



July 12, 2023

What Is Values-Based Investing?

In recent years, there has been a surge in the popularity of values-based investing, as individuals increasingly seek to align their financial decisions with their beliefs and personal interests.

Let's delve into the concept of values-based investing, shed light on key topics, and provide you with the information you need to determine whether it may be of interest to you.

Values-based investing, also known as socially responsible investing, is an investment approach that considers personal values and ethical considerations. Investors now recognize that they have the power to shape the world they want to live in by supporting companies that align with their beliefs and contribute to positive change.

The Environmental, Social, and Governance (ESG) score is a fashionable tool for values-based investing. ESG scores evaluate companies on factors such as carbon emissions, labor practices, diversity, and corporate governance.

While ESG scores have become a popular way for many investors to find and assess potential companies of interest, it's important to note that [not everyone agrees](#) on the

system's ability to evaluate companies adequately. For example, someone interested in climate-friendly investments may be surprised that companies like Exxon Mobil can have competitive ESG scores.

Additionally, ESG scores do not indicate that a company may be a higher or lower risk for investors. Knowing this, if you intend on using ESG scores to help guide your strategy, it's important to keep in mind that they aren't a substitute for doing your own research.

To start investing based on your values, consider the following steps:

- 1. Identify your values:** Reflect on the causes that matter most to you. This introspection will help guide your investment choices.
- 2. Research:** In addition to companies, it may be helpful to look for mutual funds or exchange-traded funds (ETFs) that align with your values.
- 3. Seek professional advice:** A financial advisor can help tailor recommendations for your portfolio according to your unique circumstances and requirements.

If you have any questions or would like to explore different investing strategies further, please do not hesitate to reach out.

Helping clients get back to the basics of building and maintaining wealth in a tax efficient way.



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