



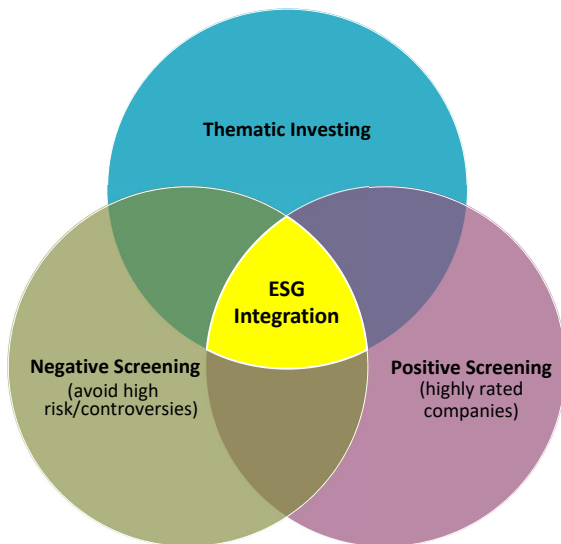
Why Sustainable Investing Matters to Prio Wealth

When we invest in equities, we seek reasonably valued companies that we believe will consistently grow over the long run. We look for well established, forward focused companies in expanding markets that are aligned with long-term secular trends and are increasing revenue and earnings faster than their peers. We integrate environmental, social and governance (ESG) factors into our research process since we believe companies that are consistently successful practice these disciplines. ESG integration allows for the avoidance of high risk business models. Importantly, it also enables us to align client values with their investments.

Sustainable investing is typically described using one of three common approaches:

Socially Responsible Investing	ESG Investing	Impact Investing
Exclude investments in companies or industries based on a set of ethical values (e.g. tobacco, firearms, energy)	Integrate environmental, social and governance criteria into fundamental investment analysis	Seek investments that focus on a desired social, economic, or environmental outcome (e.g. underserved communities, alternative energy)

ESG Integration



At Prio Wealth, we utilize a full ESG integration approach in our investment process. This means that we consider a combination of ESG parameters such as positive screening, negative screening and thematic investing. We want to invest in companies and management teams that are aiming to do the right thing for their customers, employees and shareholders. Fortunately, our equity research process typically yields best in class companies that score well on traditional fundamental analysis as well as ESG metrics.

As part of our process, we do not automatically exclude certain sectors or companies that are associated with particular ESG controversies or exaggerated risks. Instead, the ESG risk rating and controversy assessments of a company are studied and considered. We qualitatively overlay fundamentals, judgment and additional analysis to justify owning a company with sub-par risk metrics. Thematic investing is applied when a client is interested in maximizing a particular theme or issue, such as workplace diversity or environmental impact, and specific investments are found that promote that theme or issue.

Historically, ESG data was not included in traditional investment decisions as it was sparse, unreliable, and inconsistently reported. Given the growing attention to the environment, workplace, and corporate governance, many publicly traded companies now devote significant time and energy to developing Corporate Sustainability initiatives. These initiatives contributed to an improvement in the way ESG factors are reported, enabling investment managers to align their research processes and investment decisions with their clients’ values.

Another key benefit from this movement is the ability to understand the business risk associated with each company. ESG metrics can help identify, understand, categorize, and quantify risk factors, as well as identify which risks are limited to a specific company or industry and which are systemic in nature. This is a key factor in Prio Wealth’s ESG integration process, and one that contributes to identifying and reducing risk in client portfolios.

ENVIRONMENTAL how a company manages its impact on the environment	SOCIAL how a company treats and manages its employees and customers	GOVERNANCE how management is compensated and how the board is structured
<ul style="list-style-type: none"> • Green Building/Smart Growth • Climate Change/Carbon • Clean Technology • Pollution/Toxic Waste • Sustainable Natural Resources • Sustainable Agriculture • Water Use & Conservation 	<ul style="list-style-type: none"> • Workplace Safety • Labor Relations • Workplace Benefits • Diversity & Anti-Bias Issues • Community Development • Human Rights • Avoidance of Harmful Products 	<ul style="list-style-type: none"> • Corporate Political Contributions • Executive Compensation • Board Diversity • Anti-Corruption Policies • Board Independence

We strive to best serve our clients and their investment needs. Our fixed income investment strategy considers a very similar ESG integration strategy in the research and investment process.

Our goal is to help people live their one best financial life. We guide our clients in prioritizing not only what they’re investing in, but what they’re investing for, so they can gain clarity, confidence and control of their financial lives. If you would like to further customize your portfolio through the use of ESG integration, please contact us to discuss your values and how to best align these values and areas of focus with your investments.

Disclosure: This paper is for informational purposes only and should not be relied upon as an investment, tax or legal recommendation in connection with any investment program offered by Prio Wealth. The opinions expressed herein are not intended to provide personal investment advice, or tax or legal advice, and do not take into account the unique investment objectives and financial situation of the reader. Investments in securities, including common stocks and fixed income, either directly or through exchange-traded funds (ETFs) or open-ended mutual funds, involve the risk of loss that investors should be prepared to bear. Past performance may not be indicative of future results. The information in this report was obtained from various sources, but we cannot assure its accuracy. This report is not intended to provide personal investment advice and does not take into account the investment objectives and financial situation of every reader.

