



Zevin Asset Management

CEEP – Endowment Session

*Connecting Endowment Funds to Church  
Mission*

Kevin Callahan  
Senior Portfolio Manager

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*Managing Sustainable and Responsible Portfolios Since 1997*

# Kevin Callahan, CFA

Senior Portfolio Manager / Equity Analyst  
Zevin Asset Management



Kevin is actively involved in managing investment portfolios and client relationships for individuals, families, and institutional clients. He enjoys working with clients in setting investment goals, managing risk, and providing financial and tax planning. He is actively involved in the firm's Investment Committee, including the macroeconomic outlook, asset allocation, and security research and selection.

He possesses a wealth of investment and financial planning experience along with a strong academic background. Over his 28 year career, he has worked for firms such as Loomis Sayles & Company, Standish Ayer & Wood, and Century Capital Management. Kevin received his BA in Economics and Spanish from Tufts University and an MBA from the Kellogg School at Northwestern University. He is a member of the Chartered Financial Analyst Institute and the Boston Security Analyst Society.

**Zevin Asset Management** has been integrating ESG into its global equity and balanced strategies since the firm was founded 24 years ago and considered a leader in active shareholder engagement. Zevin Asset Management is majority women-owned and led. Zevin's investment philosophy and process are deeply rooted in the belief that less risk leads to better returns over time. [Kevin@Zevin.com](mailto:Kevin@Zevin.com)

# What are We Talking About?



# Impact Investing



We see responsible investing as a virtuous circle created through implementing ESG research, screening, and shareholder advocacy during every step of the investment process. It is another way we strive to reduce risk in our portfolios.

- We conduct in-house primary **ESG research** supplemented by 3<sup>rd</sup> party data.
- We **screen** our portfolios to avoid companies with abusive practices and seek out firms providing sustainable solutions.
- **Public policy** engagement is a vital tool for systems change. We write letters to legislators, comment on potential legislation, and provide testimony for committee briefings.
- We actively engage in **shareholder advocacy**, including proxy voting, company dialogues, and shareholder resolutions.



# ESG Examples



## Environment

- Transition to a low carbon world — stranded assets
- Physical impacts of climate change on assets

## Social







- #MeToo and lack of diversity in workforces
- License to operate — community opposition

## Governance

- Data privacy & security — a source of competitive advantage
- Corporate political spending backlash

# Engagement for Impact



Action	Results	Benefits
When we pressed for climate action	 <b>UPS &amp; Ecolab</b> set up energy and emissions goals	 Long-term energy savings and efficiency
When we pushed for lobbying transparency	 Our shareholder proposal pressed <b>Disney</b> to begin disclosing & ranking dues it pays to outside lobbying groups	 Reduced risk from unauthorized political activity
When we questioned worker policies	 We convinced <b>Microsoft &amp; AT&amp;T</b> to begin disclosing information on worker benefits	 Better long-term employee relations and human capital disclosures for investors



# ESG Investing – No Trade-offs



Can companies that are environmentally and socially conscious perform as well or better than the universe of investable stocks? YES!!

- Improved financial performance due to ESG becomes more marked over longer time horizons
- ESG integration seems to perform better than negative screening approaches
- ESG integration works best when focused on improvers rather than leaders.
- ESG investing appears to provide downside protection
- Sustainability initiatives at corporations appear to drive better financial performance due improved risk management and more innovation.
- Managing for a low carbon future improves financial performance.

*Source: NYU/Stern and Rockefeller Asset Manager report "ESG and Financial Performance:: Uncovering the Relationship by Aggregating Evidence from 1,000+ Studies Published between 2015 – 2020 by Whelan, Atz and Clark.*



# Summary

- Sustainable ... ESG ... Socially Responsible investing ... etc. incorporate environmental, social, governance and/or ethical factors into investment.
- For many organizations:

Financial Objectives + Environmental, Social Governance & Ethical Issues = Win - Win

- Aligns investments with your values and mission
  - Improves the risk / return characteristics of your portfolio
  - Achieve a positive environmental & social impact
- You're Not Alone: As per US SIF, ~\$ 17 trillion is invested using ESG factors



# Zevin - Firm Overview



- Global ESG boutique investment firm seeking to prudently grow capital over a market cycle through emphasis on prudent risk management
- Time-tested investment strategy utilizing proprietary fundamental, macro and ESG processes. Philosophy driven by risk mitigation: continually assessing risks (asset, regional, sector, ESG, and company-specific fundamentals)
- Pioneer in environmental, social & governance (ESG) investing with proven advocacy success over the last 24 years
- Socially-responsible firm: majority women-owned and managed, 100% employee-owned, B Corporation
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# Disclosures



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