

SUSTAINABLE & RESPONSIBLE INVESTMENT POLICY

ESG in IMPACTfolio®'s Investment Philosophy

IMPACTfolio® believes that sustainable and responsible investment practices and ESG data integration can help investors better achieve their financial goals in addition to positively impacting issues and causes important to them and their families.

Available research indicates that in a majority of instances, strong ESG performance correlates to financial outperformance. A meta-analysis of 2,200 individual studies published in 2015 in the Journal of Sustainable Finance and Investment concluded that “the large majority of studies report positive findings” between strong ESG criteria and corporate financial performance.¹ An additional meta-analysis of over 1,000 additional studies conducted by the NYU Stern Center for Sustainable Business published in 2020 reinforced these findings and found “positive correlations between ESG performance and operational efficiencies, stock performance and lower cost of capital.”² This comprehensive assessment of available research underpins IMPACTfolio®'s assertion that investors need not sacrifice financial returns when investing in sustainable and responsible portfolios, and that ESG data is a vital tool for identifying investment opportunity and risk.

IMPACTfolio® believes that sustainable and responsible investments promote a more just and sustainable future by shifting capital flows and providing incentives for corporations to pursue profit in a manner that positively affects people and the planet. Many third-party investment managers also create positive environmental and social outcomes by being active investors, engaging directly with companies to encourage responsible practices and filing shareholder resolutions when appropriate.

Consequently, IMPACTfolio® will provide sustainable and responsible investment solutions that help clients invest in alignment with their values while also achieving their financial goals.

ESG in IMPACTfolio®'s Investment Process

IMPACTfolio®'s investment approach aims to consider material environmental, social, and governance data and metrics when deemed to be in the best interest of the client's financial goals and goals related to generating positive impact on society.

Sustainable and responsible investment portfolios managed by IMPACTfolio® will be analyzed using data and analytics from [ESGPro®](#) to determine alignment with commonly accepted sustainability frameworks such as:

- The United Nations Sustainable Development Goals
- The Paris Climate Accord
- Global Impact Investing Network

Although IMPACTfolio®'s investment professionals may monitor the ESG metrics associated with the frameworks listed above, they may not affect the decision-making process as IMPACTfolio® will always prioritize client financial goals consistent with our fiduciary duty.

Due Diligence

When appropriate, IMPACTfolio® will research investments using data and analytics provided by [ESGPro®](#) to determine risk and impact opportunity. Investments may be analyzed to determine:

- Impact on the United Nations Sustainable Development Goals
- Global Warming Potential
- Carbon footprint
- Carbon emissions
- Carbon intensity
- Exposure to climate solutions
- Exposure to potentially problematic business practices including by not limited to:
 - Fossil fuel production, distribution, or utilization
 - Tobacco-related sales
 - Weapons manufacturing and distribution
- Historical ESG-related controversies

No single factor or combination of factors may necessarily include or exclude a security from an investment portfolio but will generally inform and augment IMPACTfolio®'s decision-making process as ESG data is considered in conjunction with other financial metrics.

Monitoring

IMPACTfolio® continually monitors the ESG profile of investment portfolios alongside traditional financial metrics to identify investment risks and alignment with the client's stated financial and impact goals.

Reporting

IMPACTfolio® will provide clients with an ESG Report on an annual or ad hoc basis to communicate:

- Impact on the United Nations Sustainable Development Goals
- Global Warming Potential
- Carbon footprint
- Carbon emissions
- Carbon intensity
- Exposure to climate solutions
- Exposure to potentially problematic business practices including by not limited to:
 - Fossil fuel production, distribution, or utilization
 - Tobacco-related sales
 - Weapons manufacturing and distribution
- Historical ESG-related controversies.



ESG at IMPACTfolio®

IMPACTfolio® is committed to sustainable and responsible business practices that mitigate environmental harm and create positive social impact. Areas of focus include but are not limited to:

- Prioritizing virtual meetings before business travel when possible and in the best interest of our clients
- Reduction of paper and plastic waste through utilizing digital / electronic platforms
- Achieving carbon neutral business operations through the use of certified carbon offsets
- Contributing to the charity of our client's choice on their birthday or client anniversary

IMPACTfolio® will pursue, monitor, and report specific outcomes of these initiatives where possible and to the extent that it does not impose additional costs on IMPACTfolio® clients.

Disclosures:

1. Gunnar Friede, Timo Busch, and Alexander Bassen. 2015. "ESG and Financial Performance: Aggregated Evidence from more than 2000 Empirical Studies." *Journal of Sustainable Finance & Investment*, 5:4, 210-233, DOI: 10.1080/20430795.2015.1118917
2. Whelan, T., Atz, U., Van Holt, T., Clark, C. 2021. "Uncovering the Relationship by Aggregating Evidence from 1,000 Plus Studies Published between 2015-2020." NYU | Stern, February 10. <https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/research/research-initiatives/esg-and-financial-performance>
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