

An aerial photograph of a lush green landscape. A winding asphalt road with white dashed lines curves through a dense forest of tall evergreen trees. A small, rocky stream flows through the center of the forest, surrounded by green grass and more trees. The overall scene is serene and natural.

Baker Avenue
WEALTH MANAGEMENT

Certified

Corporation

Impact Investing

Q2 2024: QUARTERLY FOCUS ~ ENVIRONMENTAL

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 stock 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:

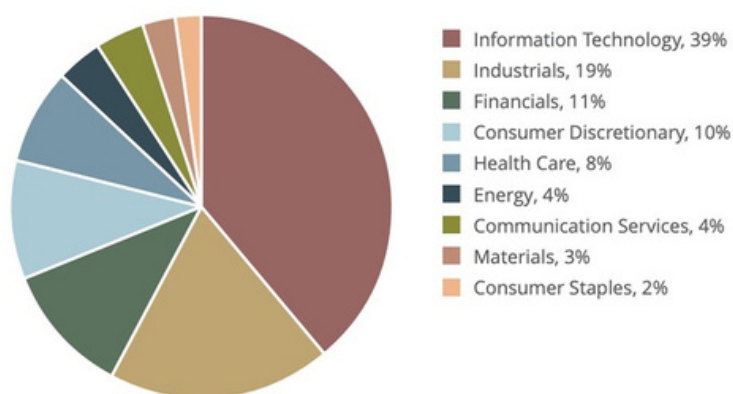
Invests in preeminent and financially-solid companies that allocate their resources with the goal of creating positive change in their communities and the world.

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	23.6
Dividend Yield	1.5%
Long-Term EPS Growth	15.1%
Equity Beta	1.18
Weighted Average Market Cap	\$522 B
Number of Holdings	30-40

Top Holdings:

Company Name	Symbol
Applied Materials Inc	AMAT
Intel Corp	INTC
NVIDIA Corp	NVDA
Flex Ltd	FLEX
Alphabet Inc	GOOGL
Schlumberger Ltd	SLB
Marvell Technology Inc	MRVL
Linde Corp	LIN
Goldman Sachs Group Inc	GS
General Electric Co	GE

> [View Q2 2024 Strategy fact sheets and disclosures](#)

BakerAvenue's Impact Strategy and Benchmarks

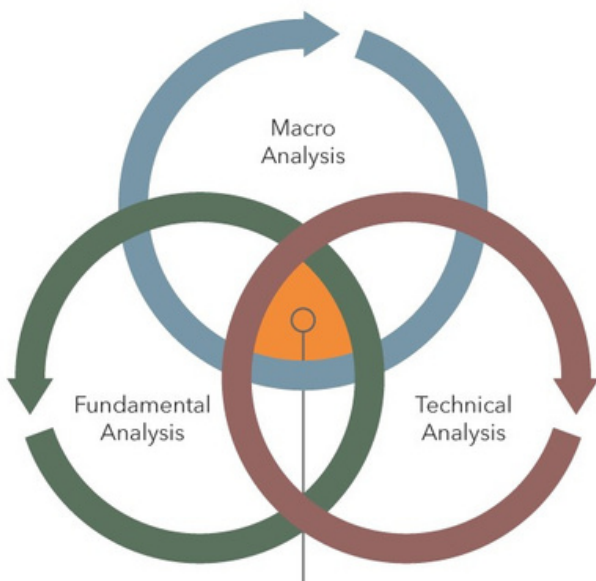
Our Grow and Protect strategy continues to guide our clients toward achieving their financial goals. Recently, many are asking how to bridge their financial and social objectives and discovering the benefits of socially responsible investing.



BakerAvenue	Impact (Gross)	Impact (Net)
Year to Date	13.85%	13.32%
1 Year	18.57%	17.47%
3 Years	4.69%	3.70%
5 Years	16.02%	14.93%
Since Inception*	15.44%	14.36%

BENCHMARKS	YTD	5 Years
S&P 500	15.29%	15.05%
Barclays Agg	-0.71%	-0.23%
ACWI Ex-US	5.69%	5.55%
70% Rus 3k / 30% ACWI Ex-US	11.18%	11.58%
Russell 2000	1.73%	6.94%
Russell 3000	13.56%	14.14%
Russell 3000 Growth	19.90%	18.55%
Russell 3000 Value	6.18%	8.89%
S&P Gbl Dividend Opportunities (50% / 40% Barclays Agg)	0.98%	-
Bloomberg Commodities Index	5.14%	7.25%
Morningstar US Active Fund Tactical Allocation	6.92%	5.25%
Balanced (49% Rus 3000 / 21% ACWI Ex-US / 30% Barclays Agg)	7.52%	8.17%

[> View the full performance report](#)



BakerAvenue Investment Committee

Tax-Loss Harvesting
to Optimize Your
Investments

BakerAvenue
WEALTH MANAGEMENT

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.



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.

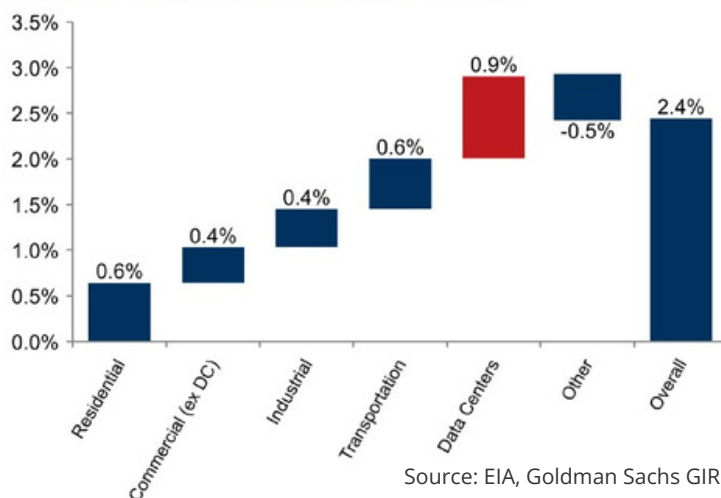
From Concept to Reality: The Next Phase of the ESG Transition Is Here

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.

Increased Need for Energy

Data centers, especially those for A.I. models, require a constant energy source such as natural gas, for 24/7 operation, but renewables will still be significant due to the green electricity commitments of many companies. Goldman Sachs estimates the U.S. will need 47 gigawatts (GW) of new power generation capacity by 2030 to meet data center power demand. This capacity is expected to be divided 60%/40% between natural gas and renewables, balancing the reliability needs of data centers with companies' green energy commitments.

Composition of US power demand CAGR, 2022-2030, %



Source: EIA, Goldman Sachs GIR.



BakerAvenue's Primary Environmental Screening Factors

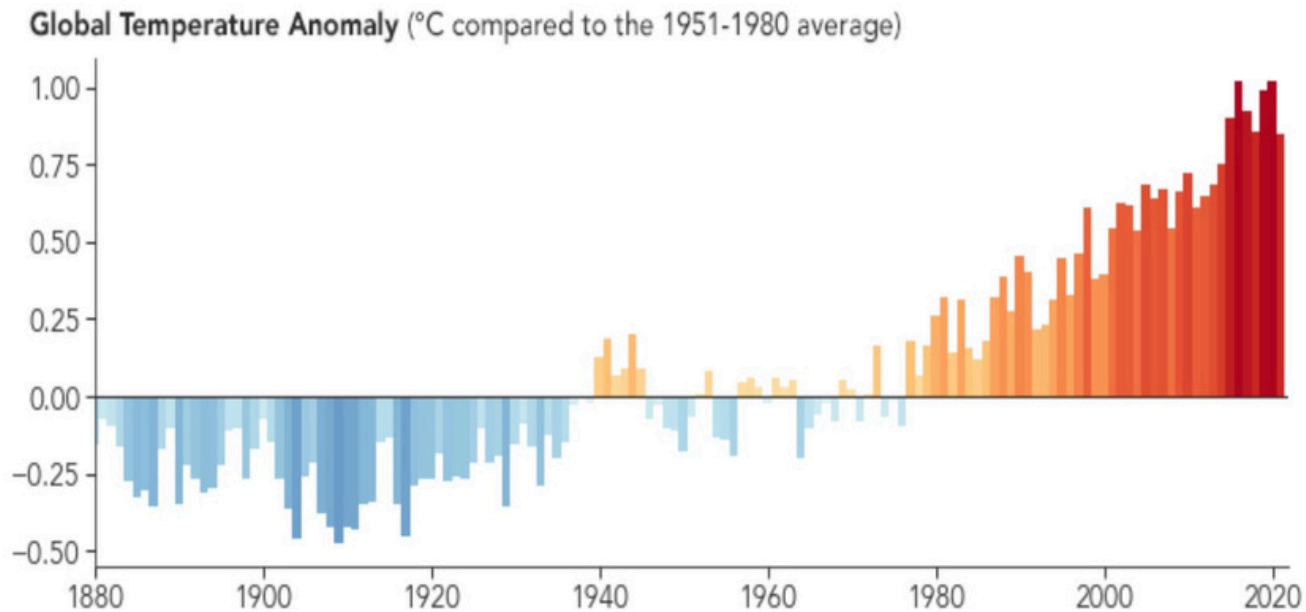
- 30% Energy Management
- 30% Water Management
- 16% Sustainable Product
- 13% GHG Emissions Management
- 11% Waste Management

Sources: Bloomberg, BakerAvenue

Upcoming SEC Climate Rule: Start Preparing Now

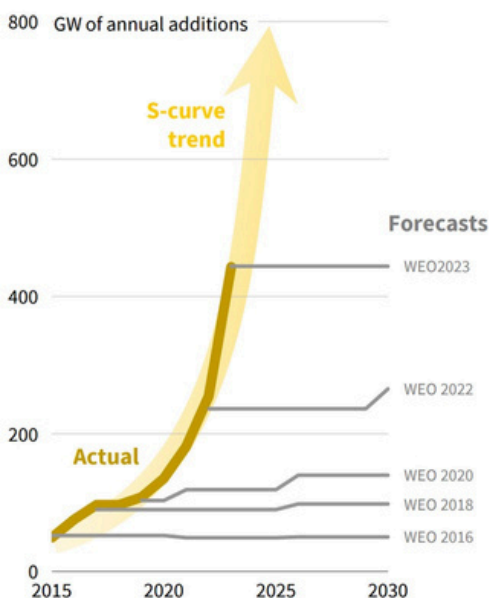
Sustainability experts are saying: 'Start preparing now' for SEC climate rule, other disclosure regulations

Despite the SEC rule's temporary stay, sustainability experts said companies should not wait for the court's ruling to begin preparing for compliance. This rule will require detailed climate-related disclosures in financial reports and is expected to be phased in starting in 2026. Companies are encouraged to align their reporting with existing frameworks, such as the Task Force on Climate-Related Financial Disclosures (TCFD) to streamline compliance and meet investor demands for transparency. > [Read or listen to the full article.](#)

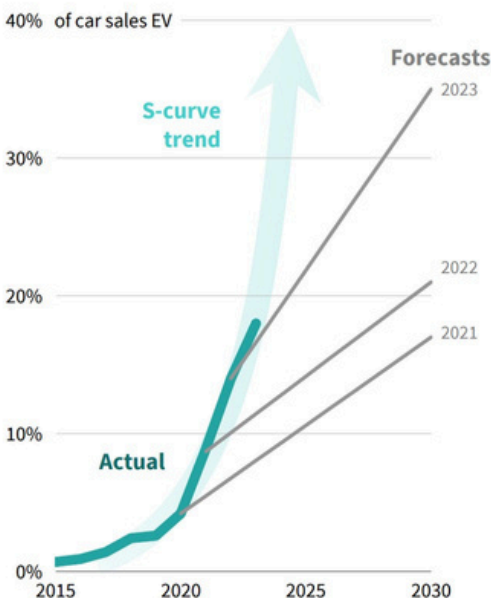


Underestimating Clean Technology Growth: Analysts Underestimate the Speed of Growth of Clean Technology

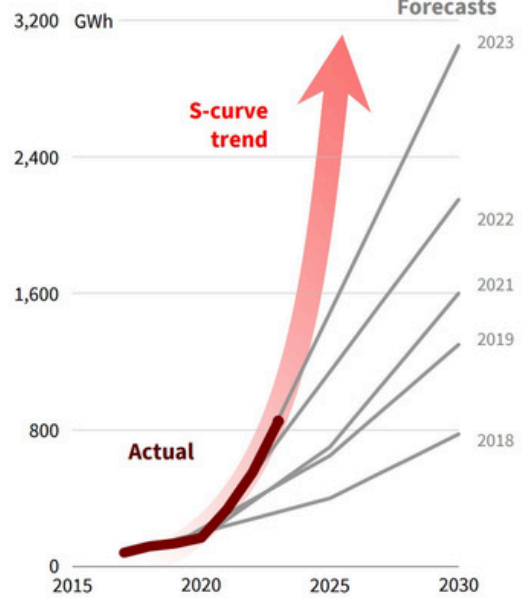
New solar additions



EV share of sales



Battery sales

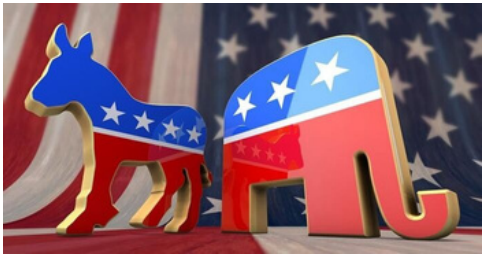


Source: BNEF (solar and battery actuals), IEA STEPS, RMI annotation.

Democrats vs. Republicans on Climate Policy

The 2024 presidential election between Democrats and Republicans presents a stark contrast in climate policies, with significant implications for the U.S. and global efforts to combat climate change. Biden's administration has implemented extensive measures to reduce emissions and promote clean energy, while Trump plans to dismantle many of these initiatives if elected.

Source: New York Times



Policy Area	Democrats	Republicans
Emissions Reduction	Aims to cut U.S. emissions by 50% from 2005 levels by 2030 through various climate policies.	Plans to reverse Biden's climate policies, potentially increasing emissions by 4 billion tonnes by 2030.
Paris Agreement	Rejoined and committed to meeting the targets of the Paris Agreement.	Withdrawn the U.S. from the Paris Agreement during his first term.
Clean Energy	Promotes clean energy through the Inflation Reduction Act and Bipartisan Infrastructure Law.	Supports expanding oil and gas production and reducing regulations on fossil fuels.
Regulatory Approach	Implemented new EPA rules to limit emissions from vehicles and power plants.	Plans to roll back these regulations and boost fossil fuel industries.
Climate Spending	Allocated significant funding for clean energy projects and infrastructure improvements.	Intends to repeal major spending bills like the Inflation Reduction Act.

Biden's administration has taken over 300 actions to address climate change, including significant investments in renewable energy and stricter emissions regulations. In contrast, Trump has pledged to dismantle these policies, emphasizing fossil fuel production and deregulation. The outcome of the 2024 election could significantly impact the U.S.'s ability to meet its climate goals and global efforts to limit warming to 1.5 degrees Celsius. > [View the full article.](#)

Many U.S. Solar Factories Are Lagging. Except Those Owned by China

Despite efforts to boost domestic solar manufacturing in the U.S., many factories are struggling to compete, except those owned by Chinese companies. The key points are:



Price Pressures: U.S. solar factories face intense price competition from cheaper imports, primarily from Chinese manufacturers, which threatens their viability.

Federal Subsidies Insufficient: Even with federal subsidies aimed at bolstering domestic production, U.S. factories are finding it hard to match the low costs of Chinese imports.

Dependence on Chinese Polysilicon: Many U.S. plants still rely on Chinese polysilicon, which is cheaper than alternatives, undermining efforts to create a more self-sufficient supply chain.

Policy Challenges: The U.S. government is concerned about overcapacity and overproduction by China, and changes in policy and stronger trade enforcement are deemed necessary to support domestic manufacturers.

Industry Concerns: Industry leaders, like First Solar's CEO, highlight the ongoing challenges posed by Chinese subsidization and dumping strategies, which have led to significant drops in cell and module prices. > [View the full article.](#)

Source: Reuters



Get the Latest

July 2024

Mid-Year Summary: Growing but Slowing, Trending With Few Contributing

"If a man will begin with certainties, he shall end in doubts; but if he will be content to begin with doubts, he shall end in certainties."

- Sir Francis Bacon -

The summer months are here and with it, time for reflection. Economic data point to some moderation, but non-recessionary growth remains our base case. There is less room for optimism given June's bounce, but price trends remain supportive and slower growth has buoyed the rate-cut narrative.

June 2024: The Slow Road to Normal: Rate Cuts Dragging, Technology Expanding

*"What is right to be done cannot be done too soon."
- Jane Austen -*

Despite another pushout in rate cut expectations, markets recovered from their April swoon with a May bounce that has put many indices near their all-time highs. Rotational effects are in full swing as the summer approaches, but technology leadership was reasserted.

May 2024: Rates Repricing, Earnings Surprising

*"If one does not know to which port one is sailing, no wind is favorable."
- Lucius Annaeus Seneca -*

April volatility was catalyzed by the hawkish repricing of Fed rate-cut odds. Fortunately, the headwinds associated with higher interest rates have been more than offset by another quarter of robust corporate earnings that have come in much better than expected. The tricky backdrop continues; should investors favor one input more than the other?

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 cyclical. Spring has arrived, and with it, fresh questions regarding these shifting allocations. Should investors embrace the market's positioning optimism?

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
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