



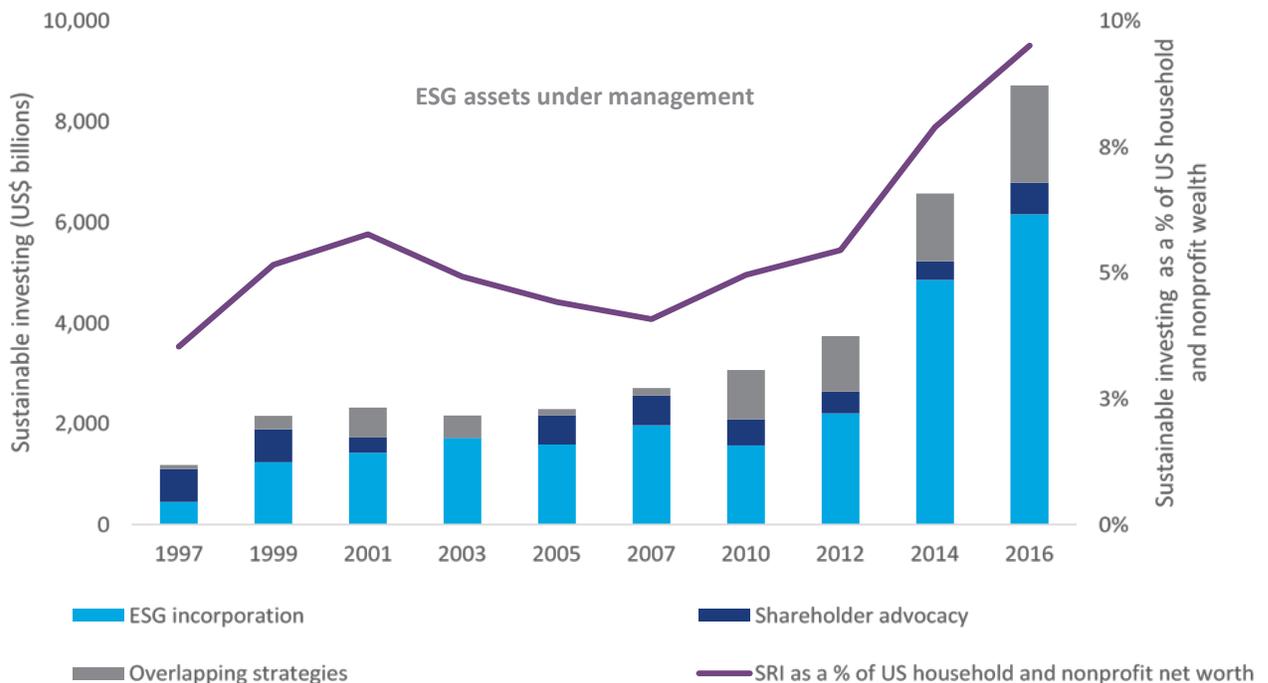
## Investing for Impact and Performance: The Essentials

At Cornerstone Capital Group, we use **environmental, social and governance (ESG)** criteria along with **financial analysis** to assess investment opportunities. Our goal is to help our clients achieve positive **impact** – the societal and environmental change resulting from investment decisions – together with competitive financial returns. Our overarching goal is **sustainability**, which we define as “the relentless pursuit of material progress towards a more regenerative and inclusive society.”

### Why invest for impact?

<p><b>Values alignment</b></p> <p>Invest in accordance with personal values or organizational mission; avoid profiting from activities that violate core values.</p>	<p><b>Financial performance</b></p> <p>Factor ESG criteria into investment decisions to help identify opportunities and mitigate risks over the long term.</p>	<p><b>Societal impact</b></p> <p>Invest with the intention to achieve positive social or environmental impact.</p>
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The proportion of invested assets devoted to investing for impact is growing substantially. Concerns about climate change and income inequality, and the growing importance of intangible factors to the value of corporate brands – all heightened due to the prevalence of social media – is contributing to this shift in attitude toward investing.



Source: US SIF, Federal Reserve, Cornerstone Capital Group

## Investment strategies designed for impact

<p><b>Best in class investing</b></p>	<p><b>ESG integration</b></p>	<p><b>Thematic investing</b></p>
<p>Also called “positive screening,” this strategy focuses on top ESG performers within each sector. Asset classes: public equities; fixed income.</p>	<p>Analyze non-traditional but material issues along with financial metrics, to boost investment performance. Asset classes: public equities; real estate; real assets; private equity; and others.</p>	<p>Directs capital to funds dedicated to addressing a specific issue. Thematic investments are narrow in scope but have significant impact on the relevant issue. Asset classes: all.</p>
<p><b>Divestment</b></p>	<p><b>Community dev, microfinance</b></p>	<p><b>Advocacy/ engagement</b></p>
<p>Also called “negative screening,” this method omits from portfolios companies that engage in activities investors consider misaligned with their principles or mission. Asset classes: all.</p>	<p>Investments with financial intermediaries that directly serve communities. Asset classes: fixed income or alternative, depending on the type of investment.</p>	<p>Using ownership stake to influence corporate behavior. Tools: proxy voting, shareholder proposals, public statements/ letters. Asset classes: public equities; fixed income; real estate; real assets; private equity.</p>

These approaches are not mutually exclusive. A knowledgeable advisor can craft a portfolio that employs the most effective techniques to achieve an investor’s specific goals within their risk/return profile.

## Contact us

**To learn more, speak with a representative of Cornerstone Capital Group. We would be happy to discuss your impact interests and offer ideas and investment examples.**

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