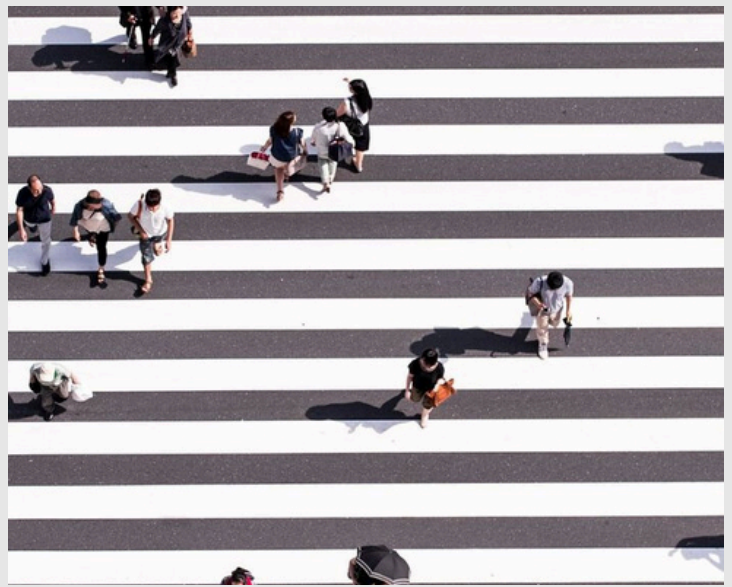
Top Holdings:

Company Name	Symbol
NVIDIA Corp	NVDA
Applied Materials Inc	AMAT
Caterpillar Inc	CAT
Amazon.com Inc	AMZN
Flex Ltd	FLEX
Schlumberger Ltd	SLB
Linde PLC	LIN
Marvell Technology Inc	MRVL
General Electric Co	GE
Vertiv Holdings Co	VRT

> View Q1 2024 Strategy fact sheets and disclosures.

BakerAvenue's Impact Strategy and Benchmarks

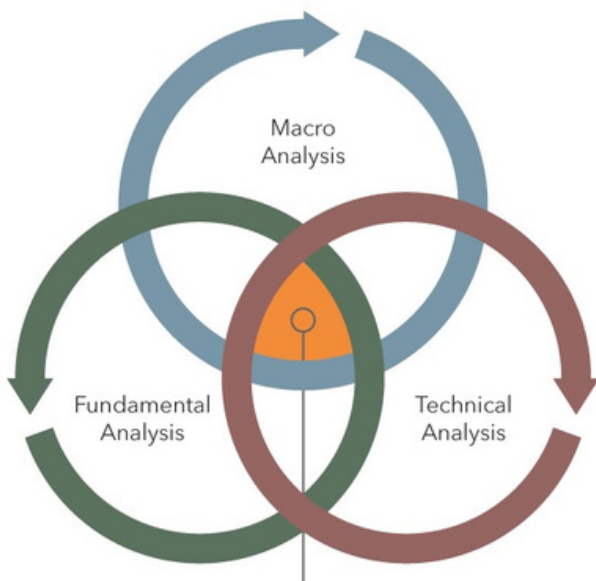
Our Grow and Protect strategy continues to guide our clients toward achieving their financial goals. Recently, many are asking how to bridge their financial and social objectives and discovering the benefits of socially responsible investing.



BakerAvenue	Impact (Gross)	Impact (Net)
Year to Date	13.42%	13.16%
1 Year	28.72%	27.52%
3 Years	8.12%	7.10%
5 Years	17.10%	16.01%
Since Exception*	15.77%	14.69%

BENCHMARKS	YTD	5 Years
S&P 500	10.56%	15.05%
Barclays Agg	-0.78%	0.36%
ACWI Ex-US	4.69%	5.97%
70% Rus 3k / 30% ACWI Ex-US	5.61%	8.57%
Russell 2000	5.18%	8.11%
Russell 3000	10.02%	14.34%
Russell 3000 Growth	11.23%	17.82%
Russell 3000 Value	8.62%	10.18%
S&P Gbl Dividend Opportunities (50% / 45% Barclays Agg)	1.17%	-
Bloomberg Commodities	2.19%	6.38%
Morningstar US Active Fund Tactical Allocation	5.72%	5.43%
Balanced (49% Rus 3000 / 21% ACWI Ex-US / 30% Barclays Agg)	5.61%	8.57%

> View Q1 2024 full performance report and disclosures



BakerAvenue Investment Committee

Long-Term Financial Success

Demands an investment philosophy that grows and protects financial assets. To achieve this goal, our unique process blends Technical, Macro, and Fundamental Analyses into one comprehensive view.

Tax-Loss Harvesting
to Optimize Your
Investments

BakerAvenue
WEALTH MANAGEMENT





From the desk of
**Doug
Couden, CFA**
Chief Investment Officer,
Partner

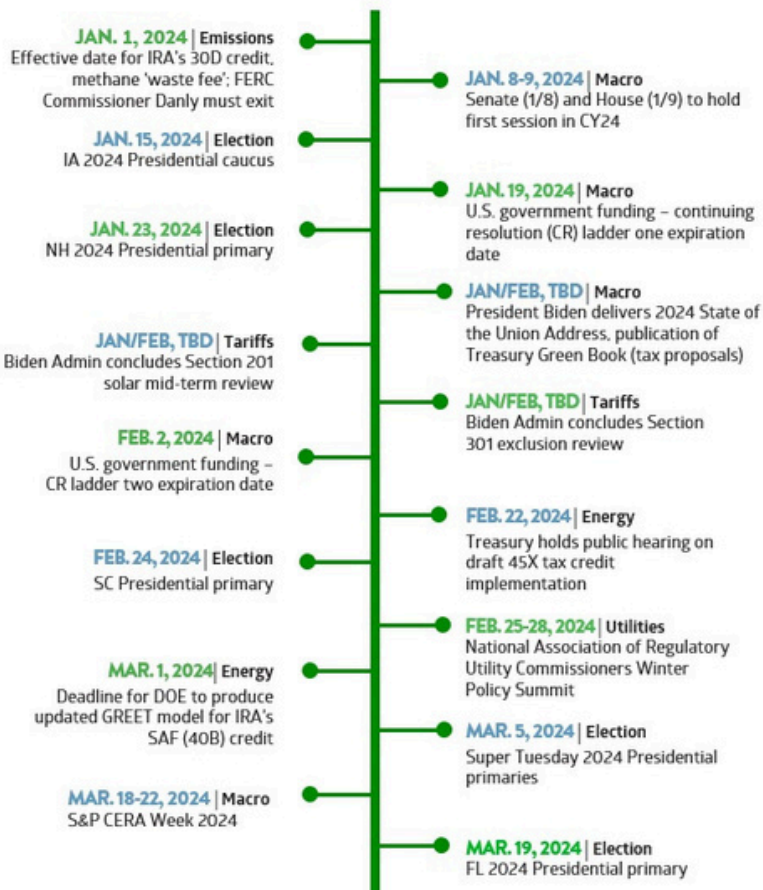
With companies and investors increasing their public commitments to sustainability related goals, the transition process presents the opportunity for investors to help enact real change. However, meeting these goals means different things for different sectors and different companies - some will need to fundamentally change what they do and how they do it, while others can achieve their targets with more modest shifts.

From Concept to Reality: The Next Phase of the ESG Transition Is Here

Although moving to a more sustainable future is clearly desirable and presents an array of investment opportunities, transition does not come for free and the question of who should bear that cost sits largely unaddressed given the intersection of government and corporate policies. For investors, there is also the question of whether it is better to invest in sectors (and companies) that are more advanced in their transition process or those that are just starting out given the costs and potential return trade-offs involved.

Impact Catalyst Calendar 1Q24

Previous events to support Environmental, Social, and Governance initiatives



Sources: Cowen, Bloomberg, BakerAvenue



BakerAvenue's Primary Governance Screening Factors

- 35% Board Composition
- 25% Executive Compensation
- 25% Shareholder Rights
- 15% Audit

Sources: Bloomberg, BakerAvenue

Boards of Directors in Disruptive Times: Improving Corporate GovernanceEffectiveness



In the wake of Disney's CEO Bob Chapek's dismissal in November 2022, a cascade of corporate crises has spurred a critical reassessment of traditional board governance models. Despite efforts to enhance board effectiveness through independent members, separate chair and CEO roles, and robust compliance, recent events underscore the limitations of this approach in navigating complex disruptions.

In "Boards of Directors in Disruptive Times," the paper describes a comprehensive framework for reimagining board functions amidst rapid change. Drawing from detailed case studies and interviews, the book advocates for a shift from structural focus to holistic engagement with strategic issues, team dynamics, and value creation.

> [View Full Report](#)

Source: Harvard Law School Forum on Corporate Governance

The Human Capital Edge: 2024 "100 Best Companies to Work For" Analysis

100 Best Companies to Work for	Trailing 12-Month Performance (TTM)					Next 12-Month Performance (NTM)				
	Total Return	S&P 500	Difference	S&P 500 (EW)	Difference	Total Return	S&P 500	Difference	S&P 500 (EW)	Difference
CAGR ('98 - '24)	15.54%	8.92%	6.62%	7.88%	7.66%	13.38%	8.25%	5.13%	7.39%	5.99%
1998	34.19%	25.88%	8.31%	18.99%	15.20%	34.95%	37.80%	-2.85%	20.16%	14.79%
1999	46.86%	35.93%	10.93%	18.41%	28.45%	62.21%	15.49%	46.72%	5.42%	56.79%
2000	73.42%	16.79%	56.64%	5.83%	67.59%	9.34%	-9.92%	19.26%	6.63%	2.71%
2001	16.82%	-8.88%	25.70%	7.84%	8.98%	-7.74%	-12.19%	4.45%	-1.49%	-6.25%
2002	-8.54%	-14.69%	6.15%	-3.97%	-4.57%	-12.25%	-15.08%	2.83%	-12.75%	0.51%
2003	-12.36%	-15.93%	3.56%	-13.48%	1.12%	37.25%	26.63%	10.62%	36.36%	0.89%
2004	44.14%	29.27%	14.87%	39.63%	4.51%	10.02%	5.43%	4.59%	8.20%	1.82%
2005	11.36%	5.62%	5.74%	8.14%	3.22%	19.01%	11.29%	7.73%	15.63%	3.39%
2006	16.38%	10.26%	6.13%	14.73%	1.65%	24.87%	15.26%	9.61%	12.35%	12.52%
2007	17.63%	14.65%	2.98%	11.77%	5.87%	-2.09%	-0.03%	-2.06%	-3.25%	1.16%
2008	-4.58%	-1.42%	-3.16%	-4.98%	0.40%	-36.63%	-38.73%	2.10%	-43.58%	6.95%
2009	-36.23%	-36.74%	0.51%	-41.92%	5.68%	52.97%	32.30%	20.66%	50.20%	2.77%
2010	55.86%	29.13%	26.73%	46.61%	9.25%	27.57%	26.51%	1.06%	31.29%	-3.72%
2011	29.77%	25.66%	4.12%	30.19%	-0.42%	3.29%	4.14%	-0.84%	1.67%	1.63%
2012	1.93%	3.63%	-1.70%	1.07%	0.85%	10.85%	11.92%	-1.08%	10.03%	0.82%
2013	7.72%	11.73%	-4.01%	9.76%	-2.04%	23.39%	23.68%	-0.29%	24.94%	-1.55%
2014	18.93%	20.18%	-1.25%	20.85%	-1.92%	20.60%	23.30%	-2.69%	21.13%	-0.53%
2015	19.38%	22.51%	-3.13%	20.32%	-0.94%	-3.75%	-1.70%	-2.05%	-5.73%	1.98%
2016	-3.93%	-0.48%	-3.45%	-4.81%	0.88%	22.00%	19.69%	2.31%	17.58%	4.43%
2017	24.96%	19.11%	5.85%	16.37%	8.59%	29.29%	16.20%	13.09%	11.83%	17.45%
2018	30.77%	17.24%	13.53%	12.53%	18.24%	5.28%	2.77%	2.51%	0.85%	4.42%
2019	4.29%	2.48%	1.81%	0.57%	3.72%	17.37%	25.57%	-8.19%	15.47%	1.90%
2020	16.28%	23.85%	-7.57%	13.85%	2.44%	24.34%	24.99%	-0.65%	23.26%	1.08%
2021	33.74%	24.36%	9.38%	23.05%	10.68%	2.78%	10.25%	-7.47%	7.76%	-4.98%
2022	1.69%	8.03%	-6.34%	6.90%	-5.21%	-7.86%	-4.94%	-2.92%	-6.68%	-1.18%
2023	-7.78%	-5.16%	-2.62%	-7.34%	-0.45%	33.26%	29.09%	4.17%	16.39%	16.88%
2024	33.12%	27.82%	5.30%	15.42%	17.70%	0.74%	1.11%	-0.38%	0.66%	0.08%

The equal-weighted "100 Best Companies to Work For" outperforms the market-value-weighted S&P 500 and the equal-weighted S&P 500. > [View Full Report](#)

The Rising Complexity of Board Directorship

Board experts explain how directors can meet the demands of growing agendas.

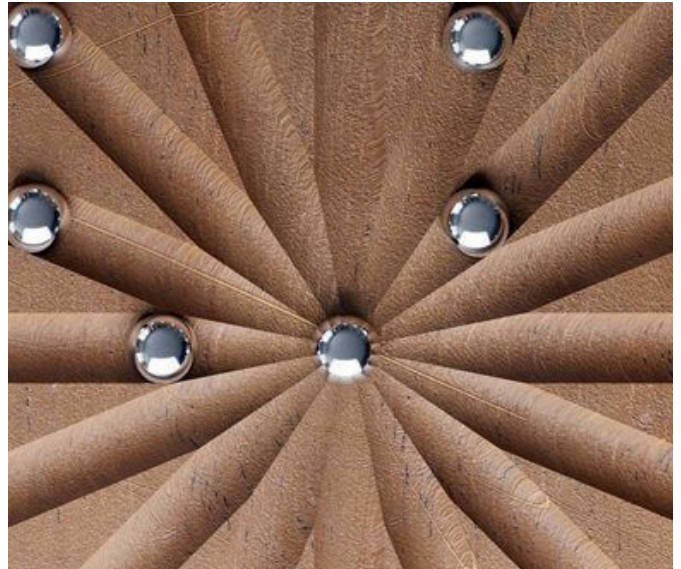
On "Inside the Strategy Room" podcast, three experts offer advice on how corporate board directors can deal with their increasing responsibilities.

Steven Sterin: Senior executive in the energy and chemicals industries

Karen McLoughlin: Former CFO of Cognizant

Frithjof Lund: Global leader of McKinsey's Board Services service line

They explore the modern complexities facing board directors, emphasizing increased engagement with management amidst challenges like geopolitics and digitization. Effective communication, innovative onboarding, and clear delineation of roles are crucial for maximizing board effectiveness and fostering trust between management and directors.



[> View or Listen](#)

Source: McKinsey & Company | Strategy & Corporate Finance

Seven Areas for Boards to Focus on to Improve Corporate Governance

Susana Sierra is CEO of BH Compliance, which gathers real-time evidence about a corporate compliance program's performance using Blockchain.



Sevens areas companies should prioritize to strengthen their corporate governance:

1. Independence
2. Diversity, Equity, and Inclusion
3. Performance Evaluation
4. Executive Compensation
5. Stakeholder Governance
6. Cybersecurity
7. Sustainability

Taking these seven trends into consideration reinforces board and senior management performance. Having an effective corporate government that is capable of looking at the impact its business has on the environment and its stakeholders is a current factor of success. Not only does the economic value of the company matter, but also the coherence among its actions, values and purpose. > [View Full Report](#)

Source: Forbes Business Council



Get the Latest

April 2024

Some Spring in the Cyclical Step

*"If you don't like change, you are going to like irrelevance even less."
- General Eric Shinseki*

Economically sensitive pockets of the market are leading. The promise of interest rate cuts amid a potential synchronized growth upswing has put some pep in the step of cyclicals. Spring has arrived, and with it, fresh questions regarding these shifting allocations. Should investors embrace the market's positioning optimism? After the recent advance, are there any new catalysts and concerns? As always, we defer to our technical, fundamental, and macro disciplines to assess the risks and guide our outlook.

March 2024: Earnings March, Into March

*"The greatest danger for most of us is not that our aim is too high, and we miss it, but that it is too low and we reach it."
- Michelangelo*

Another corporate earnings season has drawn to a close, and with it some key investment takeaways. Encouragingly, both revenue and earnings far surpassed original expectations. Resilient economic growth, surging AI-demand and continued consumer spending were notable contributors. Can earnings growth rates be sustained? What are the catalysts for sustained improvement in corporate profitability?

February 2024: New High, Old Narrative

*"The surest test of discipline is its absence."
- Clara Barton*

After a two-year swing, many indices are now reaching fresh all-time highs. Resilient economic growth, surging mega-cap technology stocks, and optimism surrounding peaking interest rates have catalyzed the move. Now widely discussed, these tailwinds have moved from unlikely to consensus. Can the fresh highs in the market be sustained by an aging narrative? What does history tell us about new highs, and how should investors be positioned for the next chapter?

January 2024: Shifting Tides?

*"The beginning is always today."
- Mary Wollstonecraft Shelley*

Markets finished the year on a high note. Steady economic growth surprised many (not us), and a dovish shift in Fed posture spurred a rising tide that benefitted stocks and bonds alike. We continue to believe the themes that dominated the year, from historically concentrated markets to the sharp tightening of financial conditions, are shifting. How will these shifting tides impact the markets' momentum? How should investors be positioned to start the New Year?

Responsible Business Practices

CODE OF BUSINESS CONDUCT AND ETHICS

All firm members, including officers and transaction partners, are required to abide by our Code of Business Conduct and Ethics and exercise the highest levels of integrity, ethics, and objectivity in all actions that may affect our business and relationships.

COMPLIANCE TRAINING AND AWARENESS

All firm members acknowledge our code of conduct and also participate in annual training on anti-harassment, diversity & inclusion, cyber security, and insider training. Team members can report concerns of illegal or unethical conduct anonymously through a third party without fear of retaliation.

RISK MANAGEMENT

Our Compliance Committee oversees enterprise risk management, including cybersecurity, and evaluates the risk exposure and management actions to limit, monitor or control exposures, including contingency plans relating to potential catastrophic events.

CYBERSECURITY

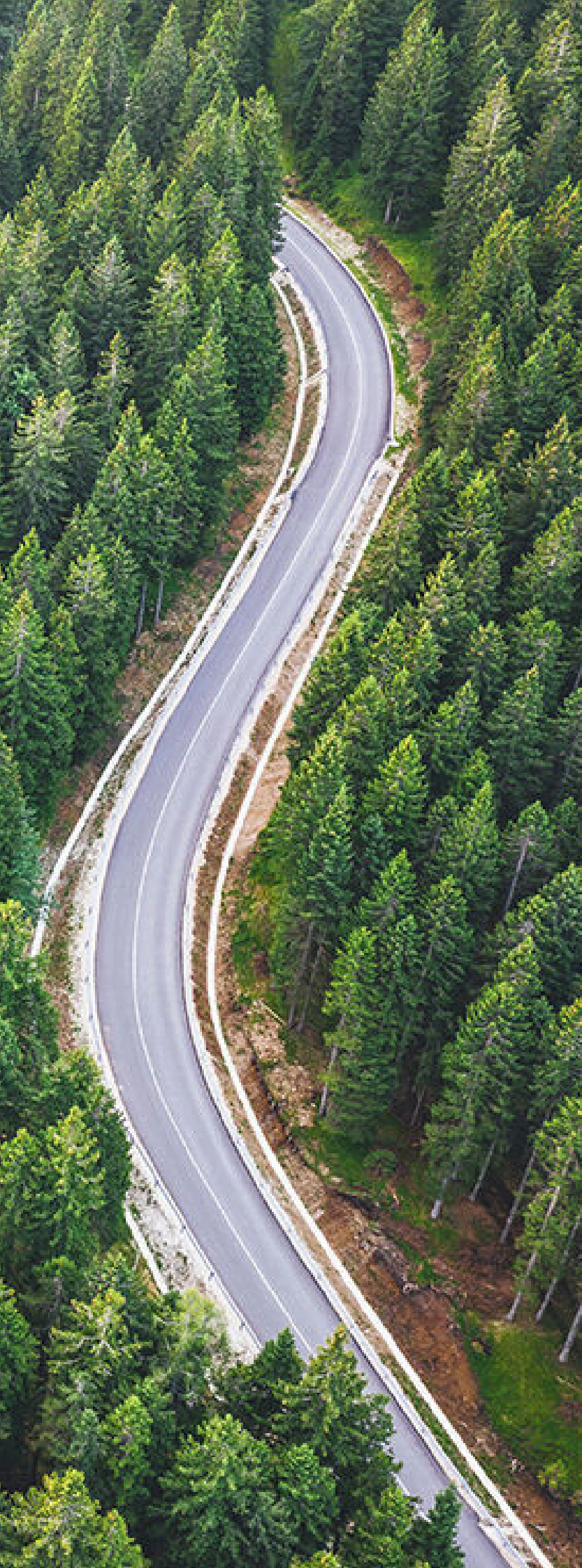
Overseen by our Executive Committee, we collaborate with vendor partnerships such as IT infrastructure, with leading data security and privacy practices. To protect employee devices and other end-points, we deploy multi-factor authentication and annual cybersecurity training.

TRAINING AND DEVELOPMENT

Developing and retaining talented team members is integral to our success. We encourage competency-based training, continuing education and conferences, provide team building offsites, professional development resources, and have an annual performance review and goal setting process.

HEALTH AND SAFETY

Our focus on employee wellbeing includes generous health benefits, including mental health, fitness, and ergonomics. In response to the COVID-19 pandemic, we switched the majority of our team members to work from home, while implementing additional safety measures for essential employees.

An aerial photograph of a two-lane asphalt road that curves through a dense, green forest. The road is bordered by a white line and a gravel shoulder. The trees are tall and closely packed, creating a lush green canopy.

Experience and Knowledge Meet Transparency and Integrity.

BakerAvenue is a registered investment advisor regulated by the SEC, whose mission is to protect investors and maintain the integrity of the securities market. Under the SEC rules, our registered investment advisors have a fiduciary duty to our clients and it is a moral and a legal obligation to place our client's interests ahead of our own.

While we believe we are all more similar than we are different....

...it is through
those differences
that drive our
innovative
approach.



As a purpose-driven firm, our goal is to create an impact by supporting you and the community we share.

We do so by delivering intelligent wealth management solutions while fostering long-term value creation.

We partner with organizations to build a more inclusive and sustainable economy through the highest verified standards of social and environmental performance, transparency, and accountability.

As a certified B Corporation member, BakerAvenue also guides foundations and endowments to solutions for long-term value creation through active portfolio management, in-depth investment, and grant research.

Our individual and firm's talents seek positive social change in our communities.

We deliver service excellence to you and challenge the status quo.

Trust and integrity serve as our cornerstone. We know trust is earned, not given, and we are determined to earn and honor it in everything we do.

The BakerAvenue





Signatory of:



BakerAvenue Employees Who Have Earned the CFA Institute Certificate in ESG Investing



Doug Couden, CFA
Chief Investment Officer,
Partner



Daniel Cassell, CFA
Portfolio Manager



Michael Tideman,
CFA, CFP®
Wealth Advisor,
Managing Director

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WEALTH MANAGEMENT

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