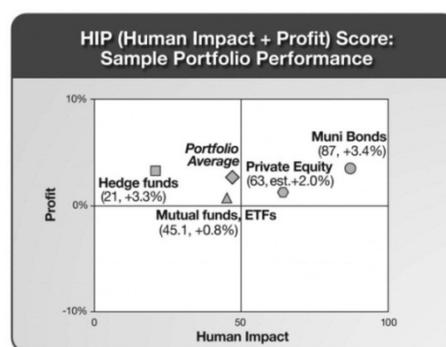
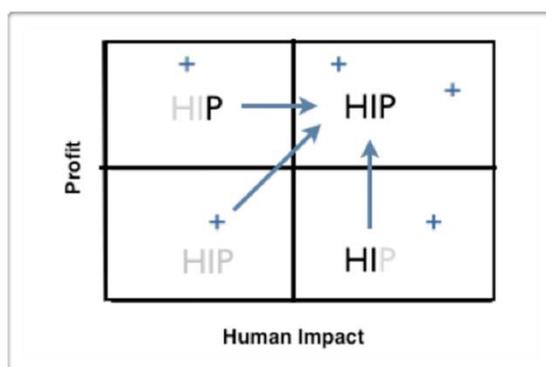




## WHAT IS AN IMPACT-RATED BOND PORTFOLIO?

All investing – including municipal, corporate and agency bonds – can create human impact and profit potential. As issuers of bonds can **create value for society** as well as bondholders, those bonds can be more financially stable and successful, and form the foundation of a **stronger portfolio**. HIP Investor’s impact ratings **quantify** the human, social, and ecological results of each investment. HIP’s scoring enables SNW to construct portfolios that seek both **profit and impact**.

HIP’s analysis can score each investment, fund or asset class. As shown below, investments with the highest positive impact in a portfolio tend to be municipal bonds which fund education outcomes at schools and universities, health outcomes at hospital systems, a more civil society in cities and counties, and greener energy and cleaner water in state-run utilities.



## HOW DO IMPACT-RATED BOND PORTFOLIOS BENEFIT INVESTORS?

Impact-rated bond portfolios from SNW + HIP benefit investors in three compelling ways:

- 1) **Highlight meaningful information** on the human, social and environmental results related to your bond portfolio, which can also illuminate unseen risks and untapped opportunities
- 2) **Increase accountability** for underlying issuers to pursue the core purpose of the bond
- 3) **Promote** a constructive “race to the top” among issuers to seek even higher impact and profit

While all bonds seek to return principal and interest, they can also build a better world. HIP’s impact scores evaluate the “net impact” for investors so you can see precisely how and where an issuer is generating its impact. For example, the City of Seattle rates higher than the City of Los Angeles across all of HIP’s categories of impact. Similar examples exist for corporate and agency bonds which we follow.

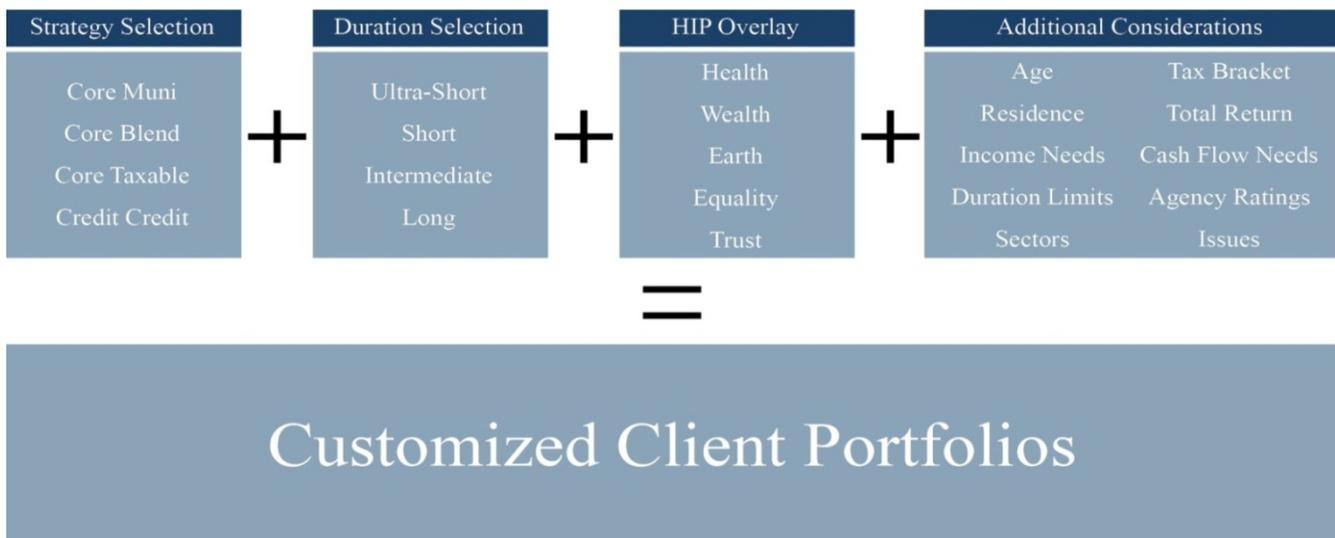
	City of Seattle Municipal Government <sup>[1]</sup>	City of Los Angeles Municipal Government <sup>[2]</sup>
<b>Overview</b>	City in Washington State serving a population of approx. 608,660	City in the state of California serving a population of approx. 3,819,702
<b>HIP SCORE</b>	<b>75</b>	<b>43</b>
<b>Health of 25%</b>	19	10
<b>Wealth of 25%</b>	17	7
<b>Earth of 25%</b>	23	14
<b>Equality of 25%</b>	16	12
<b>BOND RATING</b>	Fitch: AAA Standard & Poor’s: AAA	Fitch: AA- Standard & Poor’s: AA-

[1] Source: City of Seattle, WA—Fiscal Year 2011 Comprehensive Annual Report  
[2] Source: City of Los Angeles, CA—Fiscal Year 2011 Comprehensive Annual Financial Report

## HOW DO WE CUSTOMIZE PORTFOLIOS FOR IMPACT INVESTORS?

**Our mission is to provide customized fixed income solutions to meet the needs and objectives of our clients.** We focus on maximizing income for our clients, while paying strict attention to the type and amount of risk to which an investor's portfolio is exposed. Our detailed risk management is thorough and ongoing by our in-house credit analysts, with over sixty-five years of experience. We also actively manage interest-rate and sector exposure. Further, we focus on a longer-term investment horizon - which may cross multiple benchmarks.

SNW builds impact-based bond portfolios by applying HIP's proprietary ratings to each security, which allows us to quantify and score the portfolio's overall Human Impact. These impact-rated bonds result meet our clients' unique investment needs while also serving their mission and objectives for a better world – essentially, to seek more Human Impact + Profit.



## WHO IS HIP INVESTOR?

HIP Investor Inc. is an international expert in impact ratings, who believe that social responsibility/impact and profit are not mutually exclusive. HIP has scored and rated more than 4,000 securities across all asset classes (including corporate, agency, sovereign and muni bonds). HIP's scores and ratings **quantify** the human, social and environmental results of each investment, and its relationship to financial performance. HIP's scores **enable reporting** on impact alongside risk, return and yield for investors and advisers. HIP also offers separate-account equity portfolios, such as the HIP100 and HIP REITs. *The HIP Investor* book (John Wiley & Sons, 2010) is integrated into the curricula at 15 universities.

## WHO IS SNW ASSET MANAGEMENT?

SNW Asset Management ("SNW"), a subsidiary of Seattle-Northwest Securities Corporation (est. 1970), specializes in US Dollar denominated fixed-income investments customized to investor needs. Since SNW's founding in 2002, SNW has grown to more than \$1.5 billion in assets under management, serving over 700 clients, with separate accounts on an actively managed basis. SNW serves wealth advisors, individual investors, corporations, trusts, government entities, and non-profit organizations from our offices in Seattle and Portland.