Baywood SociallyResponsible Fund

General Fund Information

Ticker: BVSIX

Assets under management (AUM): $3.53M (in US$ millions)

General Fund Type: Equity Large Cap

Specific Sizes or Types of Investments: SRI and ESG large cap domestic equities

Financial Objective: Value-oriented investment strategy which seeks to achieve long-term capital growth by investing in undervalued equity securities while meeting our clients’ environmental, social, and governance criteria.

Specific ESG Focus: SKBA believes that environmental, social and governance (ESG) factors have long-term financial implications on company revenues, expenses and overall risk characteristics. By identifying opportunities where stock prices have overshot true changes in underlying fundamentals, SKBA seeks to uncover alpha generating opportunities using disciplined, proprietary research of ESG and fundamental factors. The Baywood SociallyResponsible Value Fund utilizes a value-oriented investment philosophy seeking to achieve long-term capital appreciation by investing in undervalued equity securities while applying SRI and ESG principles to the investment process. The Fund seeks to address a broad definition of ESG considerations that may include corporate governance, employee relations, environmental impact/sustainability, human rights record and product safety. Within the Fund the team is committed to the identification of companies that also reflect positive Environmental, Social and/or Governance qualities. Such opportunities may be mispriced and/or may be in the process of reforming ESG policies and procedures that have not yet been fully appreciated by the market.

To invest, call: 855-409-2297

Fund Institution Information

Institution Name:
SKBA Capital Management, LLC

Mutual Funds Description: SKBA Capital Management is an independent investment management firm specialized in managing equity, fixed income, and balanced portfolios for institutions and private clients. The cornerstone of our value proposition lies in the consistency of our people, process and perspective. Our disciplined, time-tested, and value-driven investment approach focuses on preserving and increasing our client’s assets. We provide investment management services to foundations and endowments, corporations, pension funds, Taft-Hartley plans, charitable organizations, private clients, and religious organizations. Our ownership structure and culture ensure that our interests are aligned with those of our clients. We bring an unwavering dedication to a consistent investment process and are defined by our investment research, dedicated client service and high ethical standards. Our mission is to pursue attractive risk-adjusted results while protecting our clients’ capital through responsible portfolio management. We are committed to creating value, providing exceptional service, and delivering an outstanding investment experience exceeding our clients’ expectations.

Contact info:
44 Montgomery St., Suite 3500
San Francisco, CA 94104
Account Minimums

Minimum Account: $100,000

Minimum IRA: $2,500

Methodology

Screening Venue: In-house and outside

Screening Party: SKBA and MSCI

Screening Database Used: MSCI KLD

Screening Process: SKBA’s team-based process begins with the evaluation of both inclusive and exclusionary ESG criteria. Analysts then apply the firm’s valuation framework to narrow the universe to opportunities reflecting low expectations discounted into current valuations. This subset is subjected to further in-depth fundamental analysis. The team analyzes both ESG considerations that may include corporate governance, employee relations, environmental impact/sustainability, human rights record and product safety and financial considerations that include earnings power, balance sheet and income statement strength, competitive position, and overall industry prospects.

Proxy Voting Information

Proxy Voting Guidelines or Policies: Upon Request

Proxy Voting Records: Upon Request

Specific Screening Information by Category

Environment

- Climate / Clean Technology: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Pollution / Toxics: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Other Environmental: Combination of Positive and Restricted/Exclusionary Strategies - N/A

Social

- Community Development: No Screens - N/A
- Diversity & Equal Employment Opportunity: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Human Rights: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Labor Relations: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Conflict Risk: Combination of Positive and Restricted/Exclusionary Strategies - N/A

Governance

- Board Issues: Combination of Positive and Restricted/Exclusionary Strategies - N/A
- Executive Pay: Combination of Positive and Restricted/Exclusionary Strategies - N/A

Products

- Alcohol: Restricted/Exclusionary Investment
Other

- **Other/Qualitative:** Under normal circumstances, at least 80% of the Fund’s net assets (plus any borrowings for investment purposes) consist of common stocks of issuers that meet certain socially responsible criteria. In selecting investments, SKBA considers social criteria such as an issuer’s community relations, corporate governance, employee diversity, employee relations, environmental impact and sustainability, human rights record, and product safety. Using both quantitative and qualitative data, the SKBA also evaluates an issuer’s involvement in specific revenue generating activities to determine whether the issuer’s involvement was meaningful or simply incidental with respect to that activity. The Fund seeks to avoid investing in any issuer that derives more than 5% of its total revenue from tobacco, alcohol, gambling, abortion or weaponry (whether sold to consumers or the military), or that is involved in nuclear power. Because information on an issuer’s involvement in those activities may not be publicly available, it is possible that the Fund’s holdings may include an issuer that does not meet its criteria for socially responsible investing. When SKBA discovers that a holding does not meet its criteria for socially responsible investing, it will divest that holding as soon as reasonably practicable.

- **Description of Shareholder Engagement:** SKBA seeks to vote proxies on behalf of the Fund in a manner that maximizes shareholder investment in the fund and that may also reflect its positive or negative opinion on specific ESG/SRI matters under consideration.

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Performance Data

Data provided by: **Bloomberg** - Information current as of July 31, 2020

**Year-to-date rate of return:** -15.89%

**1-year rate of return:** -10.26%

**3-year rate of return:** 1.48%

**5-year rate of return:** 2.38%

**10-year rate of return:** 6.64%

**Previous year rate of return:** 26.56%

**Management fee:** 0.7%

**Expense ratio:** 0.87%

**Standard deviation:** 28.32%

**Benchmark used:** Morningstar US Large Value TR Index  | External link

**Disclaimer:** –

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