Separate Account Managers in Sustainable and Responsible Investing

Strategy Profile:
First Affirmative SRI Equity Income

About This Strategy

Assets Under Management (AUM): $6.6M (in US$ millions)
Required Minimum: $50,000
Benchmark used: Russell Mid Cap Value
Strategy type: Equity Large Cap

Strategy description: An all-equity strategy managed with the objective of above average dividend income which increases over time. This Model typically consists of 40-60 large and mid-cap U.S. stock holdings. The investment universe begins with stocks in the MSCI KLD 400 Social IndexSM. To this list of stocks are added 40-50 names from other sources, including international and small-cap stocks. Financial screens are then applied to this universe to focus on less than 75 names. The financial screens emphasize relative valuations, dividend yield, dividend safety, and financial strength. The resulting list is further refined by eliminating certain names in the course of more in-depth company research and to control against overweighting any single industry. The folio’s positions are generally equal-weighted.

Strategy web link: External Link

About The Company

Institution Name:
First Affirmative Financial Network, LLC

Approach to Sustainable & Responsible Investment: First Affirmative serves individuals and institutions who are seeking to both make money and create a positive impact with their investments, at the same time. We have been designing investment portfolios that align client values with their financial goals since 1988, with environmental, social, and corporate governance (ESG) criteria firmly embedded in the investment process. Our Sustainable Investment Solutions process places a heavy emphasis on diversification to mitigate market risks, creating the mix of investment assets with the highest probability of delivering strong returns within reasonable risk parameters. We take advantage of our strong SRI community ties and act as a manager of managers for many of our larger portfolios. Fiduciary duty is at the heart of our investment philosophy. We spread our vision through nationwide network of knowledgeable and experienced investment professionals.

Research conducted: Both internally and externally

Researcher name: First Affirmative Financial Network, LLC

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Specific Screening Information by Category

Environment

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

Social
Community Development: Combination of Positive and Restricted/Exclusionary Strategies
Diversity & Equal Employment Opportunity: Combination of Positive and Restricted/Exclusionary Strategies
Human Rights: Combination of Positive and Restricted/Exclusionary Strategies
Labor Relations: Combination of Positive and Restricted/Exclusionary Strategies
Conflict Risk: Combination of Positive and Restricted/Exclusionary Strategies

Governance

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

Products

Alcohol: No Investment
Animal Welfare: Combination of Positive and Restricted/Exclusionary Strategies
Defense/Weapons: No Investment
Gambling: No Investment
Tobacco: No Investment

Other

Other/Qualitative: First Affirmative actively engages in this process, voting all proxies on behalf of clients according to a comprehensive set of Proxy Voting Guidelines:
We engage each year with a select group of companies each year on a wide range of ESG topics, including climate impacts, toxics, worker and indigenous people’s rights, gender and racial diversity in the workplace, political spending, lobbying, and much more. Engagement activities include dialogue, participation in organized campaigns with other institutional investors, and filing shareholder resolutions on select issues.
Shareholder Engagement - Shareholder Resolutions: Filed or co-filed with companies on environmental, social or governance issues
Shareholder Engagement - Private Dialogue: Conducted with companies on environmental, social or governance issues
Proxy Voting: Actively voted by my institution for this investment strategy in support of environmental, social or governance issues in accordance with formal guidelines

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