

GRADIENT SOCIALLY RESPONSIBLE PORTFOLIO

ALIGNING YOUR PORTFOLIO WITH YOUR VALUES

The Gradient Socially Responsible Portfolio is an actively managed, diversified investment approach that is designed to consider socially responsible investments as its primary investable universe.

WHAT IS SOCIALLY RESPONSIBLE INVESTING?

While there is no perfect definition, Socially Responsible Investing (SRI) is designed to consider environmental, social, and corporate governance (ESG) criteria to select investments. Socially responsible investing can be a “filtering” strategy, where certain segments of the market deemed unhealthy to society are restricted from investment. Another consideration of SRI is to promote, or actively seek out, investments that are deemed as beneficial to society at large. As no strategy can be perfectly aligned with every investor’s social preference, there are certain broad categories of SRI that attempt to invest in companies that are reflective of client social concerns.

GRADIENT SOCIALLY RESPONSIBLE PORTFOLIO INVESTMENT PROCESS

At Gradient, we select ETFs that correspond to a variety of socially responsible initiatives to build a diversified portfolio that attempts to achieve client return objectives while maintaining a focus on positive ESG criteria. The portfolio is diversified not only by investments within each ETF, but also promotes various initiatives that are deemed to benefit society.

Socially responsible initiatives include:

- Workplace Equality
- Environmentally Conscious
- Cleantech / Renewable Energy
- Positive corporate governance initiatives

ASSET ALLOCATION THAT ALIGNS WITH YOUR VALUES

When deciding to invest in a socially responsible manner, it is important to align investment portfolios in a manner that not only fits your social objectives, but also your overall return needs and correspond with your risk tolerance and time horizon.

Please consult your independent investment advisor before making any investment decisions. The information herein is for informational purposes only and should not be used as the sole basis for making an investment decision. Investing involves risk including the potential loss of principal. For more information, please request a copy of Gradient Investments’ ADV Part 2A. Gradient Investments, LLC is an SEC Registered Investment Advisor.

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Source: US SIF Foundation

In that regard, the Gradient Socially Responsible Strategy has 3 distinct portfolios that both align with socially responsible investing and tailor to varying investor risk tolerances. The portfolios consist of:

- **Conservative:** Higher fixed income exposure for less volatility and lower risk
- **Balanced:** A balanced mix of ESG stocks and bonds for a blended allocation
- **Growth:** Higher ESG equity exposure for higher long term capital appreciation with greater risk

Summary: Socially responsible investing (SRI) is a discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact. It can be practiced across a variety of asset classes, including stocks and bonds. As an investment discipline, values-based investing has been growing rapidly over the past decade. The Gradient Socially Responsible portfolio utilizes ETFs to invest assets in a socially conscious manner to provide growth and income according to the client’s objectives and risk tolerance.