Socially Responsible and ESG Investing the Adviser Investments Way

Socially Responsible Investing (SRI)—aligning a portfolio with one's values—has been practiced for decades, but has burst into the mainstream under a new moniker: "ESG," or Environmental, Social and Governance investments. Adviser Investments is pleased to introduce two distinct ESG strategies.

At its core, ESG investing distinguishes between companies that score well on a host of issues related to environmental, social and corporate governance criteria, and those that don't. Investors pursuing ESG strategies may favor companies that provide services and products they believe achieve social good, while avoiding companies they perceive to be detrimental to society. For instance, alcohol, tobacco, gambling and weapons companies are often omitted from ESG portfolios.

As you might expect, there are many measures used to determine how well companies score on an ESG scale. Some ESG strategies are geared toward being consistent with religious beliefs, while others may focus on niche industries such as renewable energy, or companies with low carbon footprints. Whatever the criteria used to build an SRI or ESG portfolio, the goal is one and the same: To do well while doing good.

Translated into investment language, this means earning a reasonable return while investing in companies that help improve the world in which we live.

Introducing the Adviser Investments ESG Strategies

We have developed a pair of discrete ESG investment strategies for those wishing to pursue an ESG mandate:

Our **ESG CORE** portfolios are designed as a comprehensive, diversified choice for those who want an ESG-focused investment strategy. We implement our *Active Acumen*™ investment strategy by investing primarily in exchange-traded funds (ETFs) and mutual funds to build globally diversified portfolios that meet well-defined ESG metrics. We tailor these portfolios for a range of growth and income objectives and risk comfort zones.

WITH AN ESG PORTFOLIO, THE GOAL IS TO DO WELL WHILE DOING GOOD.

The **ESG DIVIDEND INCOME STOCK** portfolio invests in large U.S. companies with a history of paying and growing dividends over time. This stock-only strategy is designed to be a component of a diversified core portfolio. Our in-house Dividend Income Team applies the same stock selection approach it has for years on other portfolios, but excludes stocks that don't meet our clear-cut ESG criteria.

Adviser Investments ESG Core Portfolios Are Distinctly Different

Since our founding in 1994, the Adviser Investments team has focused on identifying talented active investment managers. Through our *Active Acumen* analysis, our ESG Core portfolios leverage the insights of those active managers in their construction.

For example, if the active managers we hold in our core portfolios are finding opportunities in a particular area of the market, such as mid-cap growth stocks, we can invest in a fund or ETF that targets the same type of companies or sector in our ESG Core strategies. *Active Acumen* applies the insights of these select active managers to a portfolio that is in line with our clients' ESG values and goals.

Our investment committee, which oversees every strategy we offer, also actively positions client portfolios based on their assessment of the economic environment and opportunities in the investment markets.

ESG Dividend Income Stock

Our Dividend Income Team takes a two-fold approach to building a portfolio with growth and income potential that fulfills an ESG mandate.

First, we seek to identify stocks issued by high-quality companies that fit a specific dividend-growth profile. Many income-oriented investors focus purely on a stock's absolute yield. We think yield growth is equally important, so our team looks for stocks that provide both a competitive current yield and the potential for growth in that income stream.

OUR ESG CORE PORTFOLIOS ARE BUILT USING OUR *ACTIVE ACUMEN™* ANALYSIS.

Next, the team puts qualifying dividend-growth stocks through an ESG filter to ensure that only companies that meet the standards established by MSCI or FTSE, two of the most reputable index curators in the industry, are represented in client portfolios.

The result is a concentrated selection of high-quality, dividend-paying stocks that fit with clients' desire to invest in socially responsible companies.

Learn More About Adviser Investments ESG Portfolios

If you have any questions, or would like to discuss ESG investing, please contact us by email at info@adviserinvestments.com or by phone at (800) 492-6868.

Adviser Investments is an independent, professional wealth management firm with expertise in actively managed mutual funds, ETFs, fixed-income investing, tactical strategies, ESG/socially responsible investments and financial planning. We advise more than 3,000 clients with over $5 billion under our care. Our team focuses on helping individual investors, trusts, foundations and institutions meet their long-term investment goals.