



BALLENTINE
PARTNERS

Impact Report
2020

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The full page pictures throughout our Impact Report were taken by members of our team.
Cover Photo: Lake Winnepesaukee, New Hampshire, where we were founded

Letter from our President and CEO

Already there has been much written about the historic year of 2020. While there was so much pain, hurt, anger, frustration, and loneliness last year, we also saw evidence of the human spirit and were inspired by the ways in which extreme times can bring us closer together. Throughout this report you will read about our efforts as a business to rise to the challenges this last year presented and the ways we have come out on the other side – looking at our business, our industry, and the world as a different place and one that we hope to continue shaping for the better.

2020 was a year in which the country was forced to look at systemic racism and the racial inequalities people of color have experienced for centuries. Like all of us personally, we as a business reflected on our own responsibilities and what we could be doing to create the change we want to see. You will read in this report about our initiatives to address racism and build a diverse and inclusive culture within our company and our industry more broadly. Our efforts are multi-pronged and represent a significant priority for our firm and our leadership.

The COVID-19 pandemic created numerous other challenges for us as a business and for our employees. I am so proud of how our employees stepped up to help their neighbors and communities during this time. We were fortunate to be able to continue operating our business through the pandemic, keeping our employees employed, and serving the needs of our clients.

You will see throughout this report letters from our newer employees who were hired while we have been operating in a virtual world. Their perspectives are important to us, and we wanted to share what their experience has been like since joining Ballentine Partners.

Times like this call on businesses and their leaders to meet the challenge: we believe we have embraced the positives and mitigated the difficulties that were presented to us this past year. We are a stronger company because of it and are looking forward to being a leader in our industry by setting the standard for corporate citizenship.

I want to conclude by thanking you for your trust in us throughout this time. We have an even greater appreciation this year for the strength and compassion in our community of clients, advisors, vendors, employees, families, and friends. We have come through this year together, grieving alongside those of you who have grieved, and striving with our collective energies to shape a new future – one full of hope and opportunities for us all.

Sincerely,



A handwritten signature in black ink, appearing to read 'Drew McMorrow'.

Drew McMorrow, MBA, CFP®
President & CEO



“Never doubt that a small group of thoughtful committed citizens can change the world: indeed it’s the only thing that ever has.”

Margaret Meade

Our Mission, Values, and Culture

Ballentine Partners was founded in 1984 by Roy Ballentine as part of the movement of the first fee-only firms to offer integrated and comprehensive wealth management advice. The firm enjoyed measured growth and success by putting clients first and serving as a fiduciary for families. Today, that approach stands firm: putting client families first is central to everything we do, and our continued role as a fiduciary informs and reinforces our culture.

Our **vision** is to continue to lead the wealth management industry in providing the best independent comprehensive investment and family office services to wealthy families and to be the gold standard for company culture and how companies impact their communities.

OUR VALUES

PRIORITIZE CLIENTS

Put our clients first, *always*

RESPECT

Treat others with respect

INTEGRITY

Demonstrate honesty and integrity in everything we do

LEADERSHIP

Strive to be the best at what we do

RESPONSIBILITY

Take initiative, be responsible, and accountable

OUR MISSION

Help families articulate and achieve their aspirations

OUR CULTURE

PROBLEM SOLVING

Solve clients' puzzles and simplify lives

INTELLECTUAL CURIOSITY

Challenge conventional thinking

GROWTH MINDSET


Cultivate the growth of clients and colleagues

COLLABORATION

Open to opinions and ideas

BALANCE

Strive for balance in work, family, and community life

A scenic landscape at sunset. The foreground is dominated by dark, silhouetted evergreen branches on the left and bottom. The middle ground features a vast, green meadow or field, followed by a dense line of trees. In the background, rolling hills are visible under a sky with soft, orange and pink clouds. A semi-transparent purple circle is overlaid on the upper right portion of the image, containing a quote in white text.

“A life is not important
except in the impact it has
on other lives.”
Jackie Robinson



“After nearly 15 years with one company and excited for the next chapter in my professional life, I never thought that I would start anew at the height of a global pandemic, when life as we knew it came to a screeching halt. Starting with a new firm, and virtually at that, seemed daunting. Naturally, I questioned how I would execute on strategy, integrate with the team, or build rapport with my new colleagues.

Companies show their true colors during challenging times, and I wondered if Ballentine Partners would rise to the occasion. My expectations have far been exceeded. The team has demonstrated poise, a sense of calm, and adaptability. They have done all of this while fueling our productivity and drive. The firm’s people-first mentality and emphasis on culture is unmatched, and these values are a driving force.

During a time of great uncertainty, Ballentine Partners has provided a sense of stability as we adjust to our new work-life paradigm. The team has been incredibly supportive and welcoming. Whether it has been checking-in to ensure that I have what I need to push forward, or proactively reaching out to get together virtually or in-person (at a distance!), it is clear to me that the focus continues to be on the success, happiness, and wellness of the team.

The firm is led by, and uniquely made up of very smart and dynamic professionals. Everyone is genuine and dedicated to their practice. I am excited to be a part of such a high caliber team and the successful journey forward.”

Elisa is the Director of Private Investing at our firm. She joined Ballentine Partners in March of 2020 to lead the firm’s private investing activities.



Elisa Gruber Lustig, MBA
Director of Private Investing

Impact Investing

We have offered impact investing solutions since 2006 and have the capability to implement a client's entire investment program in impact offerings. In the last year, we saw a 37% increase in the dollar amount our clients have invested in impact offerings and a **150% increase in the number of impact investment positions our clients hold**. Today, 25% of our clients hold impact investments in at least some portion of their portfolio and that number is growing quickly.

Here is a snapshot of our impact offering today:

- **We have impact investments across multiple asset classes**, including public markets, private equity, fixed income, infrastructure, and real estate
- **We have 3 global impact equity portfolios** (People & Planet, Environment First, and Gender Lens) which have averaged 4.1% of annual outperformance relative to the MSCI All Country World Index
- **We are launching an impact strategy with a Racial Justice Lens**
- **We have helped our clients source private impact investments** across their areas of interest, including education, waste reduction, urban innovation, renewable/sustainable infrastructure, healthcare, affordable housing, and land conservation
- Below is a small sampling of the impact that our managers are having in the world:
 - Waste reduction – one venture capital manager has kept 1.3M tons of material out of landfills and has prevented 3M tons of greenhouse gas emissions
 - Job creation – a private debt fund we invest with originated loans that contributed to a 20% job growth across their portfolio, with 93% of those jobs having improved paid sick leave, wellness initiatives, and 401K eligibility
 - Supporting diverse teams – we invest with a woman-owned venture capital firm and 70% of the teams that they have backed have had a woman or a person of color on its founding team and 78% have had a woman or person of color on its Board
- We track and report the impact our clients are achieving in their portfolios

We've been doing this for 15 years now and have seen a lot of positive evolutions in the impact investing space. Most exciting to us is seeing mainstream, "non-impact" managers now incorporating environmental, social, and governance (ESG) criteria into their investment due diligence because they believe it helps them make smarter, and ultimately more profitable, decisions about the companies they are choosing to invest in.

The other major shift we have seen is that **many ESG or impact investment funds have become some of the best strategies in their asset classes**. Ballentine approved and broadly recommended an impact manager in 2020 for all clients, not only those interested in impact investing, on the strength of its investment thesis. This fund complements our existing real assets holdings for clients as a result of its global thematic strategy of investing in companies that are developing innovative solutions to resource challenges across four key areas: new energy; water; waste and resource recovery; and sustainable food, agriculture, and forestry.

As the ESG and impact industry continues to mature and grow, we believe more "impact" managers will be recognized simply as best in class managers as these social and environmental considerations become a part of every investment conversation.

Our Impact Investing Philosophy and Approach

We strongly believe that Impact Investing is still investing, meaning you are attempting to make money in the process. Impact Investing is aligning your investments and your financial goals with what you believe in and care about.

Our first step when a client is interested in this approach is to facilitate a deeply reflective set of discussions in order to help the client articulate their impact values, goals, and priorities.

From there, we design a custom values-aligned portfolio that seeks to generate competitive financial returns while expressing the client's priority impact themes. As a result of our experience spanning more than a decade in the impact space, we have a deep network of contacts and are able to source interesting and unique impact opportunities across public and private markets.

Finally, we provide custom reporting that allows clients to see and assess the impact their investments are making in the areas they care about.

We aim to identify our clients' Impact Investing goals using the following process:

1

What matters to you?

- What organizations do you support?
- What are your favorite companies and why?
- Where do you align with the UN SDGs?

2

Know what you own

- Understand your portfolio today
- What do you own that is at odds with your values?
- How can this be addressed?

3

Align what you own with your values

- Empower yourself to decide what steps to take to align your portfolio
- Typically begin with public equity and sustainable municipal bonds

4

Use what you own to make a larger impact

- Identify opportunities for transformative impact that others are reluctant to fund because of illiquidity, higher risk, or lower returns
- Possibly pursue co-filing and signing of shareholder resolutions

5

Monitor: refine goals and approach

- What metrics matter to you and how can they be measured?
- What works and what doesn't? What changes can be made?

We monitor and report on impact themes using the United Nations Sustainable Development Goals as a framework:



Our Impact Research Process

Our impact investment research team is a part of our investment research team and steeped in the investment culture of the firm. Our impact research team follows the same comprehensive due diligence processes, presents to the same approval committees, and most importantly, works very closely with non-impact research team members when reviewing new and existing investments and vice versa. This year the perspective of our impact team created clear value across our firm through the following examples:



Exit of Midstream Energy Investments (MLPs)

- Impact team's expertise in energy cost curves and understanding of carbon risk was shared with real assets team
- Team determined to exit traditional energy infrastructure for all Ballentine clients in March 2020
- After the sale of MLPs, the reinvested funds performed 9% better over the balance of the year
- This represented approximately a 0.4% increase in returns for the year for the Ballentine hypothetical tracking portfolio (4.8% weight)

Incorporation of Renewables and Sustainable Real Assets

- Impact team felt one of their strategies would complement real assets holdings of non-impact Ballentine clients
- Real assets team collaborated with impact team to stress test this hypothesis and concluded the fund should be recommended to all clients
- Since approval, Pax Global Environmental Markets has outperformed by 9.2%
- This represented approximately a 0.16% increase in returns for the year for the Ballentine hypothetical tracking portfolio (1.7% weight)

Improvements to our Due Diligence Process

- Environmental, Social, and Governance risks are increasing for companies and investment management firms
- We believe these can lead to adverse investment consequences such as excess staff turnover, groupthink and confirmation bias in investment teams, and denial about the long-term effects climate can have on investment assets
- All Ballentine investment managers now go through a rigorous ESG and Diversity Equity and Inclusion questionnaire as part of our diligence process

Our Impact Investment Offering

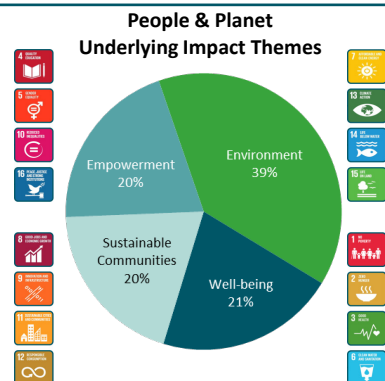
We currently offer impact investments across asset classes in both public and private markets. In addition to the three strategies below, we also craft bespoke impact portfolios for clients with specific impact objectives.

People & Planet

A multi-manager portfolio designed for clients who are interested in the health of our planet, social justice, and equality.

This portfolio reflects our beliefs that:

- Sustainable businesses will define economic growth over the coming decades
- Diverse leadership creates long-term value for companies
- Capital plays a key role in providing solutions to some of our most pressing global challenges

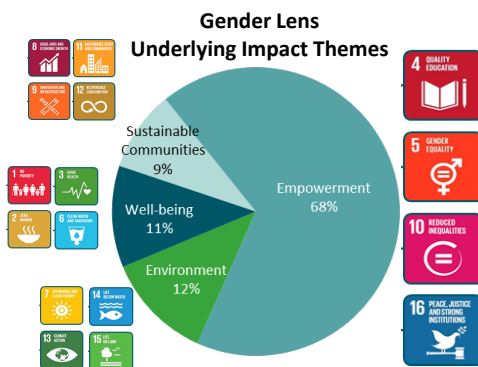


Gender Lens

A multi-manager portfolio designed for clients who are interested in female leadership, gender equality, and social justice.

This portfolio reflects our beliefs that:

- Diverse leadership and management creates long-term value for companies
- Closing the gender pay and opportunity gaps unlocks huge potential economic growth in the global workforce
- Impact investors can encourage companies to channel resources towards gender balance in leadership, workforce, and compensation, as well as adopting policies promoting equality

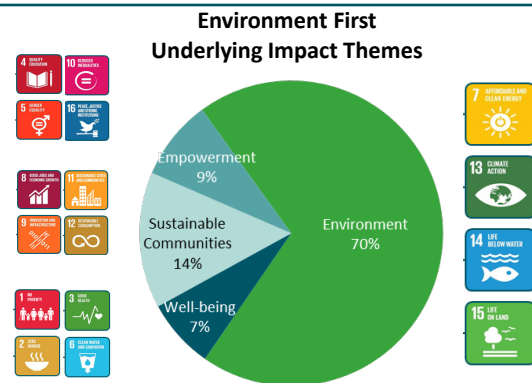


Environment First

A multi-manager portfolio designed for clients who are interested in conservation, carbon reduction, and climate change.

This portfolio reflects our beliefs that:

- Climate change is disrupting lives and is a risk to our future
- Urgent action is needed by investors, businesses, and the public sector
- Companies working to improve their environmental footprint will face less risk from regulation, stranded assets, and supply chain disruptions in the future



Our Impact Team

We are able to meet our clients' growing demand for impact expertise due to our deep and diverse impact team. We now have an Impact Committee consisting of 23 employees committed to the philanthropic and impact investing work we do with our clients.

A Steering Committee oversees this group and consists of four team members, evenly split between the Investing and Wealth Advising sides of our business:

- **Will Tickle, Partner & Director of Impact Investing**
- **Jules Pulda, Impact Analyst**
- **Sheila Lawrence, Partner & Senior Client Advisor**
- **Jennifer Murtie, Partner & Head of our High Net Worth Practice**

Having representation on this committee from different levels and functional areas within our company allows us to ensure that we are approaching Impact holistically and at every level of our client engagements. Our Impact conversation with clients begins with the fundamental question of the “why” behind their wealth. What is it that they would like to use the phenomenal opportunity of their financial resources to achieve? We know that that answer is different for every client, but always touches on the aspects of our clients' lives that matter the most – their children, the passions that give them the deepest sense of meaning and purpose, how they want to change the world for the better, or how they want to be remembered. We view it as our role to help our clients imagine and articulate the answers to these questions – to paint a picture of the impact they want to achieve – and then bring the resources to bear (whether it be our philanthropic, investing, or family education expertise) necessary to make it happen.

Impact Steering Committee



Will Tickle
Partner & Director of
Impact Investing



Jules Pulda
Impact Analyst



Sheila Lawrence
Partner & Senior Client
Advisor



Jennifer Murtie
Partner & Head of High
Net Worth Practice

Impact Investing in Action

A Letter from our Director of Impact Investing



Will Tickle
Partner &
Director of
Impact Investing

Many will say 2020 has been the year to forget – but when we reflect on defining events like the wildfires, the racial and social justice movement, and the COVID-19 health/economic/education crisis, 2020 is a year we must remember. This year is our call to action. A return to “normal” puts us back on a precarious path with extreme weather, systemic racism, and a depth of inequity. So how can we look ahead to better times? We can upend entrenched dogmas in corporate America, we can encourage innovation, and we can place appropriate value on our communities and stakeholders. That path to a better future is already being paved by two trends we have seen this year:

1. Companies with purpose-driven leadership and positive workplace practices interwoven into the company’s strategy are proving more resilient, on and off the balance sheet
2. There is a drastic increase in demand for companies creating solutions to urgent challenges that have been accelerated this year

So how does the idea of purpose-driven leadership translate to building an impact investment portfolio? We thought we would share four examples of companies our clients are invested with that are doing things differently and succeeding at it:



Just Capital

- Surveys Americans on what U.S. companies should prioritize when it comes to business behavior
- Developed a COVID-19 Corporate Response Tracker to report on how corporate leadership handled health and safety of employees and customers
- Their data and rankings are also used to construct a US Large Cap stock index, emphasizing companies that have stakeholder-driven leadership



HCAP Partners

- Private debt provider to businesses
- Emphasize workplace practices - before investing in a company, management must agree to a work plan that prioritizes employees and wellness (benefits, paid sick leave, living wage standards, bonus eligibility, 401k participation, and wellness initiatives)
- Skepticism has been assuaged as employee turnover falls, engagement increases, and corporate culture strengthens.



Ready Responders

- Telehealth company providing in-home care by leveraging existing EMT networks when they are underutilized (i.e. not on a call)
- Reduces strain on ERs, lowers costs of care, and provides access where before a lack of transportation or bandwidth were barriers
- Increased efficiency for hospital networks, critical in a pandemic, and better outcomes for patients. Win-win-win.



American Prison Data Systems (APDS)

- Education technology company providing hardware and curriculum to incarcerated learners
- In Northwest Arkansas, a prison system partnering with APDS saw a 57% increase in GED pass rates, improving reentry prospects for parolees
- Skill-based education program promotes return to work, economic advancement, and reduces the high implicit and explicit costs of recidivism

So is 2020 a year to forget? Certainly not for those companies that have risen to its challenges and thrived in the face of the pandemic. The path to a more just and inclusive future needs countless more stories of success, and we wake up every morning energized by the solutions, people, and companies we may find as we further our mission of helping Ballentine’s impact investors support companies creating the future they want to see.

Bringing Impact Thinking to Risk Assessment

In 2020, the impact team generated an Environmental, Social, Governance, and Diversity, Equity, and Inclusion questionnaire to identify hidden investment risks (conditions that create high team turnover, climate denial, lack of diversity in thought, and other factors which have been shown to weaken company performance). Our goal was to use what we have learned in the impact space to assess our risks more broadly across our client base and to establish a baseline measurement of risk exposures we will be able to compare to going forward. In addition, we also had the goal of promoting engagement, education, and ongoing improvement across the investment industry in each of these areas, ourselves included. We sent the survey to 46 investment managers who invest in aggregate more than \$7.5bn of Ballentine clients' assets, including both large Wall Street firms and small four-person venture capital firms. Below is just a small sampling of what we learned. If you're interested in hearing more, please let us know.

ESG Policies

72% of the firms have an ESG policy in place today (those firms represent 63% of the Ballentine client assets)

This was higher than we expected! But only one of the "No" firms planned to establish an ESG policy in the next year

Ballentine can help educate on the importance of an ESG policy; have already had this conversation with two firms

DEI Policy

52% of the firms have a DEI policy in place today (54% by assets)

Another 16% plan to add one in the next year. However, anyone can put a policy in place; it requires culture to institutionalize it and bring it to life

Ballentine needs to track how firms are adopting these policies and what metrics they are tracking to make sure these policies are effective

Woman Ownership

43% of respondents had at least one woman owner of the firm (40% of assets)

While the number of firms with women owners is decent, the total ownership share is still lower than we'd like to see

We will continue to promote the importance of balanced ownership with managers we review and recommend

Black & Latinx Leadership

16 firms (of 46) have Black and/or Latinx team members in the C-suite or senior leadership positions

The average Black and Latinx representation in C-suite and senior leadership among these firms was 4% (2% by assets), whereas the percentage of the US working age population that is Black or Latinx is 30%

Our investment team is diligencing more Black and Latinx-led investments, and also dialoguing with all firms on how to improve these metrics industry wide

Recruiting Diverse Talent

48% of firms have specific initiatives to attract more diverse talent (62% by assets)

Larger firms tend to have more robust programs; we saw some firms reply "yes" but did not count them as they confused recruiting diverse talent with non-discrimination

Many firms asked to learn more about ways they can improve in this regard; we plan to convene meetings of firms to share best practices

Overall, the most positive part of the process has been engaging with investment managers on these topics. Many are looking for ways to benchmark their initiatives, improve their diversity, and change their management practices for the better, and that is a very encouraging sign. There's plenty of work to be done to meaningfully move the needle on these initiatives, and we're looking forward to continuing to engage with our managers, assess their progress, and hopefully demonstrate improvement relative to this baseline over time.



“I started at Ballentine Partners on June 1, 2020. I started remotely in a small country town in rural Louisiana. My initial plan was to spend the summer with a good friend of mine so that we could quarantine together. After two weeks with weak internet connection and serious safety concerns, I let the firm know that I needed to head to Massachusetts sooner than expected.

The firm was incredibly accommodating. In fact, Drew McMorrow helped me to plan which route I would take to reach home safely. Another partner at the firm was taking a cross-country road trip a week before I planned to leave. He shared pointers for navigating around traffic and he even reminded me to pack enough food for the road in case I couldn't find open restaurants along the highway. It was a once-in-a-lifetime conversation with a colleague for sure.

I started working out of the Waltham office in mid-June. I'm one of the few employees who has worked in the office. There are few other office “regulars” who work out of the office one or more days a week. A highlight in my remote work week is a social distance lunch with a few of the people who head into the office to work.

During the summer, I was able to meet up with colleagues for outdoor activities like an ice-cream outing in my local neighborhood and touring a community farm where one of the partners sits on the Board. I connected with other members of the team with virtual lunches, virtual coffees, or virtual “water cooler chats”. Somehow, I'm still able to feel a part of the great culture of Ballentine during this tumultuous time. That speaks to the firm's commitment to our values against all odds.

Eryn is the Chief of Staff of our firm. She joined Ballentine Partners in June of 2020 and works on the firm's strategic initiatives.



Eryn-Ashlei Bailey, MBA
Chief of Staff



“Once you know better,
do better.”
Maya Angelou

Commitment to Racial Equity

We published the following racial equity statement in June of 2020, in which we pledged a number of commitments. These commitments have since served as a guidepost and a daily reminder of the actions we as a firm must take to help end systemic racism and ensure that both our firm and the wealth management industry broadly reflects the diversity of our society. We list below not only our original statement but the progress we have made since June on each of these commitments.

Like all of you, we have watched the news this year with grief and sadness. We condemn the acts of violence and injustice that led to the deaths of George Floyd, Ahmaud Arbery, Breonna Taylor, and countless others. We stand in peaceful solidarity with the legions of people who are incensed, not just at these and many other deaths, but also at the years of systemic and institutionalized racism that contributed to them. And we stand shoulder to shoulder with Black people and all people of color who are demanding, pleading, and hoping that this time something will actually change.

But words are not enough. For this moment in history to matter – to truly change a system that has been fundamentally unjust for Black Americans from the very beginning – we all need to act. Our Diversity, Equity, and Inclusion (DEI) Task Force convened our company to discuss ways we could do more. We want to share with you the list of actions that were already underway or that our firm is now initiating:

- 1. We are assessing all of our vendors to look for opportunities to buy from Black-owned businesses*
- 2. We are reviewing the network of professional advisors that we bring to our clients to ensure that it is sufficiently inclusive, and we are spending time and resources connecting with affinity groups that consist of more people of color*
- 3. We are building an Impact Investing offering that includes a mandate more explicitly devoted to racial equity*
- 4. We are convening a conversation among our clients who would like to have an opportunity to connect with others moved to address these issues*
- 5. Our internal DEI task force is hosting a series of recurring internal conversations to keep this topic front of mind and ensure that we nurture a firm culture that is inclusive and anti-racist and that we all do our part to end discrimination and intolerance and promote justice, reconciliation, and healing*
- 6. We are making sure that our people have time and permission to attend peaceful demonstrations of solidarity*
- 7. We are matching employee donations to organizations that are addressing issues of racial injustice*

We are a company that values diversity, but also recognizes that we do not have enough of it. We have already taken steps to evaluate our hiring practices and to prioritize efforts that will allow us to identify talented candidates of color; for instance, we are recruiting at historically Black colleges and universities (HBCUs) and plan to expand those efforts. Our industry lacks diversity, especially racial and ethnic diversity. The CFP® Board's Center for Financial Planning's 2018 Report found that, of those with the CERTIFIED FINANCIAL PLANNER™ designation, just 3.5% are Black or Latino. This is detrimental to the future of our industry and must change. We pledge to be a leader in these efforts.

We know that we can only play our part, and that correcting these injustices will take time and commitment from many more. We are committed to doing our best, knowing that we are imperfect. We are always open to your ideas on how we can be better. If you would like to engage in this discussion with us, or have suggestions, please let us know.

Since we published this statement, we have worked hard to address the action items we committed to. We share our progress with you here.

1. Review of vendors



We have sought opportunities to buy from Black-owned businesses and did so recently for our year-end employee holiday baskets and prizes for our virtual holiday party. As a business we are committed to continuing to seek out opportunities like this to change where we purchase gifts, office supplies, and food catering. Many of our employees also chose in their personal spending this year to support Black-owned businesses, including booksellers, clothing stores, professional services, educational services, and restaurateurs.

2. Review of our network of professional advisors



We have begun to spend time and resources connecting with affinity groups that include more people of color. We now proactively ask ourselves in interactions with advisor groups whether the group is sufficiently diverse and whether it reflects our society more broadly. If not, we are noting this and drawing others' attention to this issue and to the ways in which we can work together to address it.

3. Expand our Impact Investing offering



Our impact investment team is currently incubating a Racial Equity strategy for clients who wish to apply a racial equity lens to their investment portfolio. We are working to expand our pipeline by attending conferences and industry events that highlight, and potentially introduce us, to BIPOC (Black, Indigenous, and People of Color) investment managers and entrepreneurs. Fundraising shortfalls for BIPOC-owned venture capital and private equity funds have historically been disproportionate even though BIPOC-owned and BIPOC-led funds meet and even outpace the performance of their peers in respective asset classes. Investors are paying more attention to this issue, and the SEC recently scheduled a panel on fundraising for Women of Color (“WOC”) entrepreneurs.

Money is left on the table when the ideas and cutting-edge technology of BIPOC entrepreneurs is not actualized due to disparities in fundraising. Our clients and prospective clients realize this, and we are responding to their demand by incubating a Racial Equity strategy. The impact investment team is actively conducting due diligence on a handful of new BIPOC managers and we expect this effort to grow significantly in 2021. Our Racial Equity strategy will be a blend of managers across asset classes. The strategy will target investment performance that matches peer investment funds in respective asset classes.

4. Convene a conversation among our clients who would like to address these issues



We were pleased to launch a new series in 2020 called “Family Stories”. In July, three members of one of our client families shared the story of how they worked to donate a portion of a family trust to causes addressing racial inequity. As the son of the family shared, “With this specific trust, all three of us agreed that actually we value supporting this social movement now more than we value what would be promised to us in terms of wealth and privilege through this specific trust.” This family has also generously offered to speak with other clients of ours who are interested in potentially doing something similar, so please let us know if you would like us to facilitate an introduction.

5. Host a series of internal conversations



Corporate diversity initiatives often fail¹. The failure of these programs has sometime been referred to as “transplant rejection”: it is not enough for an organization to diversify its pipeline and hire a more racially diverse cohort; the organization itself must be ready to successfully navigate cross-cultural differences and provide an environment in which a more racially diverse cohort of hires will thrive. Our courageous conversations work has been aimed at developing our company’s cultural competency in parallel with our hiring practices work. Here is just some of what we have done internally this year to support this nuanced goal:

- Held a firm-wide discussion about systemic racism and the actions we can take to combat it (this optional presentation drew 75+ participants out of our 90 employees and lead to many more informal discussions about racial equity); plus an ongoing movie and book discussion club around these issues
- Hired a professional facilitator to provide a training for employees on the background and context of institutional racism, how to talk about race, and action steps to shape our work going forward
- Rolled out a software that allows each of us to test our hidden biases (confidentially and anonymously) and complete self-guided video learnings about bias. Enrollment in the program was completely voluntary, and approximately 85% of the company participated. We are now hosting a series of monthly discussions based on the learnings and research findings that accompany this program

¹ (<https://hbr.org/2016/07/why-diversity-programs-fail>)

6. Give our employees time and permission to attend peaceful demonstrations of solidarity



Members of our team attended peaceful protests and demonstrations, including using their day of community service to attend these protests, and were able to use the venue of our courageous conversation gatherings to share about these experiences with others.

7. Match employee donations to organizations that are addressing issues of racial injustice



Ballentine Partners has a program in which each year it matches charitable donation made by employees. This year the firm made a total of 28 matching donations. Eight of those were made to charities whose missions are explicitly to address racial, social, and economic justice for Black people, including one that focuses on supporting entrepreneurs of color. In addition, our employees donated to another 11 non-profit organizations that are primarily serving people of color through a range of services addressing poverty, hunger, health care, education, and homelessness. We are committed to continuing this program of showing support to our employees and the issues that they care about and playing a small part in helping the communities around us.

8. Improve our own diversity through revised hiring practices



Ballentine Partners was founded on an innovative and experimental model for providing objective financial advice. It is well demonstrated that having a more diverse team leads to better business outcomes: innovation is born from new ideas, and new ideas come from people with different perspectives.

While in many ways we have succeeded in growing a team rich with diverse perspectives (gender balance at all levels of the firm, diverse professional backgrounds), our company is predominantly racially and ethnically homogenous. We are working to address and correct this imbalance in order to maintain our position as a leader in our field and as an excellent place to work for all.

To that end, in 2020 we undertook a deep review of our recruiting, interviewing, and hiring practices. We identified several opportunities for improvement and have made the following enhancements so far:

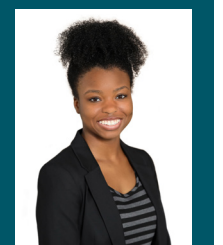
- Developed targeted, one-on-one relationships with more Historically Black Colleges and Universities (HBCUs) that offer finance majors or have CFP® board registered programs
- Advertised our job openings at BIPOC targeted career fairs and job boards
- Updated our job descriptions to make them more transparent and attractive to candidates by including a more dedicated Equal Employment Opportunity statement, more information on salary and benefits, and that we sponsor employment for foreign workers
- Established more objective screening criteria for narrowing the candidate pool at the initial stages of our hiring process
- Provided implicit bias training for all interviewers
- Began tracking applicant data including EEO information (voluntary) and candidate source (how they are finding us)

9. Be a leader in diversifying our industry and the wealth management advising space



We are excited to announce that we have launched an initiative to help build and sustain multigenerational Black wealth. We recognize the glaring racial wealth gap within our country and are committed to doing all we can do, leveraging both our professional expertise and our position within the wealth management industry, to meaningfully close that gap. This initiative will be a multi-pronged, multi-year effort for us - it will be successful if we meaningfully increase the number of Black multigenerational families we are serving in our client base and use our position in our field to shine a light on the need to diversify the client profile and the advisor community within the wealth management industry more broadly.

We were inspired to embark on this initiative partially by the work of our colleague, Akeiva Ellis. Fueled by her passion to close the Black wealth gap and ensure that financial literacy is inclusive and reaches all communities, Akeiva delivers financial education through her own YouTube channel. With 8,000 subscribers (and growing), she is well on her way to her goal of helping young people of color begin to build and grow wealth. Akeiva's passion and successful advocacy of the importance of financial education came to the attention of the CFP Board as well, and she has just been named one of seven new members to the CFP Board Ambassador Program. This is a position with national reach, focused on promoting the need for financial education and competent, ethical financial planning. This new role will allow Akeiva to share her message of inclusive financial literacy and wealth building empowerment even more broadly. We're thrilled to support her in these efforts and hope that her message is heard far and wide!



Akeiva Ellis,
MSFP, CPA/
PFS, CFP®,
ChSNC®

Finally, we believe we can achieve meaningful and lasting impact by supporting the efforts of the Certified Financial Planning Board of Standards, Inc. to create a more diverse financial advising profession. To this end, we have committed to funding a \$100,000 scholarship – funded equally over four years beginning in 2021 -- in partnership with the CFP Board's Center for Financial Planning, to help support Black and Latinx CFP® candidates working to complete the education coursework required to earn their CERTIFIED FINANCIAL PLANNER™ credential.

All in all, we are heartened by this progress, but also recognize that there is much more to be done, and we are determined to continue with this work. This will be an ongoing, top-priority effort for all of us at our firm. Over 1/3 of our employees sit on our DEI task force, working to help us push these initiatives forward. We are always open to your ideas and suggestions for how we can be better.

“


“Starting a job with a new firm can be scary on its own. Add in a pending move to a new town over 750 miles away from your hometown AND a global pandemic to boot, and it’s hard not feel a little uncertain at times. Not long after my first day at Ballentine, though, my worries and fears dissipated, and I realized that this was one of the best decisions I’d ever made.

Between Zoom welcomes and firmwide “story-hour” (where I got to tell the one about how my family’s boat “drove” past us on the side of the road – ask me sometime!), the support that my family and I have received over these months has been phenomenal. I would never have guessed I’d be onboarding in a completely virtual environment, but now, 11 months later, I feel integrated and at home with my team. I’m thankful for the strong culture we have at Ballentine Partners and very proud to be a part of it.”

Sean is a Senior Wealth Advisor in our High Net Worth group. He joined the firm in April of 2020 and has seamlessly integrated with the team in an entirely virtual world.



Sean A. Edwards, CFP®
Senior Wealth Advisor



“If not us, who?
If not now, when?”
John F. Kennedy

Corporate Social Responsibility

In meetings with clients and prospective clients, we are hearing more questions related to our firm's diversity and ongoing equity hiring initiatives, sustainability, and our impact investment programs. We welcome these questions and hope this report shares our thoughts on these critical initiatives.

Sustainability requires leadership and top-level commitment, with strong values and ethics deeply embedded in the corporate culture and integrated throughout all business activities. We believe that running a business with a sustainability lens is simply good business. By sustainability we mean that we are not only environmentally responsible, we are also socially responsible, future-looking, financially responsible, and focused on the long-term health of our business, our client families, our employees, our society, and the planet.

This focus on sustainability causes us to invest in our employees, engage meaningfully with our clients on their toughest challenges, offer clients impact investing opportunities, maintain forward-looking leadership and governance practices, make mindful operational choices, and engage with the community. Our sustainability efforts encompass the entire organization and are incorporated throughout all activities, functions, operations and business activities.

Environmental Responsibility

When we set out to write this year's Impact Report, we knew it was going to be vastly different than the one we published in 2019. 2020 has been a year like we've never seen before—we have had to change almost every aspect of how we run our business and our day-to-day lives.

In 2019 we were able to control and measure our sustainability efforts through the products we purchased for our offices and how we disposed of them. This year, beginning in mid-March, all our staff started to work from home—and most will continue to do so throughout much of 2021. We still maintain our three office locations, two of which are Energy Star certified buildings that generate fewer greenhouse gas emissions than 75% of similar buildings nationwide.

As we committed to in our 2019 Impact Report, we purchased carbon credits to fully offset our expected 2020 corporate travel based on prior years' travel patterns. Even though we didn't travel nearly as much in 2020, we are still glad to have made these purchases and have budgeted to do the same for 2021.

Our technology has changed immensely throughout the pandemic. As soon as the decision was made to work from home, all Ballentine staff members were shipped at-home workstations so that we could be as productive at home as we are in the office. We have updated all our security protocols to ensure the safety of our servers in this new environment. We also have adopted the use of Microsoft Teams, where with the click of our mouse we can video-chat with anyone in the firm. Although we can't run into each other and catch up in the hallway, we can virtually be inside each other's homes and connect on a more personal level with our colleagues, their children, and their pets.

When we can, we make intentional choices in our purchases of office supplies, with a focus on recycled and biodegradable materials. We continue to use vendors who have established sustainable product lines and those who have consumable return programs aiming to achieve zero landfill waste by reusing parts, recycling materials, and employing energy recovery.

Taking Care of our Employees

Even before the pandemic, we were a company committed to work-life balance. This value has helped build our corporate culture and continues to be integral to who we are as a firm. With this in mind, in May we reached out through a survey to the parents at Ballentine who have been tasked with not only working from home but also being teachers, daycare instructors, and restaurateurs to see how they were holding up in this new world. What we found was no surprise – they are trying their best to juggle everything, but it's not easy.

We have adapted our management style to recognize when people are having to carry heavier loads at home, and have cemented our long-held belief that it doesn't matter where you are working from or when you're on as long as you do a wonderful job for our clients and your team members. We've seen our team members offer to help each other when someone needs to assist their children with school or assist an isolated elderly parent. Our leadership team has made it clear to all employees that they are supported, cared for, and not at risk of losing their jobs. This year, with all of its difficulty, has even given us some new and unexpected priceless moments – like the joy on both sides when a team member's new baby joins a client Zoom call (with client permission, of course!).

We will likely be having to cope with these conditions for quite a while and we have been so impressed and appreciative of all of our employees' understanding, support for each other, and willingness to be creative, find solutions, and collaborate in new and different ways. In many ways, we have been surprised by how well working from home has gone – it has exceeded everyone's expectations. There have been many silver linings to the fact that everyone was forced simultaneously onto virtual meeting technology platforms. Our employees who used to feel less connected by virtue of their job functions or locations have reported a greater feeling of connection, clients whom we saw only when we traveled enjoy more frequent virtual meetings with us, and our ability to easily host meetings with professionals from multiple companies and locations has meaningfully improved our ability to coordinate client resources. Based on the success of our remote working, we have committed to our employees that we will have a permanent remote working policy going forward, allowing employees to work at home up to four days a week, with a commitment to in-office Thursdays so we can all look forward to gathering and nurturing our in-person culture on that day.

Training and Development

We are in an apprentice business. We hire talented, bright, and kind people, but we find that we grow seasoned and skilled advisors by providing our team members with many opportunities to learn through their work. New team members shadow our senior advisors, are expected and asked to contribute innovative ideas to internal client team meetings, and are given as much responsibility as they can manage with oversight and support from more senior members of our team.

One of the key aspects of our apprentice model is our regular training sessions facilitated by our founder, Roy Ballentine. In this past year alone, Roy delivered 29 topical – and virtual! - training sessions at regular intervals over the course of the year. The training sessions ranged from the basic to the advanced and covered everything from technical topics such as “How to review an Estate Plan” to softer skills such as “The Art of Asking Powerful Questions”. The culture in these sessions is that no question is too small and team members at a variety of levels share examples of how the material is relevant in the work that we do with our clients.

The regularity of these sessions and the high attendance these voluntary sessions receive is indicative of our learning culture. We value our employees having a thirst for knowledge and collaborating with each other to share best ideas. Our strong culture of knowledge-sharing gives our employees the confidence to ask questions, the desire to know more, and a willingness to partner with their colleagues.

We found these training sessions to be particularly valuable this year, as they gave our team members a chance to be together in our virtual environment. We are grateful to Roy for the time he dedicates to these trainings and for the powerful example he sets, embodying this culture of continuous learning, mentoring, and teaching so fully in himself.

Why I chose Ballentine...

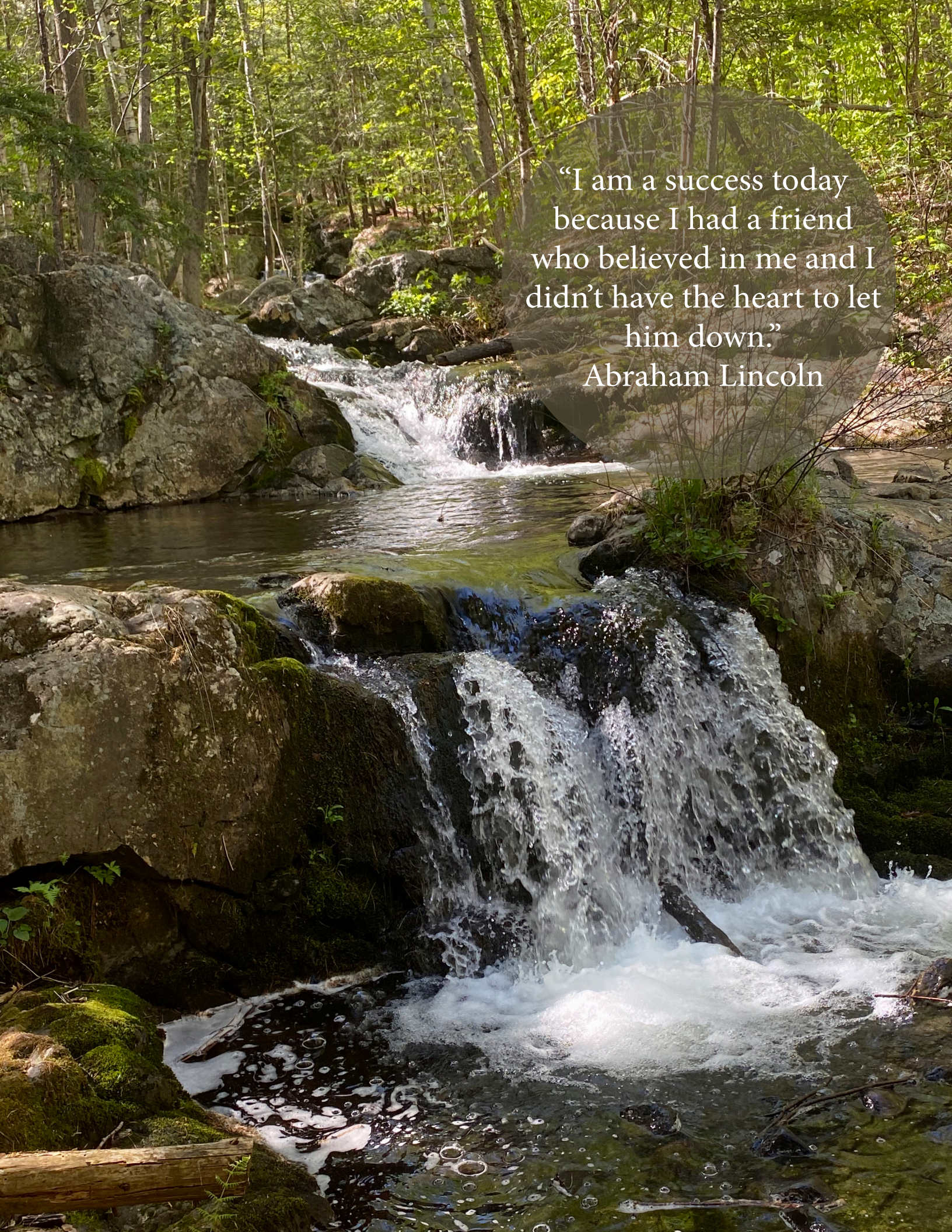


By the start of my senior year of college, I knew the kind of wealth management firm I wanted to join for my career. I sought a family office that was not so big that I'd be just one of many 'freshmen' analysts that come and go every few years, but one that was growing steadily to provide room for advancement. After two more semesters of accounting and investment-focused courses, I knew that my ideal firm would need to strongly emphasize further learning as well. With all credit due to my professors and all that they taught me at school, I felt like I had opened a book and read only the first chapter – there was so much I still wanted to learn.

What set Ballentine Partners apart from other firms I researched was the extent to which they build knowledge sharing and internal education so integrally into their organizational structure. Generally, Ballentine organizes their client teams using a matrix structure, which allows me to work with a range of colleagues. Not only does this allow me to learn directly from a variety of advisors with unique perspectives, but it also allows our teams to more efficiently share ideas and best practices across engagements, improving our client service. This matrix structure has been invaluable for me so early in my career. It lets me meet and get to know as many of my coworkers as possible – something I'm very grateful for, especially while we continue to adjust to working remotely.

Apart from what I learn every day from my client teams, I have also been sure to make time in my schedule to attend the training sessions offered by the firm. These sessions are led generally by Roy or other senior-level members of the firm and, more often than not, include stories of past mistakes and successes. Discussing the collective experience, both positive and negative, of the firm's senior members is a powerful teaching method and something I've found to be surprisingly underused at other firms. The lessons learned from our firm's years in the industry would be lost if not for these trainings and the opportunity they offer to allow the next generation of advisors to learn from our leadership team's experience. These training sessions are not limited to strictly financial topics, either. Topics range from time management (including the proverbial 'war on multitasking') to effectively communicating, both in person and over Zoom.

I've been very impressed with all that Ballentine does to encourage learning from an organizational standpoint, and how the firm's culture reinforces learning as a value. Regardless of title or tenure, everyone is encouraged to recognize what they don't know and given the resources and support to learn. Employees at the firm are consistently encouraged to make themselves available as a resource to others. The wealth of knowledge available to me because of this environment and my incredibly talented coworkers has been invaluable in my professional development. To me, the effects of this culture is evident in the incredible team of advisors and associates that have come to Ballentine with a growth mindset looking to share their knowledge. I'm incredibly grateful to have joined this team so early on in my career.



“I am a success today
because I had a friend
who believed in me and I
didn't have the heart to let
him down.”

Abraham Lincoln



THRIVE SCHOLARS

Over the last several years, seven of our employees (three partners, our head of Human Resources, and three members of our wealth advising team) have volunteered their time and expertise with Thrive Scholars, a national education non-profit that helps highest-achieving low-income minority students attend and graduate from top colleges and launch successful careers. The typical Thrive mentor/mentee relationship is at least one year long, with mentors providing life and career coaching skills and advice and ad hoc discussions covering everything from mock interviews to career path to everyday life.



“Not only do Thrive scholars outperform students with similar backgrounds, they’re significantly outperforming their more privileged peers at the same Top 100 Colleges. They are 10% more likely to graduate and 15% more likely to persist in STEM.”



Our Partner, Sheila Lawrence, serves on the Boston Board for Thrive Scholars. “Hearing directly from the students about their incredible stories was really impactful for me. I feel like I could see some echoes of my story – and those of many people I know – within the lives of these scholars.”

Sheila C. Lawrence, MALD, CFP®, CAP®
Partner & Senior Client Advisor
Thrive Scholars mentor since 2017

Tyler Lambert, Wealth Planner, says about his experience as a mentor, “I’ve had the good fortune of being able to meet in person with my mentee to develop a more personal relationship. Now, four years on, the partnership with Thrive Scholars has been really fulfilling for both of us.”

Tyler Lambert
Wealth Planner

Thrive Scholars mentor since 2017



Our additional Thrive Scholars mentors:



Adam Ochlis, CPA, MST
Partner &
Chief Wealth Advisory
Officer
Thrive Scholars mentor
since 2017



Akeiva M. Ellis, MSFP,
CPA/PFS, CFP®
Financial Education
Specialist
Thrive Scholars mentor
since 2018



Brie Elliott, MSHRD,
SHRM-SCP, SHRM-CP,
PHR, C(k)PF
Director of Human
Resources
Thrive Scholars mentor
since 2017



Debra A. Whitney,
CFP®, CAP®, MS
Partner & Senior Client
Advisor
Thrive Scholars mentor
since 2018



Leah M. Warren, CFP®
Senior Client Advisor
Thrive Scholars mentor
since 2017

In recognition of the efforts of our team members who’ve dedicated their time and passion to this fantastic program and the promise that this program offers, we are excited to announce that we are funding a \$10,000 corporate gift to Thrive Scholars in 2021.

Community Engagement

Ballentine Partners, at the company and individual employee level, has sought out ways to help our communities during this trying last year. As a company, we supported local small businesses when buying our team members care packages – we sent five care packages this year to all of our employees, in appreciation for all they did to serve our clients seamlessly while juggling their parenting and working from home responsibilities. Here are the businesses we supported:

Pemberton Farms
MARKETPLACE

Pemberton Farms Marketplace – a local Cambridge, MA, family owned business that has been in business since 1930. Employees received a fresh fruit basket with a tin of cookies.



CAO Chocolates – a small, local Miami, FL, business, owned by an immigrant family, that purchases ingredients and chocolate from fair-trade farms around the world. Team members received a care package of various chocolates.



Erie Coffee Roasters – a family-owned and run business with a commitment to sustainably and ethically sourced single original coffee. Team members received a care package in the fall with coffee, tea, biscuits, and a coffee mug that said on the front “2020 * wouldn’t recommend” and on the back “Going through it with my Ballentine team” “★★★★★ highly recommended.”



From Scratch Baking Company – a local business in Wolfeboro, NH. Employees were sent a variety of their baked goods.



Capital Gift Baskets – a Black-owned business that creates baskets for personal and business gift giving. Employees were sent a gift basket around the holidays.

In addition, our employees stepped up in a host of ways to help their communities during the pandemic, contributing to local food pantries, cooking and delivering meals and groceries to high risk individuals, donating hundreds of yards of fabric to make masks, sewing and donating over 1,400 masks, donating gift cards to grocery store employees, and contributing to a program designing and manufacturing PPE for health care institutions.

Employees also made financial contributions to organizations, municipalities, and local businesses struggling during this time. One of our favorite examples of this is the contribution that one of our Partners, Stephen Hopkins, and his wife made to their local town. As the pandemic raged, Stephen and his wife asked their town how they could help. What came back was a request from the fire department to purchase a high-octane sanitizing machine for the town ambulances. Within a week, the new machine was installed, with immediate impact for the local community. A letter from the fire department said it all: “The ability for our personnel to sanitize our units and equipment in a new effective and efficient way provides such a greater sense of security and safety for our members and residents.”

Our employees also made a special effort this year to continue with the non-COVID specific charitable work they do, knowing that this was also a very difficult year for the non-profit sector. Of the wide range of creative ways in which our employees are giving back, we'll highlight just a few of our team members' efforts here:



Jennifer M. Eaton, Partner and Senior Client Advisor, is both a founding member and 2020-21 Chair of Impact the Palm Beaches, a philanthropic organization where women

collectively give to non-profits in Central and Northern Palm Beach County, Florida to ignite transformational change. She has this to say of her time there: "For five years, I have devoted countless hours to learning about the needs of my community and furthering the mission of Impact. Since 2015, Impact has invested over \$670,000 and thousands of women-hours in our community and we are still growing! By increasing our membership, we strive to invest even more in our local community each year. The Impact 100 Model of at least 100 women donating \$1,000 each and making transformational grants in increments of \$100,000 is the creation of Wendy Steele. Impact is now a global philanthropic model. Since 2001, thousands of women have joined forces to give nearly \$85 million to transform their communities."


women have joined forces to give nearly \$85 million to transform their communities."



Roy Ballentine, Chairman, has committed significant time and resources toward making measurable impact in the greater New Hampshire area to improve the way education is delivered, and to address the problems of homelessness and substance abuse. Roy serves as Chairman of the Board of Trustees of Brewster Academy in Wolfeboro, NH. Roy and his wife, Sandy, currently support three students who are selected by the Academy, and could not otherwise attend. They host students in

their home for home-cooked meals several times during the school year, and Roy tries to keep in contact with students after they've completed their time at the Academy to help them with their careers. In addition, Roy serves on the boards of Families In Transition and Big Brothers Big Sisters

of New Hampshire, and has helped both organizations with strategic planning to combat pervasive homelessness and provide job opportunities for individuals and families who are experiencing challenges.

A scenic landscape featuring a winding asphalt road on a grassy hillside. The road curves from the bottom left towards the center. In the background, the ocean stretches to the horizon under a bright blue sky with wispy white clouds. A distant landmass with a lighthouse is visible on the horizon. The overall scene is bright and clear.

“We cannot hold a
torch to light another’s
path without brightening
our own.”
Martin Luther King, Jr.

Conclusion

As we wrap up this momentous year, we are optimistic about what the future holds for our firm, our employees, and our clients, and we are committed to leading our firm in such a way that our actions help mitigate the challenges this last year brought to the fore.

Small acts of kindness and compassion can make a big difference. We hope and strive to be an example of how companies should treat their employees, be open to change when needed, support the communities in which they operate, and provide their clients with unparalleled and compassionate support in achieving the goals most meaningful to them. Thank you for taking the time to read our report. We are proud of the successes we have had but recognize at the same time there is much work still to be done.

Photo credits:

Page 4 - Suzanne Parry, Client Service Associate, Concord, MA

Page 6 - Taryn Dawson, Wealth Planning Associate, Chocorua Mountain Range, NH

Page 16 - Tom Bullitt, Partner & Senior Wealth Advisor, Mt. Tamalpais State Park, CA

Page 22 - Rachel Gilmore, Office Manager, Lettuce Lake, FL

Page 26 - Emily Dunford, Wealth Planner, Castle in the Clouds, NH

Page 30 - Tom Bullitt, Partner & Senior Wealth Advisor, Marin Headlands, CA

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