



2019 Impact Report



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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 equitable to investors and helps to reduce the conflicts of the asset-gathering model.

The Evolution of IMPACTfolio



Julie Fletcher McDaniel, CFP®



Scott Arnold, CFP®



Rebecca Kennedy, CFP®

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-owner firm, and each partner is grounded in the belief that every day is a gift.

Investing for Good

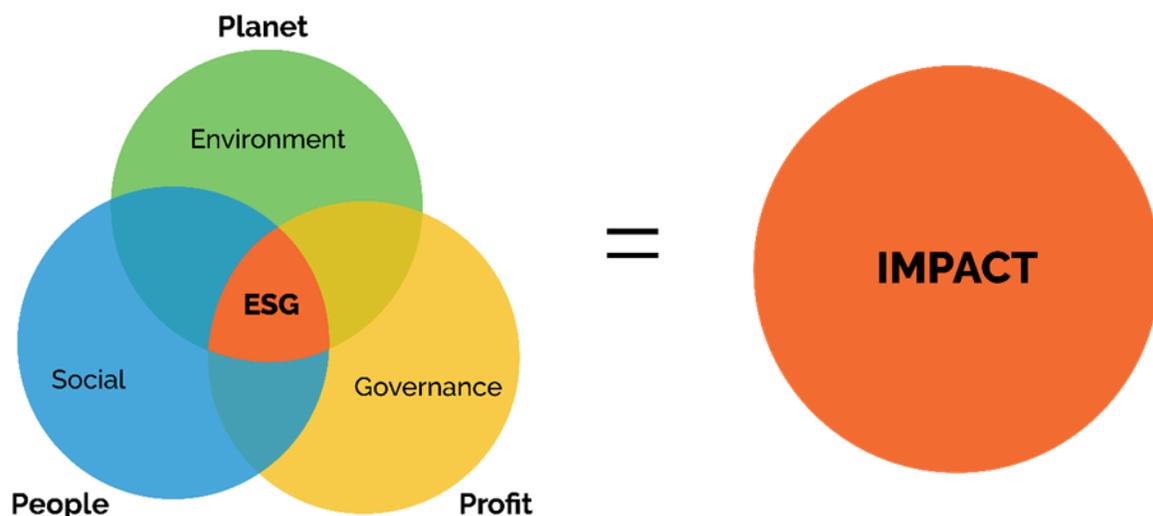
At IMPACTfolio, we believe that sustainability is not optional. It's not a niche investment strategy that we offer clients if they are "into that kind of thing." It is core to our investment philosophy and what we believe is the only way to properly manage money for the best long-term results.

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

Profit involves the evaluation of a company's corporate governance. This includes things like executive compensation, corporate accounting practices, board independence, and shareholder rights.



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 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— IMPACTfolio’s Climate Impact Analysis

IMPACTfolio’s Strategic Equity Holdings vs. Benchmarks (Vanguard)					
	Fossil Fuels % Assets Flagged	Carbon Intensity Tonnes CO ₂ /1M Revenue	Carbon Footprint Tonnes CO ₂ /\$1M Invested	Stranded Fossil Fuel Asset Risk	Cleantech Exposure
US Large Cap Equities					
US Mid/Small Cap Equities					
Developed Market Equities					
Emerging Market Equities					



= better than benchmark



= worse than benchmark

Definitions

All risk exposure data is publicly available from [As You Sow](#), an independent entity dedicated to promoting shareholder advocacy for environmental and social responsibility.

Fossil Fuels, % Assets Flagged: measures the percentage of a fund's net assets invested in companies which own, extract, process, or burn fossil fuels for electricity generation. More information available from fossilfreefunds.org.

Carbon Intensity: measures the tons of carbon dioxide (CO₂) emissions per \$1 million in revenue. More information available from fossilfreefunds.org.

Carbon Footprint: measures the tons of carbon dioxide (CO₂) emissions per \$1 million invested in a fund. More information available from fossilfreefunds.org.

Stranded Assets: assets that have suffered from unanticipated or premature write-downs, devaluations or conversion to liabilities. In the energy sector, this refers to fossil fuel reserves which may need to be written down. More information available from <http://www.change-finance.com/#news-resources> and <http://fossilfreeindexes.com/research/>.

Cleantech: a subset of companies from various sectors and industries that are actively involved in business practices that help to mitigate climate change and its effects. This includes but is not limited to renewable energy, sustainable transportation, environmental services, and other industries that may benefit from an economy-wide shift away from fossil fuels. More information available from www.corporateknights.com.

Investing in Practice—Example Fund



Company: Change Finance

Investment: Change Finance U.S. Large Cap Fossil Fuel Free ETF: CHGX

Asset Class: US Fund Large Blend

Investment Summary: CHGX tracks the CHGX Index which begins with a universe of the 1,000 largest U.S.-listed common stocks and REITS (Real Estate Investment Trusts). It excludes companies involved in the fossil fuel industry, fossil-fired utilities and companies which fail to meet high ESG standards for human and labor rights, health, climate, and pollution. It offers impact & outcome with integrity.

Sustainable Development Goals

CHGX’s impact methodology addresses 14 of the 17 Sustainable Development Goals through a sophisticated set of screens related to air, water, biodiversity, land, people, and ethics.



Carbon Intensity

Carbon intensity is measured in metric tonnes of CO₂ per \$1 million USD revenue. CHGX’s carbon intensity score is 141 tons less than the S&P 500 index. This is equivalent to:

Burning 155,363 pounds of coal



OR

Consuming 326 barrels of oil



OR

Taking 30 passenger vehicles off the road for one year



Investing in Practice—Example Stock



Company: Microsoft Corporation

Investment: Microsoft Stock

Asset Class: US Large Cap Growth

Investment Summary: Microsoft’s mission to empower every person and every organization on the planet to achieve more aligns strongly to the Sustainable Development Goals (SDGs).



Technology can play a key role in transforming education and promoting lifelong learning, such as through innovative teaching methods, adaptive curriculum and interactive learning experiences. Moreover, increasing access and standardizing computer science education for all youth will spur innovation in emerging and developed markets across the globe.

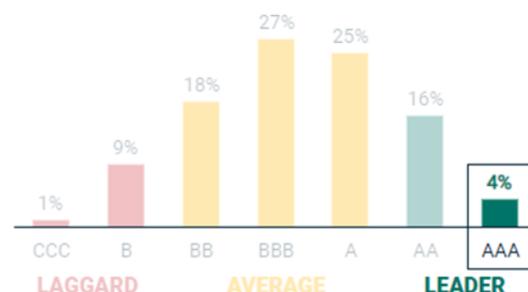


Productivity services, mobile technology and cloud services can expand economic opportunity, create jobs, and support business growth.



Microsoft has operated carbon neutral since 2012 and continues to reduce their emissions. They are one of the largest purchasers of renewable energy in the United States. By 2030 Microsoft will be carbon negative, and by 2050 Microsoft will remove from the environment all the carbon the company has emitted either directly or by electrical consumption since it was founded in 1975.

Microsoft is a leader among 121 companies in the software & services industry according to their MSCI ESG Ratings.



Giving Back

Here are all the charities we supported on behalf of our clients in 2019:

affirm

American Foundation for
Firearm Injury Reduction in Medicine

colorado
enterprise
fund

ACLU

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION

BCRF BREAST
CANCER
RESEARCH
FOUNDATION


**CANINE COMPANIONS
FOR INDEPENDENCE®**
cci.org



Conservation Colorado
Education Fund

Casa de Paz 


Dumb Friends League.
COMPASSION ALWAYS ♥

COLORADO
COALITION
FOR THE
Homeless *Creating Lasting Solutions*


INTERNATIONAL
RESCUE
COMMITTEE

 **Direct Relief®**

**FOOD BANK
OF THE ROCKIES®**
FIGHTING HUNGER. FEEDING HOPE.

 **EARTHJUSTICE**
BECAUSE THE EARTH NEEDS A GOOD LAWYER

 Greeley-Weld
**Habitat
for Humanity®**

 **Mercy
Ships®**


Mobile Loaves & Fishes
Serving Goodness.®

 NATIONAL
BREAST
CANCER
FOUNDATION, INC.®

 **Planned
Parenthood®**


St. Jude Children's
Research Hospital

**THE WILD ANIMAL
Sanctuary**

THE OCEAN
CLEANUP™

workLife
PARTNERSHIP

Plant Memorial Tree
A Greener Way to Give



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.





Disclosures:

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.

Please read the prospectus carefully before you invest. Prospectuses for the funds in this report may be obtained as follows:

iShares: ishares.com, (800) 474-2737

Change Finance: changefinanceetf.com, (303) 339-0524

Nuveen: nuveen.com, (800) 752-8700

Vanguard: vanguard.com, (877) 320-3299

