

# Value creation of Wealth Management

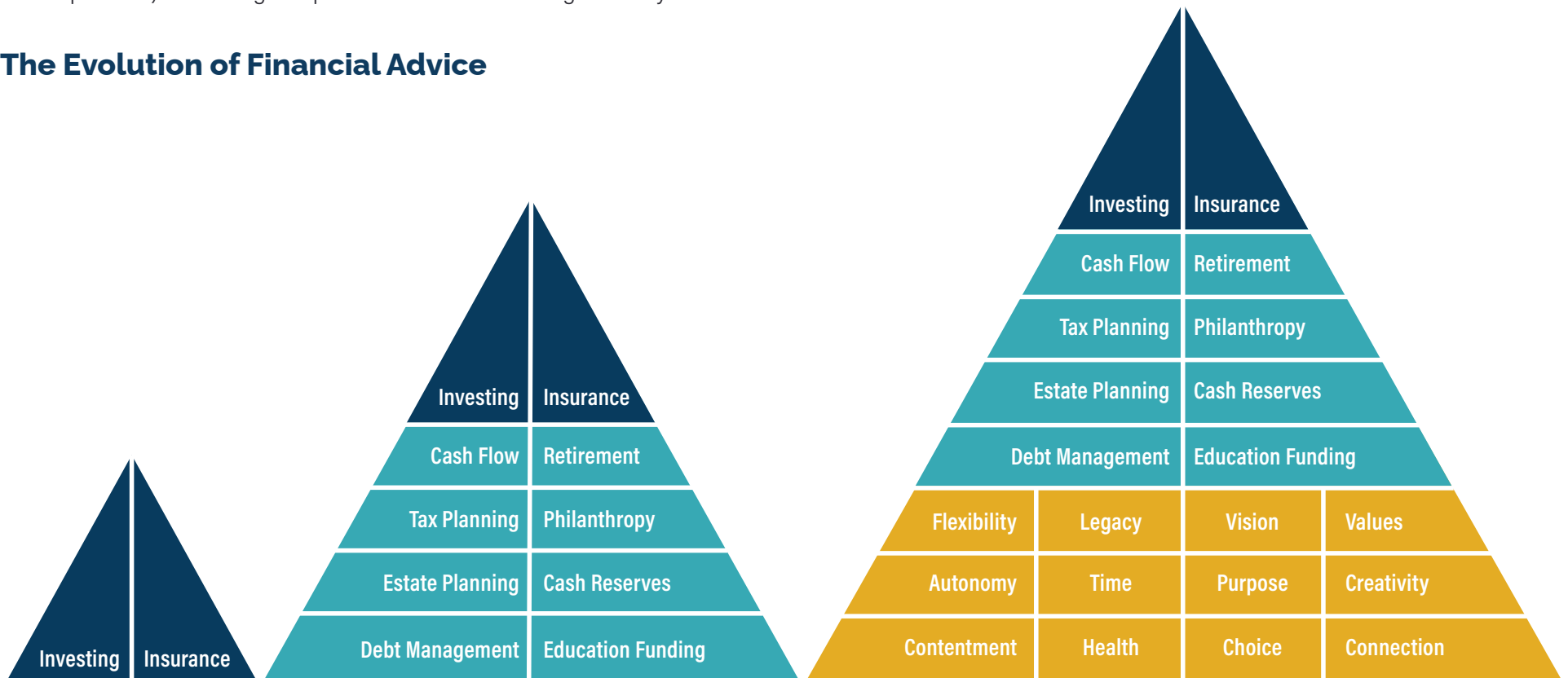
Value creation of Wealth Management has evolved over decades from simply providing clients with access to mutual funds in the 1990s to helping clients align their financial decisions with what truly matters to them – their purpose, value, and their mission in life. This is a powerful shift because when executed well, wealth management becomes not just a process to manage money effectively, but a way to help clients live their best life.

Riverwater's Wealth Management client experience begins with a comprehensive understanding of each client's unique profile (financial background, core values, investment objectives, risk tolerance, and long-term aspirations). This thoughtful process enables clients to gain clarity on

their financial identity, visualize their desired future, and proceed with well-informed confidence in their financial decisions.

Our comprehensive financial planning approach integrates detailed cash flow analysis, strategic income tax planning (coordinated with CPAs), customized education funding strategies, risk mitigation planning, and tailored trust, estate, and generational wealth transfer solutions (developed in collaboration with estate planning attorneys). By establishing a thorough understanding of your financial resources, we create alignment between clients' values, available assets, and long-term financial objectives.

## The Evolution of Financial Advice



Riverwater's investment management process is rooted in disciplined risk management guided by our clients' unique financial goals, through thoughtful portfolio construction, strategic investment selection, and ongoing financial planning. This includes:

**Active Manager Selection:** We conduct rigorous due diligence to identify and partner with fund managers who have demonstrated strong performance and consistency in generating value.

**Passive Efficiency:** Where active management has limited outperformance potential, we utilize low-cost, passive investments to optimize returns and reduce fund expenses.

**Opportunistic Positioning:** We maintain the flexibility to capitalize on unique opportunities while adhering to disciplined long-term investment principles. This approach allows for thoughtful diversification across multiple asset classes, including strategic allocations to alternative investments that offer distinctive value.

**Purpose-Driven Investing:** We integrate responsible investment factors into investment decisions to align portfolios with our clients' values while maintaining a focus on long-term capital appreciation.

**Tax-Efficient Wealth Building:** We incorporate tax-loss harvesting, asset location strategies, and capital gains management to maximize after-tax returns and preserve wealth.

**Principled Risk Management:** We balance growth opportunities with prudent risk oversight, helping smooth out portfolio volatility over time.

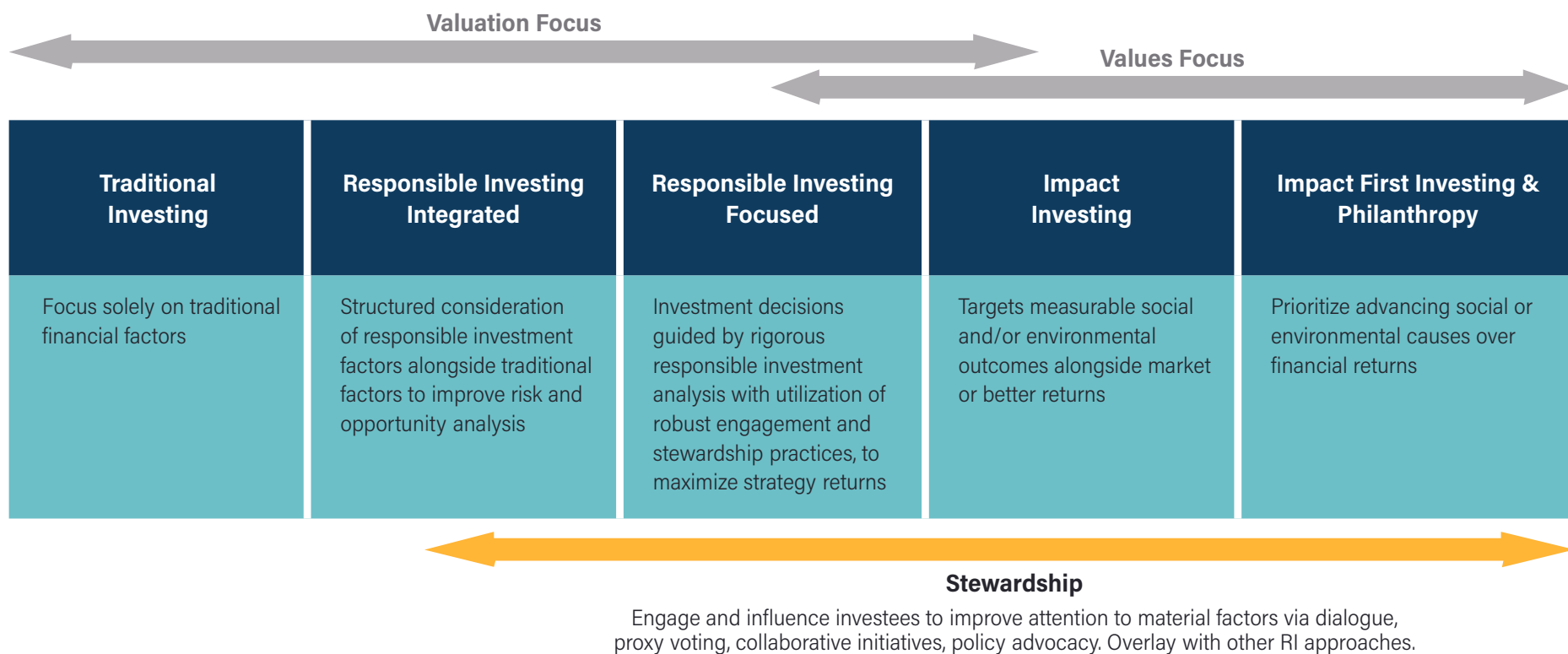
# Aligning financial decisions with personal values.

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# Our clients have unique goals.

Riverwater Partners helps select investment options to provide clients with the combination of Value Creation and Values Alignment best suited to achieve their real-world and financial goals.

## Responsible Investment (RI) Value Creation Spectrum



## RI Focused Manager: Boston Trust Walden



With a track record dating back to 1975, Boston Trust Walden systematically incorporates responsible investment considerations into its investment decisions by evaluating how material factors affect

a company's financial profile. Their proprietary materiality framework assesses the potential influence of these factors on key performance drivers like revenue, expenses, and risk exposure, ultimately determining the factors' impact on valuation and overall business quality.

The integration process is structured in three key steps: identifying sustainability-related risks and opportunities specific to a company's industry and operating context; conducting in-depth research using a broad array of sources to assess the company's overall sustainability profile; and finally, evaluating company performance against determined risks and opportunities to judge financial materiality.

By embedding these insights into fundamental analysis, Boston Trust Walden seeks to uncover companies with stronger licenses to operate, lower risk profiles, and greater long-term growth potential, all of which contribute to durable value creation for clients.

## Impact Manager: Community Capital Management



Community Capital Management has a 25-year history of managing impact bond portfolios. The CCM Community Impact Bond Fund is an investment grade, intermediate-duration bond fund seeking capital preservation, current income, and maximum returns.

The fund has a dual mandate to deliver attractive risk-adjusted returns and positive societal outcomes. CCM achieves this mandate by investing in well-researched bonds that have direct and measurable impacts as stated in the use or intent of proceeds.

Each bond's use of proceeds must align with one or more of CCM's impact themes. A significant portion of these investments qualify under the Community Reinvestment Act (CRA) of 1977. CCM conducts all impact analyses internally, leveraging data sources such as High Poverty Census Tracts designated by the Federal Financial Institutions Examination Council (FFIEC) and First-Time Homeowner criteria defined by the US Department of Housing and Urban Development (HUD).

Through this disciplined approach, CCM seeks to generate competitive returns while aligning clients' capital with their values, enabling investors to achieve both financial objectives and meaningful societal impact.

Understanding the spectrum of responsible investment approaches enables investors to select strategies that align their financial objectives and personal values.