Separate Account Managers in Sustainable and Responsible Investing

**Strategy Profile:**
Redwood US Large Cap Sustainable Investing Equity

**About This Strategy**

**Assets Under Management (AUM):** $284M (in US$ millions)

**Required Minimum:** $1 million

**Benchmark used:** Russell 1000

**Strategy type:** Equity Large Cap

**Strategy description:** The Redwood Large Cap Sustainable Investing strategy utilizes a fundamentally driven process to invest in high quality, attractively valued Blue Chip domestic stocks that are also attentive to Environmental Social and Governance factors. Stocks held in these portfolios are generally market leaders with strong products, distribution, management and financial strength which enhance long-term shareholder value. Redwood’s research begins by focusing on stocks that rank highest on the firm's proprietary quantitative model that employs both traditional financial and ESG factors. The fundamental research process includes meeting with company managements, talking with competitors, reading trade publications, and consulting with Wall Street analysts. From these sources, as well as a detailed evaluation of sustainability reports, financial statements, and corporate filings, the Redwood team identifies those attractively valued companies that are most likely to report earnings that exceed consensus expectations, have high quality financials and take steps to increase shareholder value by creating societal value.

**Strategy web link:** [External Link]

**About The Company**

**Institution Name:**
Redwood Investments

**Approach to Sustainable & Responsible Investment:** Redwood believes that shareholder returns can be enhanced through Sustainable Investing, which integrates Environmental, Social and Governance (ESG) factors with traditional financial factors in the investment process. The investment team improves upon traditional SRI investing by identifying companies that increase shareholder value by adopting and implementing business practices that focus on the principles of ESG. By finding companies that excel on critical financial metrics as well as on important ESG metrics, investors benefit by achieving thoughtfully constructed portfolios that are designed to outperform.

**Total AUM in SRI:** $750M (in US$ millions)

**Research conducted:** Internally

**Researcher name:** Investment Team

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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**: Combination of Positive and Restricted/Exclusionary Strategies
- **Defense/Weapons**: Combination of Positive and Restricted/Exclusionary Strategies
- **Gambling**: Combination of Positive and Restricted/Exclusionary Strategies
- **Tobacco**: Combination of Positive and Restricted/Exclusionary Strategies

Other

- **Other/Qualitative**: Redwood’s Sustainable Investing process enhances returns by finding companies that excel on critical financial metrics as well as on important ESG metrics. All companies are ranked on a combination of financial factors including Fundamentals, Valuation and Financial Quality, and ESG factors such as Product Type, Corporate Governance, Environmental Impact, Human Rights and Community Involvement. Redwood designates the most highly ranked companies by the proprietary model as “Value Creators” and the lowest ranked companies as “High Risk” stocks. The investment team conducts in-depth fundamental research on the Value Creators and avoids the most risky stocks.
- **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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