
ESG Integration

We believe a company with informed Environmental, Social, and Governance (ESG) practices typically exhibits operational excellence, capitalizing on growth opportunities and mitigating exposures to risk, while aligning with stakeholder interests.

ESG INTEGRATION:

Positive Growth & Risk Mitigation

Our ESG equity strategy uncovers opportunities and risks. At its heart, ESG integration is about enhanced communication, in our opinion. We seek companies that are transparent about not only their financial results but also their corporate practices. We regard ESG integration as a holistic understanding of a company's exposure to environmental, social and governance criteria that may enhance or impede investment performance. We analyze ESG-related risks and opportunities to uncover companies with undiscovered growth, efficient operations and best-in-class

management teams and believe an understanding of ESG criteria as part of fundamental research should result in less volatile investments that can individually and collectively support greater corporate transparency and longer investment horizons.

We believe companies that communicate with their stakeholders, stay ahead of changes to their industries and are willing to evolve business models should prove themselves long-term secular winners. To that end, we also believe companies with exemplary ESG characteristics are likewise high in quality with above-average growth potential, solid balance sheets and strong cash flow. Most of these companies prioritize dividends as a key method of returning capital to shareholders.

Our View: The Forest & The Trees

AN INTEGRATED APPROACH TO INVESTING

Growth
Opportunities

Risk
Mitigation

Stakeholder
Interests



OUR ESG EQUITY STRATEGY OBJECTIVES:

Preserving Capital while Increasing Total Return

Our equity strategy serves to provide U.S. large-cap public equity exposure through a concentrated portfolio of 30 to 50 stocks primarily found in the S&P 500 based on proprietary bottom-up and ESG-integrated analysis. In an effort to manage capital gains implications, we aim for less than one-third turnover to the strategy in a given year.

Our objective is to at least mimic S&P 500 gains and outperform losses over a market cycle, through the selection of high quality, reasonably valued U.S. companies. We also seek less volatility than the S&P 500 due to our emphasis on portfolio company quality and our understanding of ESG criteria.

Our security selection process is driven by fundamental, bottom-up investment research. We underwrite prospective investments against our growth, quality, value, and ESG criteria. Speaking to those criteria in more detail:

- **Growth:** We look for companies with track records of through cycle free cash flow per share growth, and companies serving growing end markets.
- **Quality:** We look for companies which produce strong returns on invested capital and can reinvest capital at attractive rates long term.
- **Value:** We seek stocks that trade at a discount to our estimate of intrinsic value. We can use a range of valuation metrics including price/earnings (P/E), enterprise value/EBITDA, and price / free cash flow (P/FCF) ratios to build those estimates.
- **ESG:** We look for companies which take a proactive approach to managing their environmental footprints, companies which perform well across key social impact metrics like workplace safety, and companies with good governance practices including strong board oversight. We may also seek companies with exposure to sustainability themes.

Those security selection criteria dovetail with our long-term approach to equity investing. We typically underwrite new investments using a 3-5 year+ investment horizon. Our ideal holding period is forever.

Risk Mitigation

We typically size positions between 2% and 5%, prioritize security selection over sector bets, and aim to keep the strategy fully invested over a market cycle. We employ a sell discipline that includes trimming or selling outright stocks that have:

- Exhibited a material change to our investment thesis
- Moved adversely for an extended period versus normal volatility
- Illustrated weaker characteristics than a recommended replacement

The Four Keys

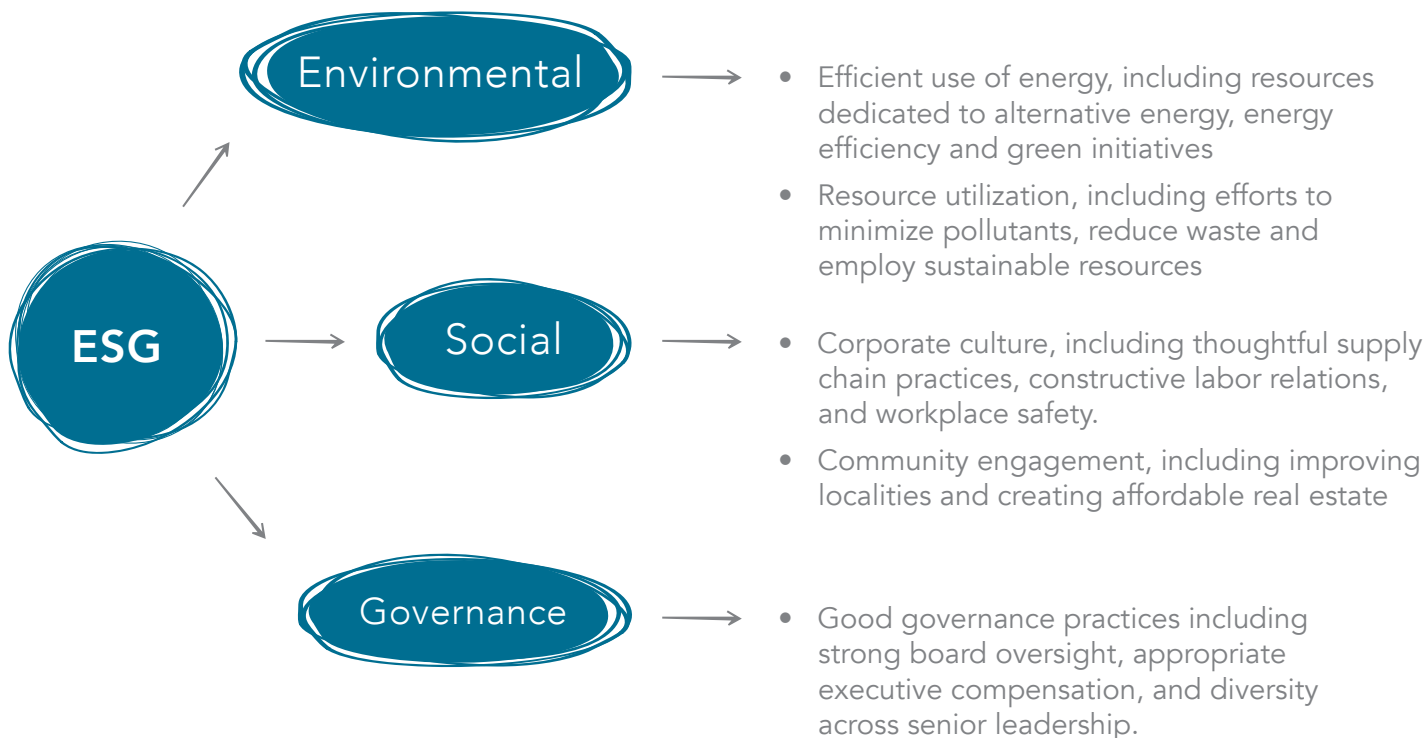
TO OUR FUNDAMENTAL RESEARCH

- 🔑 Earnings Growth Potential
- 🔑 Reasonable Valuation
- 🔑 Robust Quality Characteristics
- 🔑 **Comprehensive ESG Profile**



We view the understanding of ESG criteria as an extension of fundamental analysis and, subsequently, an additional layer of risk mitigation.

ESG Criteria





Baldwin - The Evolution of Investment

Genuine relationships and personal attention are the hallmark of the Baldwin experience. We've made lasting relationships that span generations because again and again we choose people over products, and family-impact over fast wins. You'll feel the difference the minute you meet us, and every single time for years to come.

Deliberately-sized and decidedly innovative, our high-touch, holistic, and collaborative approach puts you in a much better position to have a positive impact in ways that matter to you and your family. Unlike larger firms, trust departments and banks, we offer the flexibility to structure individual portfolios to address your unique priorities, risk tolerance, and tax situation, and provide a generous suite of services to help you live life to the fullest.

WE INVITE YOU TO START YOUR EXPERIENCE TODAY

Stop by and see us: 204 Spring Street, Marion, MA 02738 | **Email:** info@baldwin-llc.com

Additional information, including management fees and expenses, is provided on our Form ADV Part 2, available upon request or at the SEC's public disclosure website, www.adviserinfo.sec.gov. Past performance is not a guarantee of future results.