



2020  
IMPACT REPORT

**IMPACTfolio**  
PLANET | PEOPLE | PROFIT

# THE EVOLUTION OF IMPACTfolio



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IMPACTfolio was created through a common vision, a passion to be a financial force for good, and friendship. Julie, Scott, and Rebecca met through the Financial Planning Association and joined a monthly study group of financial planners who come together to encourage and share best practices.

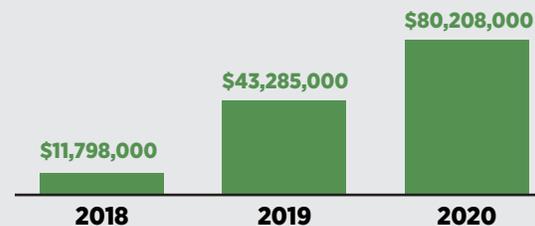
As the years passed and they watched each other's careers evolve, they found that they had similar ideas on how they would like to practice financial planning and serve their clients. They set out to create a firm where "putting clients first" is more than simply a marketing slogan. The three partners spent many hours discussing a potential equal partnership and their visions aligned. [The partnership was born on March 1st, 2019](#). We are proud to be a majority female-owned firm, in which each partner is grounded in the belief that every day is a gift.

## OUR MISSION STATEMENT

We created our firm to be a financial force of good. We radically reject the established norms of the financial services industry. We are leaving behind traditional investing that is focused only on the shareholder. Instead, we are embracing impact investing that takes a stakeholder approach to generate financial, social and environmental returns.

We charge a flat annual retainer fee for both financial planning and investment advisory services. We feel strongly that this structure is the most objective to investors. It helps to reduce the **conflicts of interest** inherent when charging clients a percentage (often 1%) of managed assets

## Assets Under Management<sup>1</sup>





# INVESTING FOR GOOD

At IMPACTfolio, we believe that sustainability is not optional. It is not a niche investment strategy that we offer clients if they are “into that kind of thing.” It is core to our investment philosophy and what we believe is the only way to properly manage money for the best long-term results.

At IMPACTfolio, our process involves what we call “**triple bottom line**” investing by seeking an environmental return, a social return, and a financial return. These three sources of return are what we refer to as our 3 P’s: **Planet**, **People**, and **Profit**.



## PLANET

Takes into account environmental concerns like carbon gas emissions, pollution, and water scarcity.



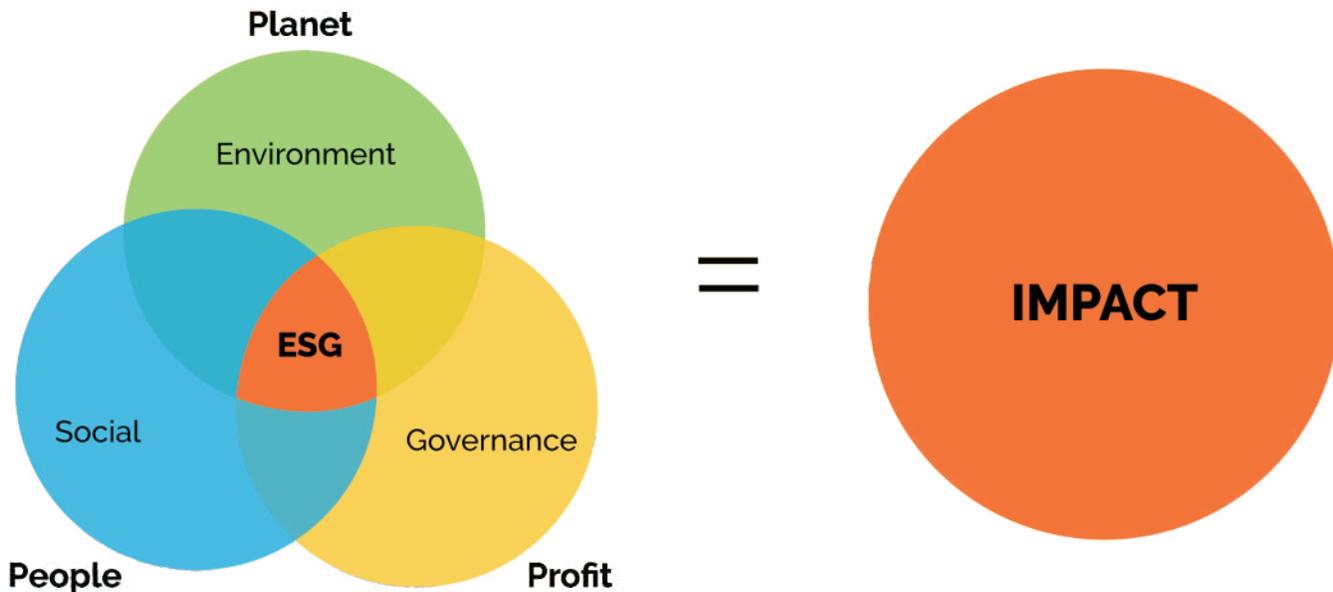
## PEOPLE

Involves the evaluation of a company’s corporate governance. This includes elements such as executive compensation, corporate accounting practices, board independence, and shareholder rights.



## PROFIT

Pertains to how a company is affecting its customers, employees, and those in the local community.



## IMPACT INVESTING DEFINED

*“Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*

- **Global Impact Investing Network**



## SUSTAINABLE DEVELOPMENT GOALS DEFINED

The Sustainable Development Goals created by the United Nations are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that we achieve them all by 2030.



# IMPACT INVESTING IN PRACTICE

How did IMPACTfolio's portfolio compare to a traditional benchmark on ESG factors?

■ 1-20<sup>th</sup> PERCENTILE    
 ■ 21-40<sup>th</sup> PERCENTILE    
 ■ 41-60<sup>th</sup> PERCENTILE    
 ■ 61-80<sup>th</sup> PERCENTILE    
 ■ 81-100<sup>th</sup> PERCENTILE

ESG ISSUES	IMPACTFOLIO STRATEGIC EQUITY PORTFOLIO	60 US/40 NON US (US DOW JONES TOTAL STOCK MARKET, MSCI ACWI EXUS)
 <b>ESG Quality Score</b> This measures companies' ability to manage ESG risks and opportunities.	85	61
 <b>Carbon Footprint</b> A higher score means lower exposure to carbon intensive companies. "Carbon Intensity" is tons of carbon emissions per \$M in sales.	62	36
 <b>Clean Tech</b> A higher score means higher revenue exposure to companies providing clean technology goods and services. These include alternative energy, green building, and population control.	83	66
 <b>Sustainable Water</b> A higher score means higher revenue exposure to companies providing sustainable water goods and services. These include waste water treatment and water infrastructure.	84	69
 <b>Woman on Boards</b> This measures exposure to companies where women comprise at least 30% of the board of directors.	62	59
 <b>Diverse Workforce Policy</b> This measures exposure to companies flagged as "Yes" if the company has a diversity policy for its workforce.	64	63

Source: ESGPro<sup>2</sup>

# IMPACT INVESTING IN PRACTICE

How did IMPACTfolio's portfolio help reduce carbon emissions?

## CARBON FOOTPRINT

Carbon footprint is measured in metric tonnes of CO2 per \$1 million USD revenue. The carbon footprint of IMPACTfolio's managed assets is 1,692.27 tons less than the benchmark index<sup>3</sup>. This is equivalent<sup>4</sup> to:



Burning  
**1,864,352**  
pounds of coal

OR



Consuming  
**190,390**  
gallons of gasoline

OR



Taking **366**  
passenger vehicles off  
the road for one year

## CARBON NEUTRAL

IMPACTfolio purchased 9,000 pounds of carbon offsets through [Aclymate](#) to make our [firm officially carbon neutral](#) for the 2020 calendar year. The project we supported is the McCloud River Conservation Based Forest Management project.



# GIVING BACK

Here are the charities we have supported on behalf of our clients:

 American Foundation for Firearm Injury Reduction in Medicine				
				
				
				
				
				
				
				
				

# IMPACTFOLIO DIVERSITY AND INCLUSION STATEMENT

Equality is a core value at IMPACTfolio. We believe that business can be a powerful platform for social change and that our higher purpose is to drive equality for all. Creating a culture of equality isn't just the right thing to do, it's also the responsible thing to do. Any race, gender, social class, and sexual orientation will always be welcome at our firm.





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### DISCLOSURES:

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IMPACTfolio, LLC (“IMPACTfolio”) is a registered investment adviser offering advisory services in the State(s) of CA, CO, TX and in other jurisdictions where exempted. The information provided herein is for educational purposes only and is subject to change without notice. This material is not financial advice nor is it an offer to buy or sell any product or service. Past performance is not indicative of future results. It should not be assumed that any investment referred to by this report will be profitable nor that it will achieve the same environmental, social, or governance performance indicated in this report. Investing involves risk. Principal loss is possible. The social, governance, and/or environmental policy of a Fund could cause it to make or avoid investment that could result in the portfolio underperforming similar funds that do not have such policies. Diversification does not assure a profit or protect against a loss in a declining market. Before investing you should carefully consider a Fund’s investment objectives, risks, charges and expenses. This and other information are in the statutory and summary prospectus. Individual positions and target allocations are available upon request. The information contained herein has been obtained from sources believed to be reliable but the accuracy of the information cannot be guaranteed.

<sup>1</sup>Assets Under Management are determined at year-end and disclosed in the IMPACTfolio Form ADV Part 2A Firm Brochure, the brochure can be found on <http://www.impactfolio.co>.

<sup>2</sup>ESG Pro is a service mark of FMR LLC. © 2020 FMR LLC. Fidelity Labs LLC. All rights reserved.

<sup>3</sup>Carbon footprint data based on approximately 38 million of equity funds utilized by IMPACTfolio. Carbon data provided by As You Sow. Copyright © 2021 As You Sow.

<sup>4</sup>Greenhouse gas emission and equivalents data provided by the Environmental Protection Agency.

<sup>5</sup>Carbon emission data analysis and the purchase of carbon offsets were provided by Aclymate. All rights reserved.

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