



SEASONS  
of ADVICE®

# Stewardship Portfolios

Enhanced ESG Models

## Invest Your Values

Seasons of Advice is pleased to offer clients a way to align their investments with their personal values. Our Stewardship Portfolios are designed to seek attractive returns while investing in companies that reflect a concern for the social and environmental issues facing our world.

## Taking Environmental, Social and Governance (ESG) investing to the next level

Values-based investing is not new. Once known as socially responsible investing, today it has expanded beyond ethical investing mandates to recognize many ESG factors that can be key drivers of value.

In addition to aligning with a client’s sense of responsibility to the earth, its inhabitants and the environment, responsibly managed companies are often better positioned in the competitive marketplace — and better able to provide strong long-term growth.

Sustainable investments represent 26% of professionally managed assets around the world.

~ McKinsey & Company, October 2017



## Common ESG factors



**ENVIRONMENTAL CONCERNS**



**SOCIAL CONCERNS**



**GOVERNANCE CONCERNS**

- Climate change
- Greenhouse gas emissions
- Energy efficiency
- Waste and pollution
- Resource scarcity
- Biodiversity
- Carbon/fossil fuel footprint

- Human rights
- Community impact
- Employment and labor practices
- Consumer protection
- Health and safety
- Animal welfare

- Shareholder alignment
- Executive compensation
- Board independence
- Business ethics
- Accounting

## Applying a higher standard

We believe investors can “do well by doing good.” Seasons of Advice Stewardship Portfolios employ a rigorous process for assessing ESG factors — without compromising your return goals.



## Our process

We begin with the Morningstar Portfolio Sustainability rating, which measures how well companies within a fund or ETF portfolio manage environmental, social and governance risks and opportunities — particularly those issues that are the most material to their business.

### Morningstar Fund and ETF sustainability rating\*

Ranks mutual funds and ETFs, relative to their peers, based on the ESG and controversy scores of portfolio holdings:

- HIGH
- ABOVE AVERAGE
- AVERAGE
- BELOW AVERAGE
- LOW



### Seasons of Advice Enhanced ESG overlay standard

Taking funds and ETFs in the top two tiers, we further filter down, to those whose holdings have no more than 5% of the following areas of concern.

- Tobacco
- Palm oil
- Thermal coal
- Small arms
- Controversial weapons
- Animal testing (optional)



### Seasons of Advice Stewardship Portfolios

We create a portfolio, using our asset allocation models that include a comprehensive range of asset classes and risk tolerances — from conservative to aggressive.

CLIENT  
PORTFOLIO

Our enhanced ESG approach seeks to include, as well as exclude, companies based on their ESG performance. Different companies and sectors may face different key ESG risks and opportunities.

To impose greater rigor, Seasons of Advice applies an overlay to Morningstar’s ESG top-tier leaders to identify those that meet our higher standards. We target six areas of concern, looking to eliminate holdings that score more than 5% in any of the areas of concern.\*

The final universe of ESG-qualified investments is a competitive and diverse one, allowing us to build a customized low-cost portfolio of our best ideas — one that meets your specific risk tolerance, return expectations and tax sensitivity, while aligning with your values.

SOA’s approach is more sophisticated than investing through ESG funds and ETFs, which may not provide comprehensive asset allocation solutions or target key concerns for additional filtering.

## Learn more about the Stewardship Portfolios

We are pleased to introduce you to the Seasons of Advice Stewardship Portfolios and welcome the opportunity to explore how it may best accommodate your financial needs and objectives, as well as your convictions and values.

**Helping clients meet their financial potential responsibly.**

For more information, please contact:

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\* Due to the heightened level of analysis, Seasons of Advice charges an additional 0.1% fee. Please see our Form ADV for more information including a discussion of applicable fees and risks.

Go to [www.morningstar.com](http://www.morningstar.com) for more information.