Where Our Values Lead Us

SRI WEALTH MANAGEMENT GROUP

www.sriwealthmanagement.com

RBC Wealth Management®

WITH GREAT WEALTH COMES GREAT RESPONSIBILITY

Throughout history, truly great people have always left a legacy, an indelible mark that in some way changed our world. Whether scaling the world's tallest peak, or exploring new wilderness frontiers, these uncommon people shared one common trait: they all had guides, trusted friends who navigated them through the unfamiliar and helped them achieve their dream. For you, leaving a legacy means using your financial success for the betterment of your community and the world beyond. When one chooses the path of philanthropy, a spirit of giving and community involvement is passed on to future generations, and a lasting imprint is left on the world. For SRI Wealth Management Group, we understand the route to achieving one's philanthropic and financial goals can at times seem unclear. That is where we come in. We will be your trusted guide for this journey.

WHO WE ARE

SRI Wealth Management Group is a premiere financial consultancy, providing customized investment solutions that help clients achieve both their financial and value-based objectives. With $1.3 billion in assets under management and almost 30 years of experience, SRI Wealth Management Group works with institutional and individual investors to implement client-specific Environmental, Social and Governance (ESG) preferences throughout their asset allocation. Additionally, SRI Wealth Management Group leverages our relationships with shareholder advocacy organizations to provide clientele with unique shareholder engagement opportunities. This allows clients to have a more active role in the focus and direction of the companies they own.

WHERE WE WORK

RBC Wealth Management is an institution with more than 100 years of demonstrable corporate leadership in the communities in which we operate. Additionally, our parent, the Royal Bank of Canada is a recognized global leader in corporate initiatives that have a significant positive impact. The Royal Bank of Canada's Blue Water Project, a program designed to foster a culture of water stewardship globally, commitment to Corporate Responsibility, Responsible Financing and Diversity are just a few examples that underscore the type of healthy, positive corporate culture that enables SRI Wealth Management Group to flourish. Additionally, RBC has recently announced a $20 million commitment to impact and socially responsible investing. RBC has been named "Global 100 Most Sustainable Corporations" for eight consecutive years and has a host of others awards and recognitions.

SRI Wealth Management Group

WHAT WE DO

We understand that investments are the economic representation of your values. Promoting investment strategies that connect financial markets with healthy environments, sustainable communities, and humane and diverse workplaces is at the core of what we do. We help our clients translate their desire to make a difference into a solid economic strategy. Additionally, we collaborate with our client's business, philanthropic, legal and accounting advisors to coordinate their individual &/or institutional financial strategy. We understand the unique challenges foundations and not-for-profit institutions, in particular, face regarding endowment preservation to ensure the organization continues in perpetuity.

HOW WE DO IT

As your financial advisors, we take the time to listen to your financial concerns and help craft a personalized *Investment and Impact Policy Guidelines*. The purpose of the guidelines is to provide structure to your financial objectives and decision-making. During the development process, we assess your risk-and-return profile to fully understand your objectives and determine an appropriate asset allocation that meets your financial and impact investment guidelines.

Performance Objectives

Our objective is to keep your investment practices compatible with your values, while pursuing competitive returns. We have found three ongoing approaches to be important in determining investment performance:

Asset Allocation

We understand that diversification and balance are essential to executing a successful wealth management plan, and our asset allocation process aims to reduce volatility while accomplishing your specific financial goals. Asset allocation has been proven to reduce volatility while increasing the consistency of investment return. Asset allocation is a method of diversifying among the basic asset classes - stocks, bonds, international equities - and both growth and value styles. Studies have shown that about 90 percent of a portfolio's return is determined by asset class selection.i

Talented and Experienced Portfolio Managers

We work with top performing money managers in different asset classes and investment styles in order to provide full diversification as dictated by your return objectives and tolerance for risk. The selection of the appropriate portfolio manager(s) is important to the success of your investment program. Investment managers adhere to a defined style and provide a disciplined approach to investing. We have access to more than 1,300 third-party money managers, and we select managers with excellent track records among their peer groups.

Performance Monitoring

Once your investment plan is complete, we monitor your portfolio's performance. Keeping your investments compatible with your ESG concerns is essential to ongoing account management. We will meet with you regularly to conduct a comprehensive progress review, including a review of client's impact and ESG investments. We will also provide detailed monthly statements, quarterly independent performance reports, and year-end summaries for help in tax preparation. We coordinate with your business, philanthropic, tax and legal team to ensure that your investment strategy integrates with your tax and estate plans. We manage your progress by providing independent performance monitoring to help ensure your continued success, accompanying you through every stage of the investment management process and providing guidance and advice as the situation changes. When changes become necessary, we ensure a seamless transition between money managers and work with you to understand the changes and how they affect your financial and ESG goals. We are with you every step of the way.

BEYOND THE BOTTOM LINE: SUSTAINABLE INVESTING

Our values are reflected in our consumer habits and voting patterns each time we make a purchase or cast a ballot. Similarly, we can also use the power of our investments to create sustainable social change. In this way, today's investors shape tomorrow's world. This integrated approach to investing is gaining traction in the U.S. Our group employs the following strategies to help our clients leverage their investments to create sustainable social change:

Qualitative Investment Screening

As each individual's and organization's values are unique, we customize every portfolio to reflect your values and concerns and integrate these considerations with your guidelines. Clients complete an *ESG Risk Assessment* (ERA) where they answer questions that cover a variety of environmental, social and governance issues. This helps us understand how you prioritize the value-based issues that are important to you &/or your institution. Using the information provided by our clients, we screen prospective investments to avoid corporate practices clients consider detrimental to communities and the bottom line. Examples may include excessive environmental pollution, labor rights abuses, and poor corporate governance. We also seek out companies with business practices our clients want to support, such as companies focused on developing renewable energy and sustainable agriculture.

We can also assist in the development of an *ESG Investment Policy Guidelines* which adds an advanced layer of qualitative filtering to their portfolios.

Impact Investing

Another approach to blending social values with fiscal objectives is to participate in impact investments. Impact investments are ventures that are intended to create value that extend beyond financial returns. Impact investments can range from private equity to community investing or direct loan opportunities. What distinguishes these investments from the wider investment universe is that for such ventures, the positive impact(s) (either social or environmental) are the core objective of the stated business strategy. Impact investing can result in below market or market rate returns. Similarly, risk can also be above or below market. We utilize the information provided in the *ESG Risk Assessment* to identify impact investing opportunities that may be of interest to our clients.

SHAREHOLDER ADVOCACY

The beauty of being a shareholder is that ultimately the management teams of publicly traded companies are accountable to you. Shareholders have become an exceptionally important constituency to corporate management, creating an additional way to improve our communities. As a shareholder in a company, you are afforded certain rights that allow you to voice your opinion and affect change in the business practices of that company. When your concerns are aggregated with those of other shareholders, you become part of an even more powerful agent of change. We work with clients on understanding and voting their proxies and encourage them to take a more active role in the course of a company as shareholders. Many foundations use shareholder advocacy strategies to further leverage the work of their grantees. At SRI Wealth Management Group, we work with our clients and other shareholders to encourage a dialogue with a company's management team. We often refer our clients to not-for-profit organizations whose corporate accountability program focuses on shareholder advocacy by providing shareholder dialogue and resolution management services. We connect clients with these organizations in order to lead a dialogue or potentially file a shareholder resolution which might be brought up at the company's annual meeting.

WE SHARE YOUR PASSION

We are committed to being your trusted guide in achieving your philanthropic mission and helping you reach your financial goals. We are a team of professionals who have made a conscious choice to exclusively dedicate our careers to servicing organizations and individuals committed to social change and the betterment of the community. We understand that commitment, because each of us is personally engaged in issues and causes within our own communities.

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[i] *"Determinants of Portfolio Performance II, and Update" by Gary Brinson, Brian Singer and Gilbert Beebower, Financial Analysts Journal. May/June 1991. Results are based on the 10-year performance records of 82 pension funds.*

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