

Baker Avenue
WEALTH MANAGEMENT



Impact Investing

Q3 2024: QUARTERLY FOCUS ~ SOCIAL

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:

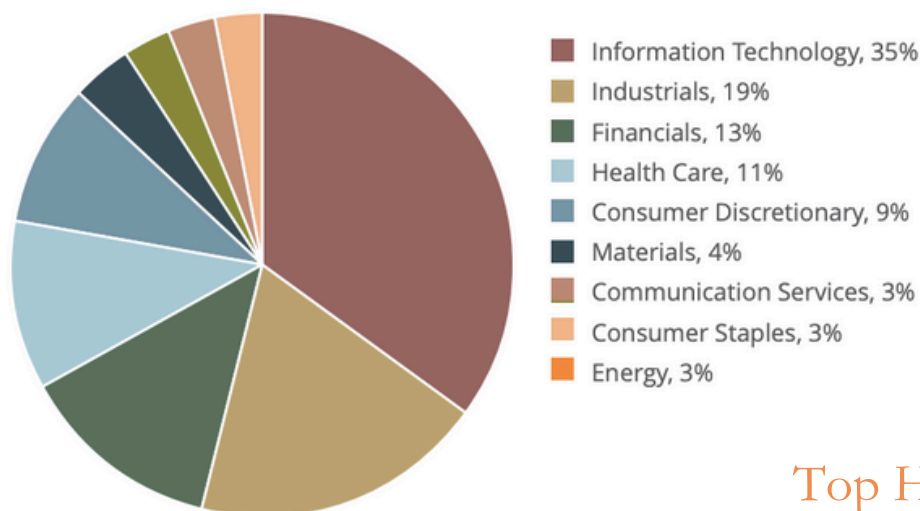
Invests in preeminent and financially-solid companies that allocate their resources with the goal of creating positive change in their communities and the world.

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	22.8
Dividend Yield	1.4%
Long-Term EPS Growth	18.1%
Equity Beta	1.18
Weighted Average Market Cap	\$494 B
Number of Holdings	30-40

Top Holdings:

Company Name	Symbol
Flex Ltd	FLEX
NVIDIA Corp	NVDA
International Business Machine	IBM
Linde PLC	LIN
Goldman Sachs Group Inc	GS
Marvell Technology Inc	MRVL
Caterpillar Inc	CAT
Alphabet Inc	GOOGL
Johnson Controls International	JCI
Applied Materials Inc	AMAT

> [View Q3 2024 Strategy fact sheets and disclosures](#)

BakerAvenue's Impact Strategy and Benchmarks

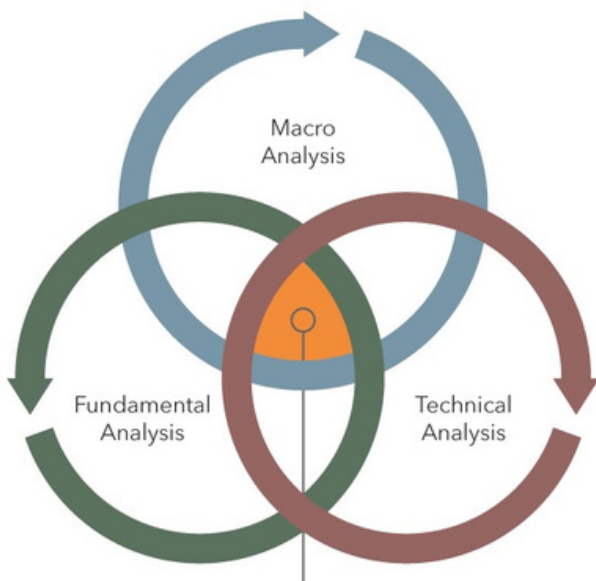
Our Grow and Protect strategy continues to guide our clients toward achieving their financial goals. Recently, many are asking how to bridge their financial and social objectives and discovering the benefits of socially responsible investing.



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 Q3/2024 Performance report](#)



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

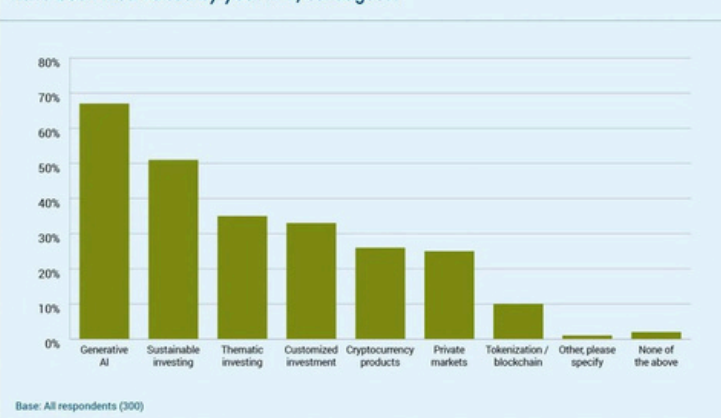
Although moving to a more sustainable future is clearly desirable and presents an array of investment opportunities, transition does not come for free and the question of who should bear that cost sits largely unaddressed given the intersection of government and corporate policies. For investors, there 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.

Investment Performance?

Reuters asked which factors over the next 12 months would have the greatest impact on investment performance. Based on 300 respondents, over the next year, asset managers are more keenly focused on macroeconomic issues like interest rates, inflation, and a potential economic slowdown than they are elections and geopolitical events.

Notably, 81% of US respondents prioritized interest rates and inflation as the most important issues.

Figure 4: Thinking about the past 12 months, which of the following trends and topics have been most raised by your firm/colleagues?



Source: Reuters



BakerAvenue's Primary Social Screening Factors

- 36% Occupational Health & Safety Management
- 26% Product Quality Management
- 19% Ethics & Compliance
- 16% Labor & Employment Practices
- 3% Community Rights & Relations

Sources: Bloomberg, BakerAvenue

Britain Outlines Details of Closely Watched Workers' Rights Plan



Britain has introduced a landmark plan to strengthen workers' rights, marking the most extensive employment law reforms in decades. Some of these initiatives aim to:

- Ban controversial "fire-and-rehire" practices
- Increase statutory sick pay
- Improve protections for gig economy workers

Additionally, the plan promotes flexible working arrangements to enhance work-life balance. These reforms reflect the government's response to growing concerns over fair treatment and labor conditions, especially following the impacts of the pandemic.

[View the full article.](#)

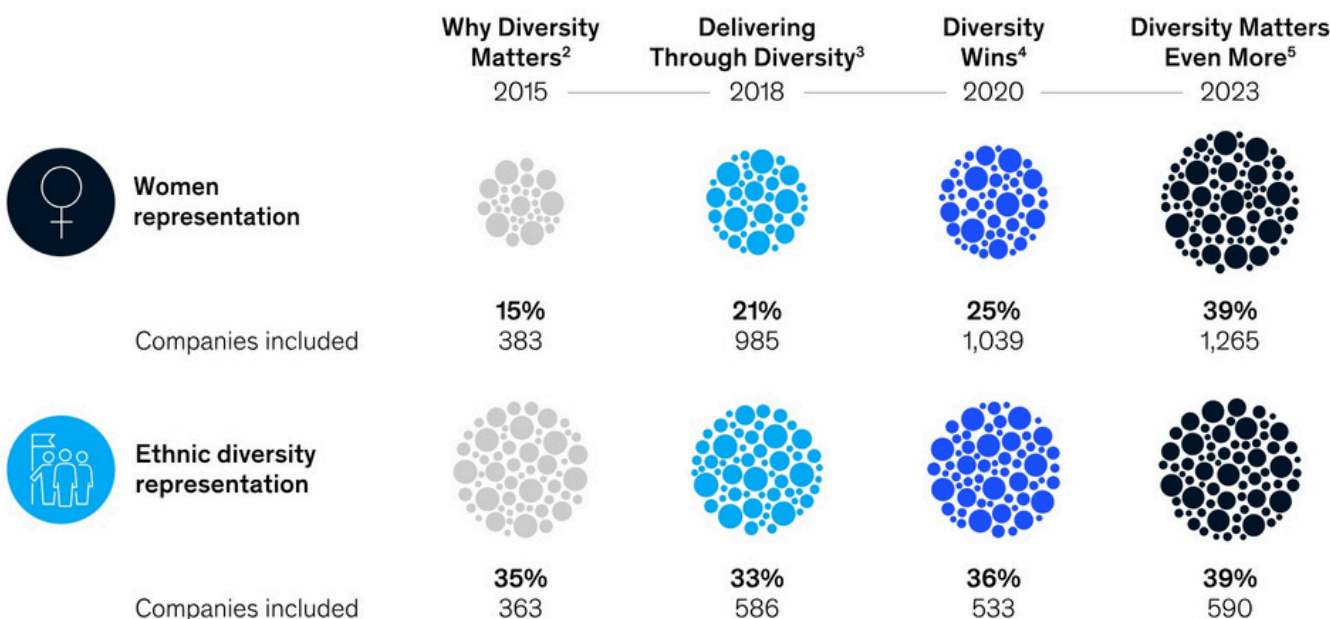
Source: Reuters

Diversity Matters Even More: The Case for Holistic Impact

Despite a rapidly changing business landscape, the business case for diversity, equity, and inclusion (DEI) not only holds, but grows even stronger. In our research, we continue to explore the link between diversity and holistic impact. - McKinsey & Company

McKinsey highlights how diversity in leadership is increasingly linked to better business outcomes and broader social impact. Companies with diverse executive teams show higher financial performance, and ethnic and gender diversity at the board level also contributes significantly. Beyond financial gains, diversity is tied to holistic impact, benefiting communities, workforces, and the environment. The report emphasizes the need for companies to embed diversity, equity, and inclusion (DEI) in their core strategies to drive sustained growth and broader stakeholder impact. [View the full article.](#)

Difference in likelihood of outperformance of 1st vs 4th quartile¹



In 2023, 8 new countries were incorporated in gender analyses and 2 new countries for ethnicity analyses

Source: : McKinsey & Company

(Re)Imagine Flexibility, (Re)Build Belonging, (Re)Store Purpose

Creating a Happier Workplace Is Possible — and Worth It

Happiness at work benefits both employees and employers, boosting productivity by 13% and reducing disengagement, which costs the global economy \$8.8 trillion annually.

- **Flexibility in work hours** and location is essential for maintaining employee happiness, with research showing that remote or flexible workers report higher engagement and well-being.
- **Fostering a sense of belonging** is crucial, as workplace relationships and positive social interactions significantly impact job satisfaction and retention.
- **Purpose-driven** work motivates employees, with companies prioritizing well-being and conscious capitalism seeing both higher employee satisfaction and better financial returns.

> [View the full article.](#)



Being happy at work isn't just a win for employees; it's also a win for employers. Research shows a causal link between happy workers and a 13% increase in productivity. On the flipside, unhappiness at work costs the world \$8.8 trillion in lost productivity, equal to 9% of global GDP. But too many of us are disconnected, disengaged, and bored at work. 50% of the global workforce is quiet quitting and 18 percent are loud quitting – sharing openly that they are unhappy at work. - Harvard Business Review

Source: Harvard Business Review

Glassdoor's Best Places to Work: What's in Store for 2024?

Have we avoided a recession? Is return-to-office on the rebound? Will AI replace us all?

This year was a whirlwind! But the labor market's resilience has kept larger storms at bay, and the rise of Gen Z has many employers rethinking their compensation, flexibility and company culture.

> [Click to view](#) which companies are already ahead of the game.



Source: Glassdoor

Market Update

Baker Avenue
WEALTH MANAGEMENT

Presented By:
Doug Couden, CFA, Chief Investment Officer



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Get the Latest

October 2024

Geopolitical Risks Growing, But So Are Profits

"He who awaits much can expect little."

- Gabriel Garcia Marquez -

Rising geopolitical tensions and the outcome of the forthcoming US presidential election are sure to play a role in shaping market trends. Fortunately, corporate profits continue to push higher, the economy has remained resilient, and the Federal Reserve has resumed easing.

Each are soothing offsets to the unsettling macro backdrop. While we continue to see far more volatility in asset prices than the underlying earnings and economic estimates, the month of October does have a volatile history.

September 2024: The Soft(ish) Landing Meets a September to Remember

*"The Soft(ish) Landing Meets a September to Remember."
- Vince Lombardi -*

A busy September is set to feature interest rate cuts, more AI scrutiny, and political debates. While incoming data has been mixed, it is not collapsing, and the global cutting cycle should help reinforce a slow, but non-recessionary backdrop. While we continue to see far more volatility in asset prices than the underlying earnings and economic estimates, odds favor the busy September will continue that trend.

August 2024: Summertime Unwind

*"I was taught that the way of progress was neither swift nor easy."
- Marie Curie -*

Volatility has resurfaced in the past few weeks, catalyzed by a growth scare and concerns that the Fed is behind the curve. The outsized market moves have been amplified by the unwind of over-extended and leveraged positions. Economic data does point to some moderation, but non-recessionary growth remains our base case. We are seeing far more volatility in stock prices than the underlying earnings and economic estimates.

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.

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 on the left and a gravel shoulder on the right. 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.

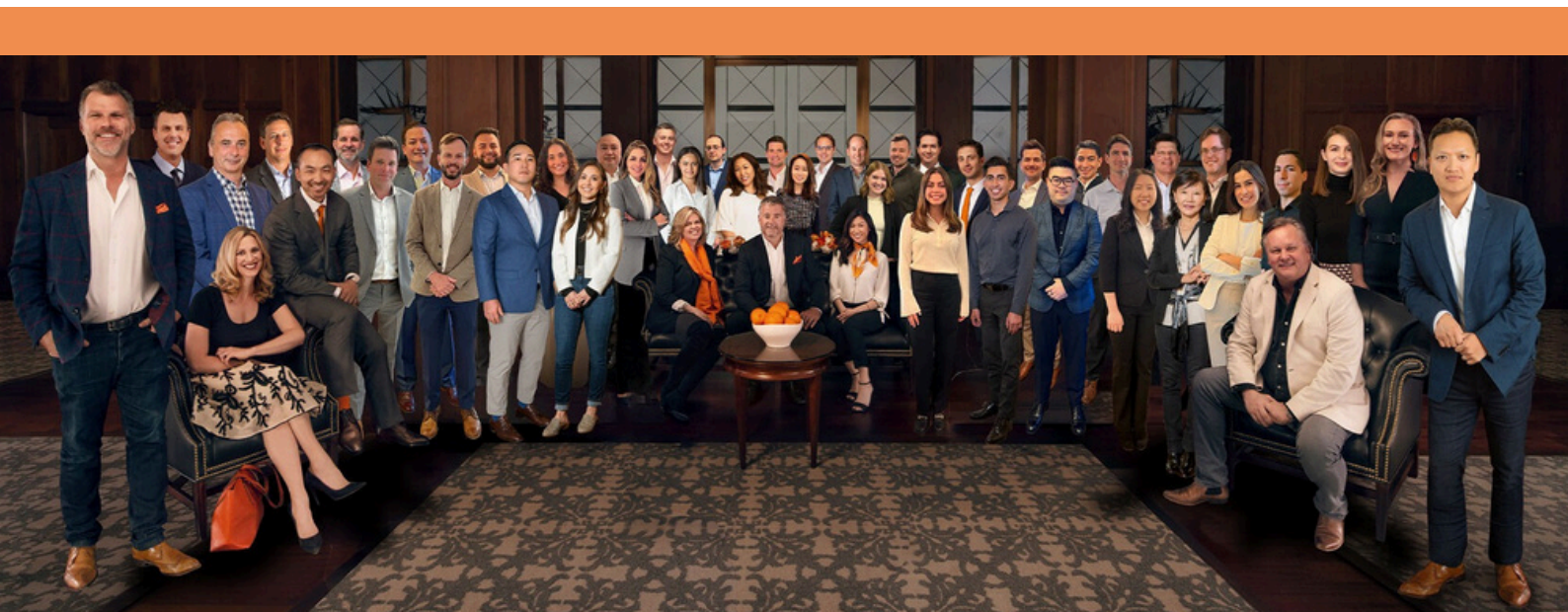
As a certified B Corporation member, BakerAvenue also guides foundations and endowments to solutions for long-term value creation through active portfolio management, in-depth investment, and grant research.

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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