



Impact Investing

Q4 2023: 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 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:

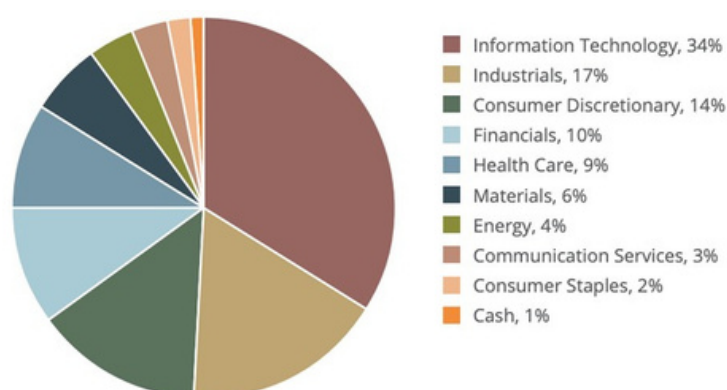
Invests in preeminent and financially-solid companies that allocate their resources with the goal of creating positive change in their communities and the world.

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	19.0
Dividend Yield	1.4%
Long-Term EPS Growth	16.7%
Equity Beta	1.12
Weighted Average Market Cap	\$393 B
Number of Holdings	30-40

Top Holdings:

Company Name	Symbol
Schlumberger Ltd	SLB
Amazon.com Inc	AMZN
NVIDIA Corp	NVDA
Flex Ltd	FLEX
Linde PLC	LIN
Intel Corp	INTC
Marvell Technology Inc	MRVL
UBS Group AG	UBS
Alphabet Inc	GOOGL
Charles Schwab Corp	SCHW

> View Q4 2023 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.



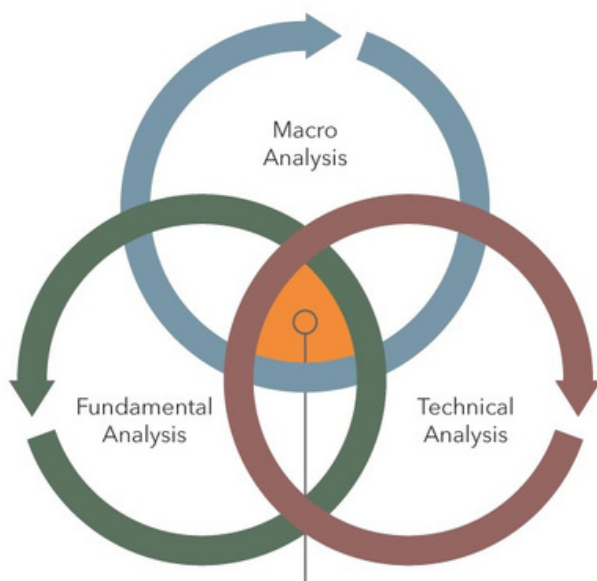
BakerAvenue	Impact (Gross)	Impact (Net)
Year to Date	21.21%	20.08%
1 Year	21.21%	20.08%
3 Years	7.41%	6.40%
5 Years	16.94%	15.84%
Since Exception*	14.75%	13.67%

BENCHMARKS	YTD	5 Years
S&P 500	26.29%	15.69%
Barclays Agg	5.53%	1.10%
ACWI Ex-US	15.62%	7.08%
70% Rus 3k / 30% ACWI Ex-US	22.81%	12.75%
Russell 2000	16.93%	9.97%
Russell 3000	25.96%	15.16%
Russell 3000 Growth	41.21%	18.85%
Russell 3000 Value	11.66%	10.84%
S&P Gbl Dividend Opportunities (55% / 45% Barclays Agg)	7.14%	-
Bloomberg Commodities	-7.91%	7.23%
Morningstar US Active Fund Tactical Allocation	10.95%	5.76%
Balanced (49% Rus 3000 / 21% ACWI Ex-US / 30% Barclays Agg)	17.47%	9.43%

> View Q4 2023 full performance report and disclosures

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.



BakerAvenue Investment Committee

Tax-Loss Harvesting
to Optimize Your
Investments

BakerAvenue
WEALTH MANAGEMENT





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

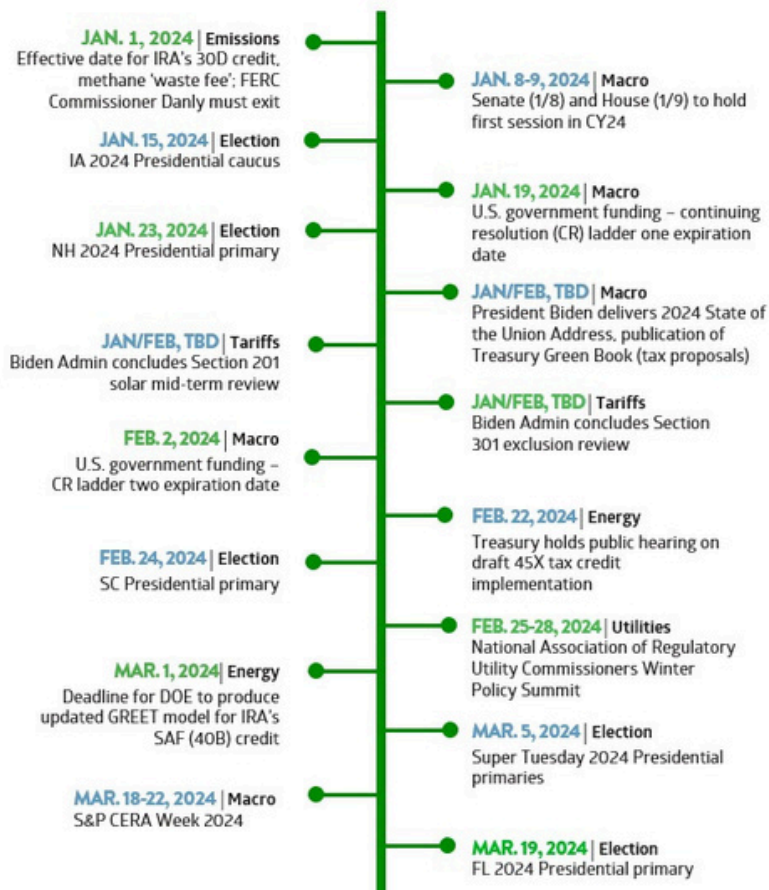
Welcome to 2024. With companies and investors increasing their public commitments to sustainability related goals, the transition process presents the opportunity for investors to help enact real change. However, meeting these goals means different things for different sectors and different companies - 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

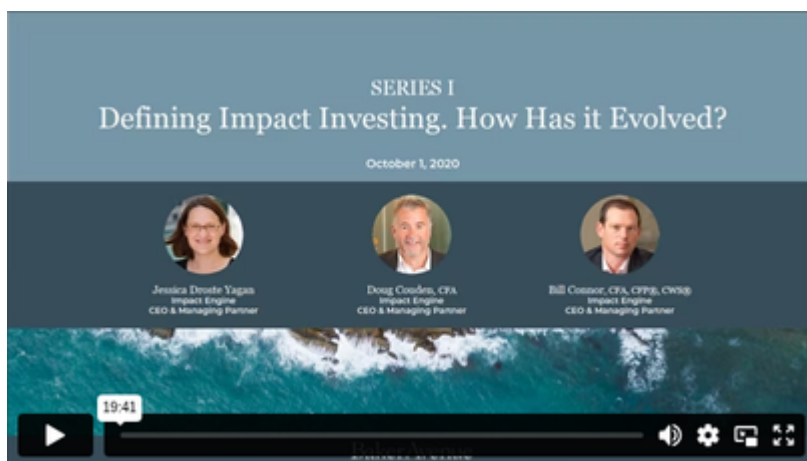
Although moving to a more sustainable future is clearly desirable and presents an array of investment opportunities, transition does not come for free and the question of who should bear that cost sits largely unaddressed given the intersection of government and corporate policies. For investors, there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

Upcoming key events to support Environmental, Social, and Governance initiatives



Sources: Cowen, Bloomberg, BakerAvenue



BakerAvenue's Primary Social Screening Factors

- 35% Occupational Health & Safety Mgmt
- 26% Product Quality Management
- 20% Ethics & Compliance
- 16% Labor & Employment Practices

Sources: Bloomberg, BakerAvenue

Demographics in the US Are Set to Change Materially Into 2030 and Beyond

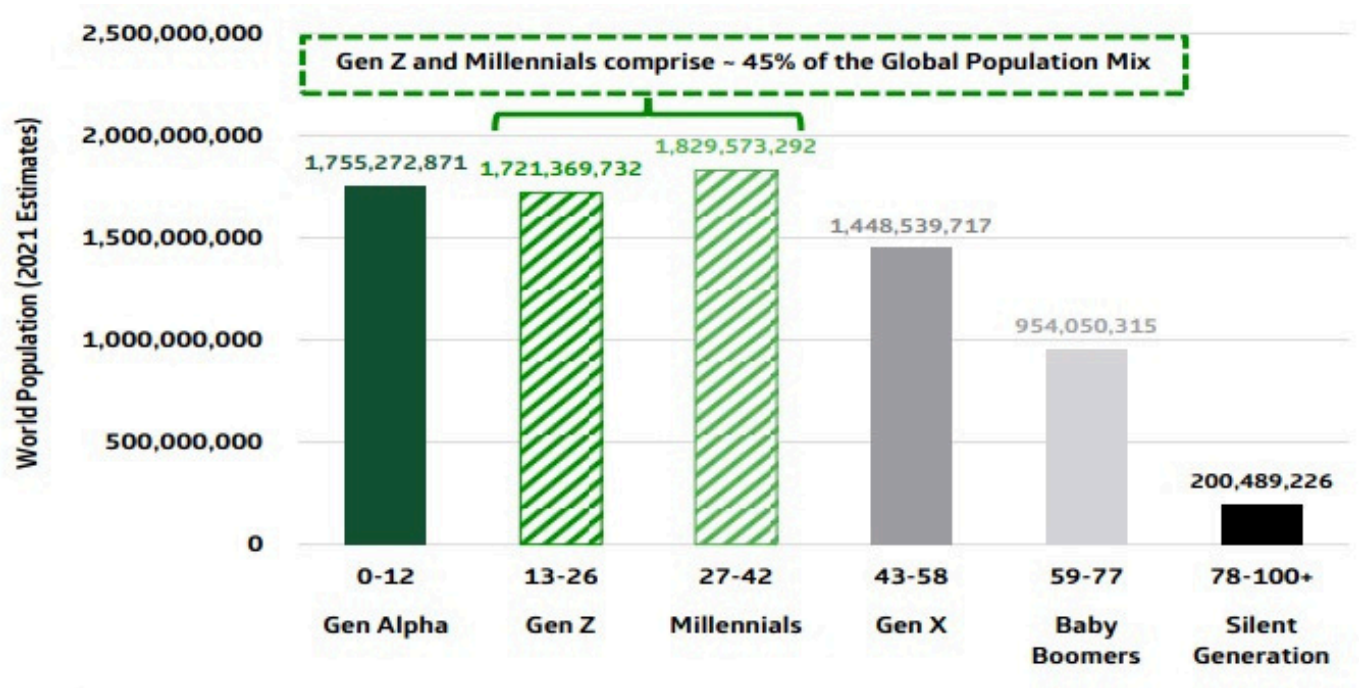


The Gen Z and Millennial generations are expected to be a more diverse population cohort than previous generations based on the change in expected population distribution among ethnicities.

U.S. Census Bureau data implies that U.S. population growth through 2060E from 2016 will be led by those that define as being of Two or More Races (+198% 2016-2060E), Asian (+101% 2016-2060E), and those that define as people of Hispanic origin but may be of any race at (+94% 2016-2060E).

The Census Bureau indicates that “immigration is projected to overtake natural increase as the primary driver of population growth.”

The Millennial & Gen Z Revolution on a Global Scale



Source: United Nations, TD Cowen

Exploring ESG Risks in AI Companies

Which Companies Are Best Positioned to Navigate an AI-Based Future?

Artificial intelligence can be a powerful tool for investors, offering the ability to quickly learn about a topic, sift through reams of data, and provide comparisons faster than most humans.

This Morningstar article focuses on managing these risks for AI-focused investors, particularly in the semiconductor and software industries. Key ESG issues like Business Ethics, Carbon Emissions, Data Privacy and Security, and Product Governance are highlighted. It stresses the importance of responsible AI development, procurement, and usage practices. It also discusses carbon intensity of training AI models, the management of ESG risks by companies, and concerns around data privacy and security, illustrating the complexity of AI technology related to ESG considerations.



For more details, read the full Morningstar article: "Beware of the ESG Risks in These 8 AI Companies"

Sources: Morningstar, BakerAvenue

3 Current Trends in 2024 in Occupational Safety and Health

Read the full Link article: "3 Current Trends in Occupational Safety and Health in 2024"



- 1. Mental Health: The Most Common Workplace Health Issue**
- 2. Sustainability as a Key Component of OSH**
- 3. Diversity, Equity, and Inclusion (DEI) as an OSH Priority**

Many of the workplace safety trends that characterized 2023 will continue into 2024, but the longer-term effects of the COVID-19 pandemic are continuing to change the ways people work and relate to each other.

For more on this topic, we recommend reading a recent Q&A published by the American Society of Safety Professionals.

Sources: Morningstar, Columbia Southern University: "The Link", BakerAvenue



Get the Latest

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?

December 2023: Down the Stretch with Hints of Shifting Narratives

"People calculate too much and think too little."

- Charlie Munger

We use our monthly publications as a time to reflect, to step back from the market's day-to-day news flow, and to see what stands out amid the noise. As we round out the year, many of the defining characteristics of 2023 are showing subtle signs of changing, or, at the very least, becoming less influential. We leverage insights from our technical, macro, and fundamental research to guide our investment approach. We scrub a litany of factors that influence our take on each discipline, and each has a storyline that is showing signs of shifting.

November 2023: Good Trends, Messy Internals: What Gives?

"Success is a science; if you have the conditions, you get the result."

- Oscar Wilde

The stock market has rarely been this concentrated. At one point in time last month, the recently coined "Magnificent 7" (Alphabet (aka, Google), Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) represented more than 100% of the year-to-date gains in the S&P 500. A few weeks ago, Microsoft joined Apple as the second individual company that has a larger market capitalization than the combined market capitalization of all stocks in the small-cap Russell 2000. Small caps are currently trading at their lowest level vs. the S&P 500 (total return) in more than 20 years and represent less than 4% of the total US equity market, their lowest percentage in more than 70 years.

October 2023: The Rate-Growth Dilemma: An Elusive Endgame

"He who awaits much can expect little."

- Gabriel Garcia Marquez

It seems like quite a while ago, but the third quarter began with a seemingly goldilocks backdrop of strong growth and peaking interest rates. A fair dose of FOMO (fear of missing out) led to a broadening equity rally, and confidence in a soft landing increased. However, as the summer wore on, the market narrative quickly shifted, and a cautious air drifted in (the S&P 500 fell -2% in the third quarter). The most proximate cause in this change in sentiment has been some recognition on the part of holders of Treasury securities that the Fed is likely to keep short-term interest rates higher for longer than previously anticipated.

September 2023: The Choppy Path: When Good Is Bad

"Great things are done by a series of small things brought together."

- Vincent Van Gough

A resilient US economy is challenging the disinflation narrative, pushing bond yields higher and catalyzing a choppy trading backdrop. While higher oil prices and US dollar, as well as challenging seasonals, have raised consolidation odds, we remain encouraged by the balance of our analytics. How will this "good news is bad news" backdrop play out?

August 2023: Summertime Grind?

"Don't count the days, make the days count."

- Muhammad Ali

Markets continued their push higher last month, buoyed by an accelerating economy, decent earnings results and, we suspect, FOMO (fear of missing out) buying by reluctant bears. Soft landing optimism has increased, and with it, bond yields. The bar for further outperformance has increased, raising consolidation odds, but we remain encouraged by our supporting analytics. Will a summertime grind alter the market's long-term trajectory?

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,
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BakerAvenue
WEALTH MANAGEMENT

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