

Q4 2021 RiverwaterBLUE Portfolio Update

by Connor Doak

The Riverwater BLUE portfolios had a strong year across the board, with all the portfolios beating their respective benchmarks. There are a few reasons for the strong performance of the BLUE portfolios, the most important being the performance of the underlying mutual funds. During 2021, of the 17 funds we use within the Riverwater BLUE models, 41% performed in the top quartile of their respective peer group and 65% outperformed the median fund in the peer group.¹ Even better, 71% of the funds outperformed their asset class level benchmark.

A positive year for the underlying funds ended on a high note in Q4 with 82% of the funds performing in the top half of their respective peer group and 71% still beating the asset class level benchmark.²

We are equally pleased to report that the Riverwater BLUE models had a great year of making positive impacts throughout the world, and even in our local community. In the Greater Milwaukee Area, the CCM Community Impact Bond Fund invested in the Trinity Terrace project in Racine, WI. CCM makes investments all over the country supporting multiple different impact themes that align with the [UN Sustainable Development Goals](#). Their investment in Trinity Terrace specifically aims to provide affordable rental property for seniors that qualify for section 8 housing assistance and employs a service coordinator to help the senior residents remain self-reliant.

Also on the bond side, the TIAA-CREF Core Impact Bond Fund participated in the recent green bond issuance from Walmart. The proceeds from this green bond issuance are pegged to help the company achieve its sustainability goal of 100% renewable energy by 2035 and zero emissions by 2040. The funds raised from this bond will be eligible to be used in projects that promote better energy storage, higher performance buildings, sustainable transportation, water stewardship, and more.

On the equity side, the Parnassus funds have been pioneers in the ESG space for a long time. Over the last year, they continued their engagement with Microsoft, pushing for better contractor workforce policies and clarity on diversity and gender pay equity.

Important Disclosures: Past performance is not indicative of future results.

¹ Peer groups and performance data are sourced from Morningstar Direct.