



ALPHA POINTE CAPITAL

ESG for your plan, good idea!?!?!? Part 1

Let's start with what the heck is ESG? Not to be confused with an EKG, of course, I can understand some people thinking they may need an EKG with these markets!

E.S.G stands for Environment, Social, and Governance and from my experience these funds have been gaining in popularity as more and more people want to buy things that may be aligned with their beliefs and values.

Before you run out and start adding these fund to your 401(k) lineup there are some things to be aware of.

ESG/Socially Responsible Investing has been around for decades but it is still a fairly new but it appears as though it is becoming embraced as a viable investment with \$12 trillion dedicated to the strategy according to the USSIF (The Forum for Sustainable and Responsible Investment).

This style had a rough start, sort of like the tortoise and hare. In the early years, it was a very small market with limited institutional appeal. Performance was spotty with many company stocks unable to pass the test for inclusion under the initial ESG guidelines according to Forbes.

From what I have observed, however, slowly due to societal and investor demand more and more companies are adopting a more "stakeholder" view of their corporate responsibility which now positions these companies for inclusion in many ESG funds. Now with more investment options available to ESG fund manager's performance generally is more even with traditional fund managers.

You still need to perform your diligence and go through the prospectus but these funds offer participants a viable investment vehicle with social responsibility.

Stay tuned for more info on ESG investing.....

As always, take care and stay safe!

Employer looking to upgrade or setup a plan visit <https://www.alphapointecap.com/alpha-401k-services.htm>

- Sustainable investing focuses on companies that demonstrate adherence to environmental, social and corporate governance principles, among other values. There is no assurance that social impact investing can be an effective strategy under all market conditions. Different investment styles tend to shift in and out of favor. In addition, a strategy's social policy could cause it to forgo opportunities to gain exposure to certain industries, companies, sectors or regions of the economy which could cause it to underperform similar portfolios that do not have a social policy.
- Wells Fargo Advisors Financial Network is not a legal or tax advisor.

- Wells Fargo Advisors Financial Network did not assist in the preparation of this report, and its accuracy and completeness are not guaranteed. The opinions expressed in this report are those of the author(s) and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.