



19/19 SOCIALLY RESPONSIVE  
BALANCED  
FUND  
2024 Impact Profile





# Table of Contents

A Message from Our Team	3
2024 Impact Profile Summary	4
About 1919 Investment Counsel	5
Our Approach to Responsible Investing	6
Responsible Investing Criteria	7
Corporate Governance	8
Active Ownership & Industry Participation	9
Our Approach to Impact Investing	11
Sustainable Finance Overview	20
Definitions and Disclosures	21



# A Message from Our Team

Welcome to the Annual Impact Profile of the 1919 Socially Responsive Balanced Fund (the “Fund”)! At 1919 Investment Counsel (“1919”), we believe our dedicated team approach to research and portfolio management contributes to the Fund’s successful implementation of responsible investing.

In this report, we share our approach to responsible investing and review key highlights of our Fund’s 2024 activities.

As we invest the Fund’s assets, we apply responsible investing guidelines addressing environmental impacts, employment practices, and respect for human rights, as well as limiting investments in tobacco products and military weapons. Additionally, we seek opportunities to invest in select companies that are associated with these positive impact themes:

- Clean & Accessible Water
- Global Community
- Inclusive & Diverse World
- Low-Carbon Future
- Responsible Production & Consumption

For more information on the Fund, please visit [www.1919Funds.com](http://www.1919Funds.com). We look forward to connecting with you.

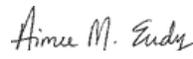
Sincerely,



**Ronald T. Bates**  
Managing Director,  
Director of Responsible  
Investing, Portfolio  
Manager



**Alison Bevilacqua**  
Managing Director,  
Head of Responsible  
Investing Research



**Aimee M. Eudy**  
Managing Director,  
Portfolio Manager



**Robert Huesman,**  
**CFA, CFP®**  
Managing Director,  
Portfolio Manager

# 2024 Impact Profile Summary



### Fund Facts<sup>1</sup>

Total Fund Assets	\$884.8 MN
Share Classes	Class I: LMNRX Class A: SSIAX Class C: SESLX
Inception Date	11/06/1992
ESG Integration	✓
Low Carbon, Fossil-Free	✓
Positive Impact	✓

### 2024 Key Impact Metrics<sup>1</sup>



Our Fund companies averaged 33.9% women on their Boards of Directors.



The Fund’s CO<sub>2</sub> equivalent emissions consumed 363,097 barrels of oil fewer than the relative benchmark.<sup>2</sup>



The Fund’s greenhouse gas (GHG) emissions were the same as 21,560 passenger vehicles being driven for one year. The relative benchmark’s<sup>2</sup> emissions were equivalent to 58,141 passenger vehicles being driven for one year.

### Responsible Investing Criteria

- Citizenship & Human Rights
- Climate Change
- Tobacco
- Environment
- Labor & Workplace
- Weaponry

### Active Alignment\*



### Impact through Industry Participation

Signatory of:



Associate of:



Investor Signatory of:



<sup>1</sup>As of December 31, 2024. Portfolio composition is shown as of a particular date and is subject to change without notice.

<sup>2</sup>Benchmark: S&P 500 Index

\*See page 11 for further disclosure information on United Nations Sustainable Development Goals. All membership, signatory status, or participation are current as of 12/31/2024 unless otherwise noted.

# About 1919 Investment Counsel



1919 is the investment advisor to the Fund and manages approximately \$23.9 billion in assets.<sup>1</sup> The cornerstone of 1919’s investment process is proprietary, fundamental research with an emphasis on quality, risk management, and diversification.

1919 has more than 50 years of experience in responsible investing. We manage approximately \$2.9 billion<sup>2</sup> in assets for responsible investing clients. Our approach to responsible investing incorporates ESG, values, and impact investing.

1919 Investment Counsel, LLC is a registered investment advisor. Its mission for more than 100 years has been to provide counsel and insight that helps families, individuals, and institutions achieve their financial goals. The firm is headquartered in Baltimore and has regional offices across the country in Birmingham, Cincinnati, Houston, New York, Philadelphia, San Francisco and Vero Beach. 1919 Investment Counsel seeks to consistently deliver an extraordinary client experience through its independent thinking, expertise and personalized service. To learn more, please visit our website at [www.1919ic.com](http://www.1919ic.com).

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<sup>1</sup> Total assets under management by 1919 as of December 31, 2024, including the Fund.

<sup>2</sup> As of December 31, 2024.

# Our Approach to Responsible Investing



With more than 50 years' experience managing responsible investment portfolios, our team focuses on using an SRI / ESG lens to understand the fields of sustainability and corporate social responsibility. 1919 takes a multifaceted approach to responsible investing, comprised of two complementary elements that shape our process and philosophy:

## A. Values-Based Investing

- Our approach seeks out companies whose products and/or activities are consistent with the specified Responsible Investment Criteria (see next page).

## B. Investing for Impact

- We seek to invest in companies that are working to generate a positive social or environmental impact related to certain themes, as well as an impact on achieving the UN Sustainable Development Goals.<sup>1</sup>
- In addition to investment selection, our impact investment activity includes voting proxies and participating in corporate engagement.

Environmental, Social, and Corporate Governance (“ESG”) factors are part of our proprietary research process:

- We are committed to understanding the impacts of corporate social responsibility on the Fund’s portfolio holdings.
- Our investment analysis integrates material ESG factors, including risks and opportunities.

Throughout this report, we share our approach to responsible investing, examples of impact investments, and key impact metrics of the Fund.

Review our Responsible Investing Policy [here](#).



*Some of the Fund’s key team members, including Portfolio Managers, Client Advisors, and Responsible Investing Analysts.*

Front, L-R: Lauren Schmaltz, Ron Bates, Alison Bevilacqua  
Back, L-R: Adrian Schau, Leah Foxx, Robert Huesman

<sup>1</sup>The United Nations Sustainable Development Goals (UN SDGS) aim to achieve a better and more sustainable global future through civic, corporate, and individual actions.

# Responsible Investing Criteria



The Fund seeks a high total return by identifying undervalued securities and then focusing on whether those issuers are conducting business in a socially responsive manner according to specific Responsible Investment guidelines.<sup>1</sup> When identifying investments for the Fund, we seek companies that meet the following values-based responsible investment criteria:

## Citizenship & Human Rights

Companies should not be the subject of human rights controversies. Companies that lend their economic weight to addressing social problems are preferred.

## Climate Aware

Companies will be examined for degree of exposure to fossil fuel real assets including oil, gas, and coal. Companies whose projects, products, and processes support the transition to a low-carbon economy, including development of renewable energy sources, are preferred.<sup>2</sup>

## Environment

Companies should not have a history of poor environmental performance. We seek companies with progressive environmental policies.

## Labor & Workplace

Companies should not have a history of systematic discrimination based on gender, race, or ethnicity. Companies should demonstrate fair and reasonable employment practices.

## Tobacco

Companies that derive greater than 5% of revenue from producing or selling tobacco are not eligible.

## Weaponry

Companies that produce nuclear, biological, or chemical weapons, or derive greater than 5% of revenue from producing conventional weapons, are not eligible.

The Fund addresses these guiding criteria both through investment selection and in our active ownership practices. In 2024, the Fund:

- Had 100% less exposure to tobacco than the S&P 500 Index;
- Cast its vote in alignment with a shareholder proposal filed at Microsoft Corp seeking improved disclosure on corporate risk management of weapon- or military-related products or services.<sup>3</sup>

<sup>1</sup> All investments carry a degree of risk. There is no guarantee that investment objectives will be achieved.

<sup>2</sup> See additional examples of active ownership and proxy voting throughout the report.

# Corporate Governance



## Responsible Management

As part of active ownership responsibilities, the investment philosophy and research process for the Fund involves engaging with company management and understanding executive leaders' approach to corporate governance within the company.

In instances where shareholders feel that the quality or direction of management's oversight could be enhanced, we carefully engage with and vote proxies in accordance with relevant resolutions.

2024 examples of the Fund's stewardship in corporate governance are reflected in our active proxy voting. Specifically, the Fund voted in favor of proposals addressing:

- **Simple majority vote requirement** – The Fund voted in favor of implementing a simple majority vote requirement at four companies to enhance shareholder rights and allow more opportunity for shareholders to effect change at a company.
- **Independent Board Chair** – The Fund voted in favor of separating the roles of Board Chair and Chief Executive Officer at two companies. An independent Board Chair is considered in shareholders' best interest to reduce conflicts of interest and improve oversight at the company.

An example of the Fund's engagement on corporate governance follows.

## Fair Behavior in Market Competition

**Apple Inc.**<sup>1</sup> is a global designer, manufacturer, and retailer of smartphones, personal computers, tablets, wearable devices, and accessories. In 2024, 1919 joined with other investors in a written dialogue with the company regarding previous allegations of failure to prevent anti-competitive behavior in multiple countries of the European Union. The purpose of the engagement was to help understand and assess the company's ability to anticipate and manage governance-related operational and reputational risks. Through written engagement, investors requested more information on the company's potential abuse of its dominant position in the mobile applications (apps) market and the specific disadvantages caused to music streaming services and their users. In early 2024, the European Commission imposed a €1.8 BN fine on Apple for these supposed unfair conditions and distorted competition. As of the end of 2024, the company had not responded to resolve the engagement effort.<sup>2</sup>

In 2024 we collaboratively engaged 3 companies facing allegations of violations of the UN Global Compact Norms<sup>3</sup>, particularly related to Anti-Corruption and fair taxes, to understand the assertions, to encourage transparent and fair business competition, and to combat bribery and corruption.

<sup>1</sup> At 12/31/2024, Apple equity position accounted for 4.27% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup> The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.

<sup>3</sup> See pg. 10 for additional information on the UN Global Compact.

# Active Ownership and Industry Participation



1919 supports exercising shareholder rights and active ownership through informed corporate engagement and proxy voting.

## Shareholder Engagement

We actively participate in collaborative engagement networks, and our targeted corporate engagement efforts aim to encourage greater corporate disclosure around a company's ESG activities, risks, and opportunities. Most commonly, our shareholder engagement is conducted through letter writing and dialogues with company representatives. In dialogues between 1919 analysts and a company's Investor Relations or Sustainability team representative, we ask about information they have openly reported, or whether they plan to make certain information related to topics such as those noted here, publicly available.

We engage companies to improve climate risk accountability, to enhance public disclosure of key environmental risks, and to strategically address climate and water risks in their supply chains.

We engage companies on improving public reporting of key indicators such as workforce gender balance and approach to ending workplace discrimination or harassment; we also engage healthcare companies regarding their pricing and accessibility strategy for medicines or treatments.

We engage companies facing allegations of violating UN Global Compact<sup>1</sup> norms, particularly around ethical corporate behavior.

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1919 helps drive the responsible investing industry forward through our work and participation in industry groups. Collectively, the responsible investing industry brings to life investors' impact goals and outcomes. Alongside industry partners, we regularly participate in collaborative corporate engagement activities. See pg. 4 for examples of these industry networks.

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<sup>1</sup>Per the UN Global Compact, this is "A call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals."

# Active Ownership and Industry Participation



## Proxy Voting

We vote all proxies for the Fund according to the ISS Socially Responsible Investing Voting Guidelines policy. This policy is periodically reviewed and approved by the 1919 Proxy Voting Committee.

The ISS policy reflects the dual objectives of economic gain and expecting companies to conduct their businesses in a socially and environmentally responsible manner. By voting proxies according to this policy, the Fund's management team seeks to:

- Reflect a broad consensus of the responsible investing community,
- Incorporate the active ownership and investment philosophies of leading globally recognized initiatives such as the Principles for Responsible Investment and the UN Global Compact,
- Commit to creating and preserving economic value, and
- Advance principles of good corporate governance consistent with companies' responsibilities to society as a whole.

Additionally, our goal is to vote the Fund's proxies in accordance with its responsible investing criteria (pg. 7). Examples of proxy voting alignment are found throughout this report. For the Fund's full proxy voting record in 2024, please visit [www.1919funds.com](http://www.1919funds.com).

## Making a Difference in our Industry

1919 seeks to obtain best execution when selecting broker-dealers to execute securities trades for all accounts. The selection considers a number of factors such as competitiveness of commission rates and spreads, speed and accuracy, and specialty abilities. In an effort to find the best combination of fee structure and high-quality trading process, our team diligences trading partners beyond just the largest players. Broader vetting has resulted in high-quality execution for investors delivered by a mixture of well-known broker-dealers as well as smaller firms that are majority owned by veterans, women, and persons of underrepresented racial or ethnic backgrounds. In 2024, about 17% of the Fund's trades during the year were directed to these broker-dealers.<sup>1</sup>

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<sup>1</sup>As of 12/31/2024.

# Our Approach to Impact Investing



The United Nations Sustainable Development Goals (SDGs) aim to achieve a more sustainable and just world for existing and future generations. Many companies are taking positive steps towards addressing one or more of the 17 SDGs. These actions range from lowering energy use to increasing citizens' access to education and healthcare. All parts of society are called to take action toward achieving these goals, including investors and corporations.



In addition to Values and ESG analyses of all companies proposed for investment, we use the SDG framework to analyze companies' intersection with five themes. The 1919 Socially Responsive Balanced Fund recognizes the importance of corporations' progress towards one or more of the SDGs; we include companies' alignment to the SDGs in our investment selection process. We seek positive impacts by selecting investments which align with five impact themes, each of which contributes to achieving the SDGs:

- Clean & Accessible Water
- Inclusive & Diverse World
- Low-Carbon Future
- Global Community
- Responsible Production & Consumption

Examples of our investment selection, proxy voting, shareholder engagement, and analysis of corporate SDG solutions are provided. Learn more about the 1919 approach to the SDGs in our library [here](#).



## Clean & Accessible Water

Water plays an essential role in our everyday lives and in the technological and social advancements our world is making. We consider the following components when analyzing a potential investment's efforts to ensure communities' access to clean water:

- Human right to water
- Water conservation & efficiency
- Water-related infrastructure
- Clean water & sanitation
- Life below water



### Investment Selection and Active Ownership:

**Water Conservation & Access to Water:** Through rental and sales programs, **Cintas**<sup>1</sup> provides towels and uniforms, first aid and fire safety kits, and industrial and corporate cleaning supplies. The company's Uniform Rental and Facility Services segment consists of renting and servicing uniforms and other garments, including flame resistant clothing, mats, mops, shop towels, and other ancillary items. A main component of Cintas' rental and servicing is laundering uniforms, mats, towels, etc., before returning them to the customer. According to a study commissioned by Cintas, industrial-scale laundry uses 2.3x less water than home laundry, uses 15% fewer chemicals, and can treat the water before returning it to municipal systems. As water is a significant resource Cintas uses, the company has worked for many years to reduce its water footprint. Cintas returns nearly 91% of the water withdrawn to municipalities from which it sources. The company aims to reduce water withdrawal by carefully weighing each laundry load to reduce the water needed per load; Cintas also saves energy by using remaining hot water to pre-heat incoming water for the next load. Since FY 2019, Cintas has decreased its water intensity by 35%, decreased its water withdrawal by 10%, and decreased the total water consumed by 14.4%.<sup>2</sup>



The 1919 Responsible Investing research team held an individual meeting with Cintas' Investor Relations in 2024, to discuss the company's water stewardship efforts and express appreciation for Cintas' reporting and disclosure regarding its activities.

In 2024, we engaged 5 companies to discuss alleged violations of UN Global Compact norms regarding concerns of water pollution and access to water. An additional goal of the collaborative engagements was to gain better understanding of the companies' water protection policies and implemented practices around water quality, right to water, and water conservation for local communities.

<sup>1</sup>At 12/31/2024, Cintas equity position accounted for 1.73% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup>The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.



## Low-Carbon Future

Across all industries, businesses rely on consistent energy use to power their operations, create products, deliver services, and run new technologies. We consider the following components when analyzing a potential investment's efforts to conserve resources, reduce energy use, and mitigate environmental harm:

- Renewable energy
- Energy efficiency
- Sustainable infrastructure
- Climate adaptation
- Waste & pollution
- Biodiversity



### Investment Selection and Active Ownership:

**Alternative Energy Sources:** Steel Dynamics<sup>1</sup> manufactures steel products and engages in metal recycling. The company employs the electric arc furnace (EAF) method that uses recycled ferrous scrap as the primary raw material and does not require the smelting of virgin iron ore or the burning of coal. Thus, the EAF method uses a fraction of the energy and has a fraction of the carbon footprint of other steel making technologies. Further, the company is one of North America's largest metals recyclers, fueling its own circular economy in the steel manufacturing process, while also producing metals for external sale. As part of a strategic focus on carbon mitigation, Steel Dynamics has established science-based greenhouse gas emissions intensity targets for its steel mills. These targets, in alignment with a 1.5° C scenario, were guided by and certified by the Global Steel Climate Council's Steel Climate Standard. The company announced that in 2023, it had achieved its previously announced 2025 GHG emissions intensity and renewable electrical energy goals. The company continues to pursue a path to carbon neutrality. The company's biocarbon production facility in Mississippi is set to begin operations in 2025. Additionally in 2023, the company signed a renewable product purchase agreement equivalent to approximately 15% of the company's steel mills' electricity usage in 2023; that wind energy center began commercial operation in the first quarter of 2024.<sup>2</sup>

In 2024, the Fund:

- Collaboratively engaged 7 companies on alleged violations of UN Global Compact norms related to various environmental and climate change topics, such as depletion of biodiversity, mitigation of negative climate impacts, and air pollution.
- Cast votes in favor of shareholder resolutions related to disclosures on climate strategy and data at 8 companies.
  - In 2 cases, these resolutions addressed the activities of financial services firms – underwriting, insuring, investing, and how those companies' emissions goals are reflected in those activities.
  - At another company, the resolution requested a report that discussed how the company's actions to reduce greenhouse gas emissions impacted stakeholders such as communities and employees.

Companies face many potential risks from climate-related challenges – our general approach is to support requests for increased disclosure that aids investors' understanding of these risks.

<sup>1</sup>At 12/31/2024, Steel Dynamics equity position accounted for 0.75% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup>The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.

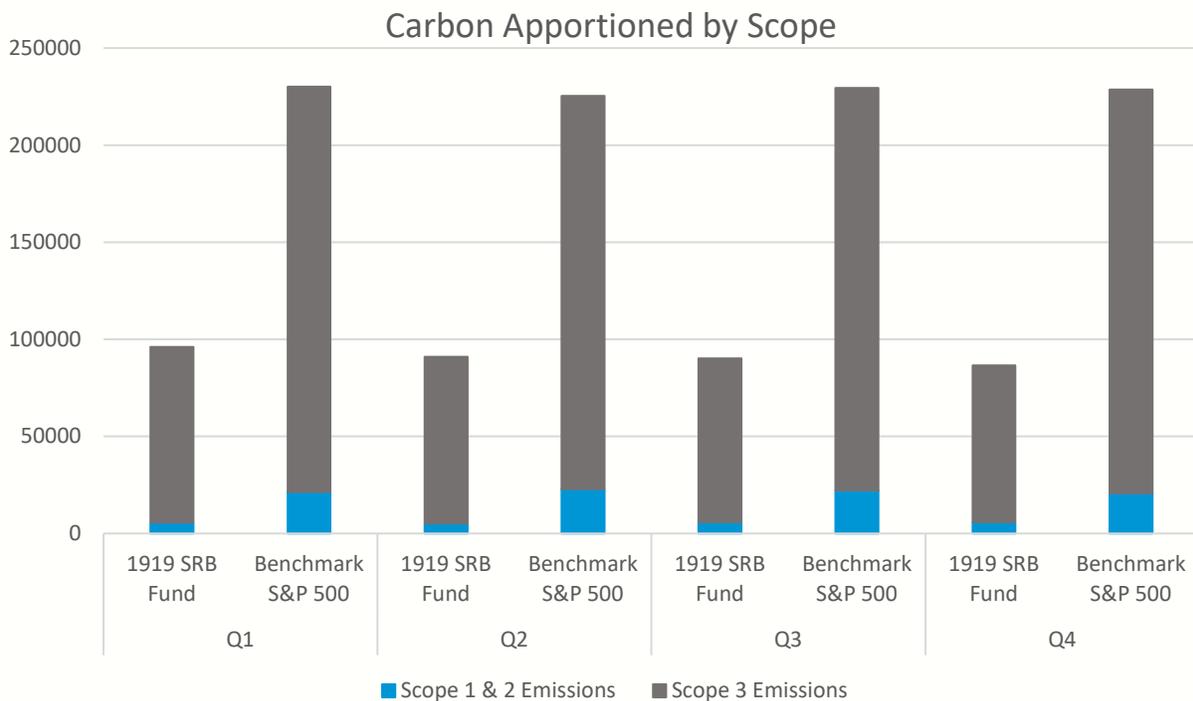


## Low-Carbon Future

### In-Depth Impact: Climate Change

We regularly use tools to evaluate the Fund’s climate change-related risks and opportunities. This includes measuring the carbon footprint of the equity holdings in the Fund, as one indicator of its exposure to carbon risk, on a quarterly basis.<sup>1</sup> We interpret a lower carbon footprint as having a positive impact on the environment.

### Fund Carbon Footprint: Scope 1, 2, & 3 Greenhouse Gas Emissions<sup>2</sup>



Consider the following:<sup>3</sup>



The Fund’s CO<sub>2</sub> equivalent emissions consumed 363,097 fewer barrels of oil than the relative benchmark consumed.



The Fund’s greenhouse gas emissions were the same as 21,560 gasoline-powered passenger vehicles being driven for one year, which is 36,581 fewer vehicles than the relative benchmark.

<sup>1</sup> The Fund partners with a third-party service provider for its quarterly carbon footprint metrics. The service provider assesses the carbon footprint of issuers in which the Fund holds equity stakes based on such issuers’ public disclosures. The vendor models an emissions estimate for issuers who do not issue relevant public disclosures. Definitions used for Scope 1, 2, and 3 Emissions can be found on pg. 23.

<sup>2</sup> Carbon Footprint as of December 31, 2024.

<sup>3</sup> Greenhouse Gas Equivalencies Calculator, U.S. Environmental Protection Agency.

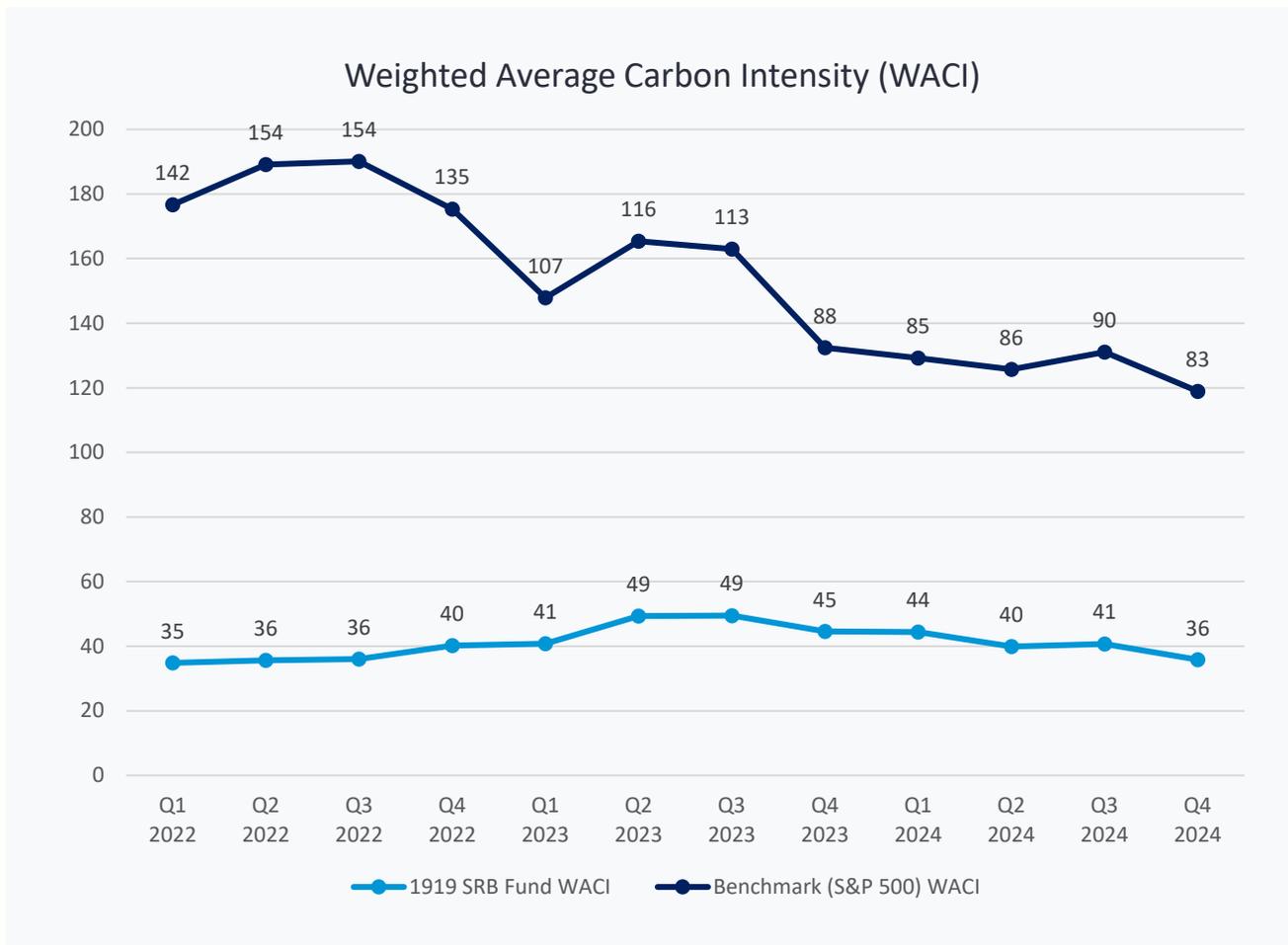


## Low-Carbon Future

### In-Depth Impact: Carbon Intensity

The Fund monitors its carbon intensity, relative to the benchmark.<sup>1</sup> Weighted Average Carbon Intensity (WACI) measures the portfolio's (equity) exposure to carbon-intensive companies.

WACI is expressed as (tons CO<sub>2</sub>e/\$M revenue) and is an aggregate of each position's carbon intensity based on the current value of the position relative to the current portfolio value.



<sup>1</sup> Benchmark: S&P 500 Index

<sup>2</sup> The Fund partners with a third-party service provider for its quarterly carbon footprint metrics. The service provider assesses the carbon footprint of issuers in which the Fund holds equity stakes based on such issuers' public disclosures. The vendor models an emissions estimate for issuers who do not issue relevant public disclosures. The definition for Weighted Average Carbon Intensity can be found on pg. 23.

Past performance is not a guarantee or indicator of future results.



## Responsible Production & Consumption

Companies are linked to stakeholders of all kinds as they work to create and deliver products or services to their customers. All companies are responsible for understanding and assessing how their business decisions and activities impact their web of employees, suppliers, communities, and shareholders and whether they are contributing to human rights violations, workforce conflicts, or environmental problems. We consider the following components when

analyzing a potential investment's efforts to ensure smooth operations while managing the environmental and social risks associated with its footprint and supply chain:

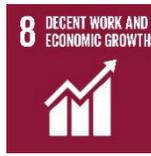
- Circular economy
- Responsible sourcing
- Human rights & local communities
- Sustainable agriculture



### Investment Selection and Active Ownership:



**Responsible Sourcing & Production:** Darling Ingredients<sup>1</sup> (Darling)'s operations and business solutions are inherently cyclical, recyclable, and reusable. The company converts materials that would otherwise be sent to a landfill or allowed to decompose into new forms of biofuels, reusable oil ingredients, and other products. For instance, Darling transforms deceased animals and animal byproducts into various gelatins, collagens, oils, fertilizers, and fuels. If these carcasses and byproducts were left to decompose or buried in a landfill, they would generate methane emissions. Instead, Darling processes these materials into new forms of fuel, energy, and oils, thereby mitigating greenhouse gas emissions. In 2023, Darling's facilities in Europe produced enough renewable gas to supply over 5,000 homes and enough renewable electricity to power more than 50,000 homes. Additionally, Darling's subsidiary in France achieved a 20% reduction in water consumption compared to 2022; company-wide, Darling is increasing its focus on water management and conservation. Darling also partners in a renewable energy joint venture with Valero Corp. (VLO). The joint venture, Diamond Green Diesel (DGD), turns animal fats, used cooking oils, and inedible corn oil into renewable diesel fuel. DGD renewable diesel, based on biomass products, burns cleaner (produces fewer emissions) than diesel fuels based on traditional fossil fuels; the DGD product can reduce transportation emissions by up to 80% (compared to fossil fuel-based transportation). In 2023, DGD produced more than 1.2 BN gallons of renewable diesel. Darling closely monitors its carbon footprint and its energy consumption.<sup>2</sup>



The Fund also addresses other community, sourcing, and sustainability topics. In 2024:

- The Fund collaboratively engaged 14 companies facing allegations of violating UN Global Compact norms related to human rights concerns, consumers' rights, standards of living, and Indigenous peoples' rights in areas of company operations.
- The Fund voted in favor of shareholder resolutions at two companies, The Hershey Co. and Amazon.com Inc., to support increased disclosure regarding packaging waste. These resolutions addressed the challenges of reducing and recycling plastic packaging. Recycling commitments and infrastructure are key components of a circular economy for plastics.

<sup>1</sup> At 12/31/2024, Darling equity position accounted for 0.25% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup> The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.



## Global Community

Businesses have the potential to positively impact global success in achieving better outcomes for stakeholders; this could be more nutritious products, better healthcare services, or providing education and training for the next generation’s skills. We consider the following components when analyzing a potential investment’s efforts to improve stakeholders’ sustainable future in the following areas:

- Health
- Financial inclusion
- Safety & security
- Affordable housing
- Digital divide
- Access to education
- Nutrition

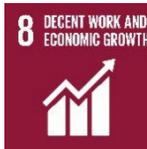


### Investment Selection and Active Ownership:

**Health and Access to Services:** AstraZeneca<sup>1</sup> aligns its approach to improving access to healthcare, and affordability of healthcare to SDG 3 (Good Health & Well-Being), and also provides trend data for many of its programs aimed at improving healthcare access, affordability, and quality of outcomes. AstraZeneca also works with payers and policymakers; in some cases, the company uses tailored payment models such as tiered pricing (based on Gross National Income) and value-based agreements to allow flexibility in linking cost to economic prosperity. AstraZeneca’s programs like Healthy Heart Africa, Young Health Programme, and Healthy Lung have reached over 66 MN people as of 2023. Specifically, Healthy Heart Africa has reached 10 MN people to help reduce hypertension and cardiovascular disease across Africa, by supporting local health systems through education, screening, and reduced-cost treatments.<sup>2</sup>



In 2024, we continued our commitment to collaborative engagement related to the Access to Medicine Index and participated in direct shareholder engagement with 1 company on the topic of Access to Medicine Index and supporting SDG 3 (Good Health & Well-Being).



In 2024, votes were cast in support of proposals seeking enhanced disclosure and about business dependency upon biodiversity and the risks associated with biodiversity loss. These proposals appeared on the ballots at PepsiCo, Inc. and The Home Depot Inc. While these companies’ supply chains are quite different, both depend on biodiversity. The food and beverage provider is dependent on natural services for its products. The home improvement retailer offers wood products, gardening products, and cleaning products, all of which have a connection to natural capital.

<sup>1</sup>At 12/31/2024, AstraZeneca equity position accounted for 0.96% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup>The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.



## Inclusive & Diverse World

Diversity, inclusion, and justice are issues that affect all companies, particularly in their workplaces, but also in their community of stakeholders. Full economic empowerment and inclusion of people of all genders and underrepresented backgrounds yields benefits to companies and communities alike. We consider the following components when analyzing a

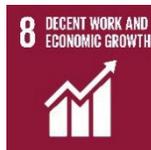
potential investment’s policies, practices, and efforts to foster an inclusive and diverse culture in their workplace and communities:

- Organizational diversity, equity, & inclusion
- Economic empowerment for all
- Commitment to inclusive & equitable communities



### Investment Selection and Active Ownership:

**Diverse Representation & Gender Pay Equity: Reinsurance Group of America (RGA)**<sup>1</sup> provides detailed diversity data, outlines its inclusion efforts, and also addresses its U.S. gender pay equity analysis; in 2024, RGA completed its seventh annual, company-wide study on pay equity (covering about 94% of RGA employees). This most recent analysis found that women at RGA are paid 98.2% of what men are paid, when comparing pay levels for similar roles; for U.S. employees, the average non-Caucasian employee pay ratio was 101.3% of what Caucasian employees were paid. At the end of 2023, globally, RGA’s workforce were 48% women, and 30% of its global leadership employees were women; in the U.S., 20% of RGA’s workforce were people of color, and 11% of its U.S. leadership employees were people of color. RGA also offers ten employee resource groups and community outreach networks where employees can promote change, encourage allyship, network, and build understanding of the communities and markets where the company operates. These groups celebrate and offer support for working parents, mental health advocacy, inter-faith spiritualism, cultural diversity, and more.<sup>2</sup>



In 2024, the Fund voted in favor of proposals requesting a report on median and adjusted pay gaps across race and gender at four companies and on the effectiveness of corporate diversity, equity, and inclusion efforts at three companies. Disclosures of this nature can benefit shareholders seeking to better assess a company’s progress on related workforce initiatives.

In 2024 we collaboratively engaged 8 companies on alleged violations of UN Global Compact norms related to workplace discrimination, working conditions, equal pay, and workplace safety.

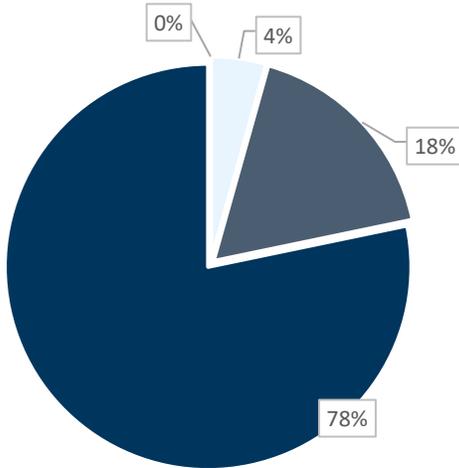
<sup>1</sup>At 12/31/2024, RGA equity position accounted for 1.34% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>2</sup>The case study presented is for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results. The inclusion of any company in this report does not represent an investment recommendation or advice.



## Inclusive & Diverse World

### In-Depth Impact: Gender Representation



#### Percent of Women on Board of Directors<sup>2</sup>

<10% Women

0%

11-19% Women

4.35%

20-29% Women

17.39%

30%+ Women

78.26%

We regularly evaluate the Fund’s comparative performance on multiple levels of diversity and inclusion. Often, this includes measuring the Fund companies’ rates of gender and ethnic or cultural diversity throughout the company, including the composition of the Board of Directors.<sup>1</sup> We understand that a company’s stance or approach to diversity and inclusion often begins at the top, but we also evaluate how companies are striving to be more diverse and inclusive throughout their organization. As this data is less available in a standard format, we evaluate it on a case-by-case basis for each company.

Both the Fund and the benchmark continue to see improvement in gender diversity at the level of the Board of Directors. At the end of 2024, the share of companies with at least 30% women on the Board was 78.3% for the Fund, vs. 76.7% for the Benchmark. Both the Fund and its Benchmark have shown an increase in this data point year over year, an encouraging sign of inclusion in leadership.

#### Additional 2024 Fund facts:



- 95.7% of our Fund companies’ (equity) Boards included 20% or more women, out-pacing 2023.
- 78.3% of the Boards (equity) included 30% or more women.
- The Boards averaged 33.9% women Directors; the Benchmark average was 34.3%.
- The Fund held no companies with fewer than 10% women Directors.

<sup>1</sup>Data gathered from FactSet and other public sources.

<sup>2</sup>Chart as of December 31, 2024, equity holdings. Benchmark is the S&P 500 Index. Portfolio composition is as of a particular date and is subject to change at any time without notice.



# Sustainable Finance Overview

## Investing for Impact: Bonds with Purpose

Green, Social, and Sustainability Bonds can play an essential role in financing investments that provide environmental and social benefits. The proceeds raised by green or social bond issuances are exclusively applied to projects with pre-defined environmental or social benefits. The bonds are regulated instruments, subject to the same capital market and financial regulations as other listed fixed income securities.

An early adopter of green bonds, 1919 continues to work to incorporate green bond investment opportunities into the Fund. We have well-established relationships with the investment banks that are active in the sustainable finance market, as we often participate in issuer roadshows, provide issuer feedback, and participate in new bond deals. Our analysts and portfolio managers evaluate the relative value, investment potential, and their social and environmental impact to determine if these bonds are suitable for the Fund. 2024 total global sustainable bond issuance remained strong, at \$1.1 trillion.<sup>1</sup> Our Fund is proud to be a responsible investor in these fixed income instruments.

**As of the end of 2024, nearly 28% of the Fund's fixed income assets were invested in 40 Green, Social, and Sustainability Bonds.**



## Investment Selections:<sup>2</sup>

### GREEN BOND

**Union Electric Co.**<sup>3</sup> issued a \$1 billion green bond in February 2023 under its Green Financing Framework. The Framework is considered consistent with market best practices, including a commitment to annual reporting on the allocated proceeds from the green bond. This issuance supports eligible green projects in the areas of renewable energy; energy efficiency; green buildings, campuses, communities, and cities; clean transportation; and circular economy adapted products, production, technologies, and processes. Comcast's goal is to be carbon neutral by 2035.

### GREEN BOND

**Dow Inc.**<sup>4</sup> is a materials science company, which engages in the development of innovative solutions. The company's range of products are used in a wide variety of end markets including agriculture, personal care, electronics, food and beverage, oil, gas and mining, packaging, power, water, and telecommunications, and textiles, among others. In February 2024, the company issued bonds under its Green Finance Framework. Net proceeds from this issuance are designated to investments in projects including circular economy technologies, decarbonization technologies, renewable energy, and energy efficiency. For example, at its Fort Saskatchewan, Alberta location, Dow is pursuing its decarbonization strategy through the development of Carbon Capture and Storage; it is likely that this issuance will provide support to that project. Note that captured CO<sub>2</sub> will not be used for enhanced oil recovery operations.

<sup>1</sup>Climate Bonds Initiative

<sup>2</sup>The case studies presented are for illustrative purposes. There is no guarantee that comparable investment opportunities will materialize in the future or that engagement techniques discussed herein will yield similar results.

<sup>3</sup>At 12/31/2024, Union Electric Co. bond positions accounted for 0.24% of Fund holdings. As-of date and holdings subject to change at any time.

<sup>4</sup>At 12/31/2024, Dow Inc. bond position accounted for 0.32% of Fund holdings. As-of date and holdings subject to change at any time.

## Definitions

**CDP** is a not-for-profit that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

**Climate Change:** We regularly use tools to evaluate the Fund's climate change-related risks and opportunities. This includes measuring the Fund's carbon footprint as one indicator of its exposure to carbon risk, on a quarterly basis. We interpret a lower carbon footprint as having a positive impact on the environment. Additionally, companies classified in the Energy sector, or those with control or significant exposure to fossil fuel assets including oil, gas, and coal, are not eligible. Companies whose projects, products, and processes support the transition to a low-carbon economy, including development of renewable energy sources, are preferred.

**ESG Integration:** We are committed to understanding the impacts of corporate social responsibility on the Fund's portfolio holdings. Our investment analysis integrates material ESG factors, including risks and opportunities.

The **Interfaith Center for Corporate Responsibility (ICCR)** is a coalition of faith- and values-based investors who view shareholder engagement with corporations as a powerful catalyst for change.

**Positive Impact:** We seek to invest a portion of the assets in responsible companies that are working to generate a positive social or environmental impact related to certain themes, as well as an impact on achieving the UN Sustainable Development Goals. In addition to investment selection, our impact investment activity includes voting proxies and participating in corporate engagements.

The **UN Principles for Responsible Investment (PRI)** are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. All PRI signatories submit a response under the PRI Reporting Framework on an annual basis. The PRI Assessment grades are based on the information reported directly by signatories, scored and compared to median scores of peers. Grade groupings range from 1 star to 5 stars. The underlying information has not been audited by the PRI or any other party acting on its behalf.

**Scope 1 GHG Emissions** are also called Direct Emissions. This metric is the company's emissions from sources that are owned or controlled by the operating company.

**Scope 2 GHG Emissions** are also called Indirect Emissions. This metric is emissions stemming from the company's consumption of purchased electricity, heat, or steam.

**Scope 3 GHG Emissions** are also a type of Indirect Emissions. This metric includes upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal, investments, etc.

## Responsible Investing Criteria risk:

The Socially Responsible Balanced Fund's universe of investments may be smaller than that of other funds because of the Socially Responsible Balanced Fund's socially responsive criteria. Socially responsive companies may underperform similar companies without socially responsive policies or the market as a whole. They may also fall out of favor with investors. The Socially Responsible Fund's socially responsive criteria may also prevent investment in certain attractive opportunities that would be otherwise consistent with the Socially Responsible Fund's investment objective and investment strategies.

The Socially Responsible Balanced Fund emphasizes companies that offer both attractive investment opportunities and demonstrate an awareness of their impact on the society in which they operate. The Fund believes that there is a direct correlation between companies that demonstrate an acute awareness of their impact on the society within which they operate and companies that offer attractive long-term investment potential. The Fund believes that actively addressing environmental and social issues can translate into sound business. The Fund will use its best efforts to assess a company's environmental and social performance. The Adviser will monitor the related progress or deterioration of each company in which the Fund invests. Socially responsive factors considered include fair and reasonable employment practices, contributions to the general well-being of the citizens of its host communities and countries and respect for human rights, efforts and strategies to minimize the negative impact of business activities and to preserve the earth's ecological heritage and avoidance of investments in companies that manufacture nuclear weapons or other weapons of mass destruction, derive more than 5% of their revenue from the production of non-nuclear weaponry or derive more than 5% of their revenue from the production or sales of tobacco, or have significant direct exposure to fossil fuel real assets.

The **US Sustainable Investment Forum (US SIF)** attracts a broad array of members who are committed to achieving both positive societal and environmental impact and competitive returns.

**Weighted Average Carbon Intensity:** This metric represents a portfolio's exposure to carbon-intensive companies, expressed as (tons CO<sub>2</sub>e / \$M revenue) and calculated as an aggregate of the carbon intensity of each position allocated based on current value of the position relative to current portfolio value.

## Disclosures

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There is no guarantee that the investment opportunities discussed herein will materialize or, if they do, that such opportunities will yield any level of return. The information shown herein is for illustrative purposes. 1919 may consider additional factors not listed here or consider some, but not all, of the factors listed here as appropriate for the strategy’s objectives.

There is no guarantee that desired objectives will be achieved or that the future portfolio composition for the strategy discussed herein will be comparable to the portfolio shown here. 1919 has a reasonable belief that any third-party information used for investment analyses purposes is reliable but does not represent to the complete accuracy of such information by any third party.

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There is no guarantee that employees named herein will remain employed by 1919 for the duration of any investment advisory services arrangement.

Investing based on socially responsive factors may cause a strategy to forgo certain investment opportunities available to strategies that do not use such criteria. Because of the subjective nature of socially responsible investing, there can be no guarantee that the socially responsive criteria used on a transaction-by-transaction basis will reflect the beliefs or values of any particular client. Additionally, 1919 must rely in part upon socially responsive-related information and data obtained through third-party reporting that may be incomplete or inaccurate, which could result in imprecisely evaluating an issuer’s practices with respect to socially responsive factors.

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**Mutual fund investing involves risk. Principal loss is possible. The Fund’s social policy may cause it to make or avoid investments for social reasons when it is otherwise disadvantageous to do so. The Fund may invest in foreign and emerging market securities which will involve greater volatility and political, economic and currency risks and differences in accounting methods. The risks are particularly significant for funds that invest in emerging markets.**

*The fund’s investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the investment company, and may be obtained by calling 1.844.828.1919. Read it carefully before investing.*

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Please visit [www.1919funds.com](http://www.1919funds.com) for investment-related information on The 1919 Socially Responsive Balanced Fund.