

Everything You Need to Know About **ESG Investing**



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Table of Contents

What is ESG investing?

How does ESG investing work?

- ESG Funds
- Individual Stocks
- Doing Well While Doing Good

ESG Portfolio Management

- Building an ESG Portfolio
 - *Investment Selection*
 - How can my investments make a difference?
 - *Tax Mitigation*
- Can I reach my financial goals with ESG investments?



What is ESG investing?

Also known as **socially responsible investing (SRI)** or **impact investing**, ESG investing is a strategy that takes environmental, social, and governance factors into account when selecting investments, enabling investors to support companies that work toward causes they care about. ESG investing looks a little bit different for everyone, depending on their values and priorities. For example, an ESG portfolio might screen investments to support only companies that have **low carbon emissions, high labor standards**, or are **transparent with their political contributions**.

How does ESG investing work?

ESG Funds

ESG can work a variety of ways. A large number of mutual funds and ETFs are available that pool investments that meet specific ESG criteria. They screen investments based on positive and/or negative criteria, including companies that meet specific standards, excluding those that engage in particular unwanted behaviors, or both.

Individual Stocks

You can also choose individual companies in which to invest based on the specific contribution they make to building a better world. Compared to buying funds that screen large numbers of companies for ESG criteria, selecting individual stocks gives you much more freedom to make the impact you want, empowering companies that you believe are doing the most good. Of course, this requires much more research in order to create a properly diversified portfolio.

Doing Well While Doing Good

You can buy both ESG funds and individual stocks on any of the well-known trading platforms, but it's important to consider more than just a company's ESG practices before you invest. Before building your portfolio, take time to clarify your personal financial goals. ESG screening is just one lens through which you should view potential investments. It doesn't replace the practical considerations of risk and diversification that are essential to a successful investment portfolio.



ESG Portfolio Management

There are many factors to consider when not only choosing ESG investments to purchase but also when deciding when and how to sell those investments. Risk analysis, loss mitigation, and **tax planning** are all essential parts of successful investment. The best way to ensure that you're aware of all relevant considerations when buying or selling investments is to work with a trusted fiduciary advisor as well as a **tax professional who has specialized expertise in investments.**

Building an ESG Portfolio

The **fiduciary investment advisors at WRP** can assist you in choosing ESG funds as well as individually selecting companies in which to invest. WRP takes a personalized approach to each client. Our first step is to sit down with you to discuss your financial goals, values, and priorities. Understanding what you want for yourself, your family, your community, and the world enables us to craft an investment strategy that fits you perfectly.

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Investment Selection

WRP is able to create bespoke portfolios that reflect your individual values, allowing you to choose investments at the company level. Rather than simply offering pre-established funds, our advisors can help you select investments that support the specific causes you care about while avoiding companies that you deem harmful.

HOW CAN MY INVESTMENTS MAKE A DIFFERENCE?

The ways in which you can make an impact with your choice of investments are almost limitless. Our advisors can craft a portfolio that support a wide range of causes, such as

- Clean energy
- Community investment
- Employment of veterans
- Racial equity
- Gender equity
- Getting dark money out of politics
- LGBTQIA rights
- Protecting indigenous lands

Let us know what you care about, and we'll help you make a difference. We can even share reports with you that illustrate you the tangible impact that your investments make!

Tax Mitigation

An important step in reaching your financial goals is managing the tax consequences that come with a successful investment strategy. Because WRP specializes in both **investment management** and **tax planning**, we are equipped to help you maximize after-tax gains from your investments. Regardless of the size of your portfolio, we'll engage in **ongoing tax loss harvesting** and other **tax optimization** efforts to give you more control over your money.

Can I meet my financial goals with ESG investments?

ESG investments can be a highly effective part of your investment strategy. In fact, the majority of empirical studies of the relationship between ESG criteria and corporate financial performance have found the two to be positively correlated. Perhaps not surprisingly, a focus on long-term sustainability and aligning corporate interests with those of society seems to be good for businesses.

The investment advisors at WRP can help you build a better world while also building a solid financial future for your family. Our advisors adhere to the highest fiduciary standards and use evidence-based investment strategies to drive portfolio performance.

To learn more about ESG Investing,
visit our **website.**