

IMPACT INVESTING MONTHLY

September 2024

Your monthly update on impact investing

Impact Investing at AOWM

Seeking companies that
turn a profit making a
sustainable impact on
society and the
environment

September's update includes a company highlight on Digital Realty Trust, videos about data centers, and links to further resources on these fronts. As always, if you would like to talk about impact investing in general or your impact portfolio specifically, please do not hesitate to email me.

Grace and Peace,



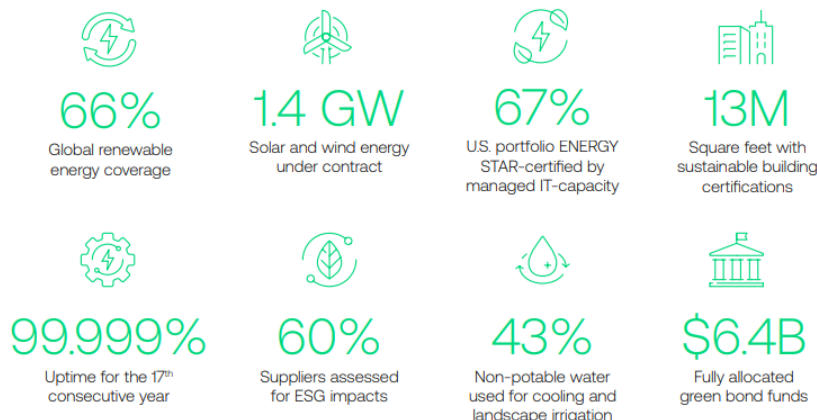
Nelson Reveley
Impact Analyst & Advisor
nelson@aowealth.com

Company Highlight on Digital Realty Trust

Digital Realty Trust (digitalrealty.com) is a global provider of data centers, as well as colocation and interconnection services. Its customers cross many industries, including financial services, manufacturing, communications, life sciences, energy, gaming, consumer products, and information technology. Founded in 2004 and based in Austin, TX, Digital Realty envisions a world where “technology and [environmental stewardship of data centers](#) seamlessly



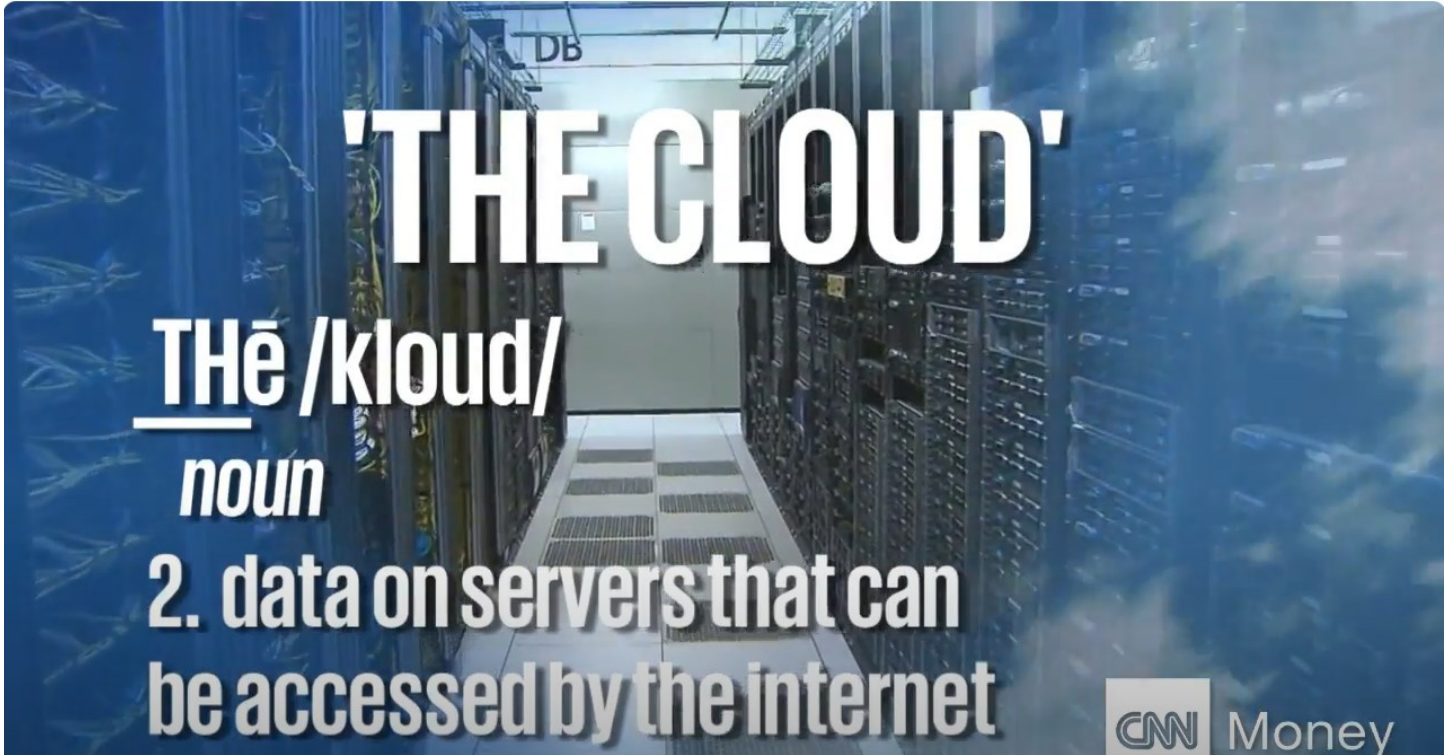
2023 ESG Highlights



coexist.” Digital Realty is currently [125th on JUST Capital's ranking](#) of large public companies' investment in all their stakeholders. Digital Realty is also part of the [EPA Green Power Partnership](#) and received an [EPA Energy Star Partner of the Year](#) award in 2024. You can also learn more about data centers here, [How Data Centers Work \(HowStuffWorks.com\)](#), and their history [here](#).

Videos of the Month

In an exciting Impact Investment Monthly first, this month we have two videos to check out instead of charts. See below for a short clip from CNN Business, [“Here’s what the cloud actually looks like,”](#) and then check out Google’s short video, [“What is a data center?”](#)



Resources

“Generative AI has a clean-energy problem”

The Economist
April 11, 2024
(4 min read)

“How AI is fueling a boom in data centers and energy demand”

Andrew Chow, *TIME*
June 12, 2024
(8 min read)

“Virginia Explained: Data center expansion, with all its challenges and benefits”

Charlie Paullin, *Virginia Mercury*
May 28, 2024
(8 min read)

“Why Northern Virginia is the data center capital of the world”

Marketplace Tech
September 25, 2024
(8 min listen, 4 min read)

What is Impact Investing?

The term **“Impact Investing”** focuses on investments made *“with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*¹ Many people talk about this intersection of social, environmental, and financial values as a focus on the **triple bottom line** of **people, planet, and profit.**² Others also highlight the ways that environmental, social, and financial values are really **“blended values,”**³ given that the operations, products, and services of any business always have effects (whether positive or negative) on society, the environment, and the financial bottom line.

“ESG” is a term that stands for “Environmental, Social, and Governance” factors that can affect a company’s long term financial health as well as well-being for broader society and the environment. The term ESG was coined in a 2004 United Nations report entitled, “Who Cares Wins: Connecting Financial Markets to a Changing World,” and this report highlights the ways *“successful investment depends on a vibrant economy, which depends on a healthy civil society, which is ultimately dependent on a sustainable planet.”*⁴

ESG analysis usually focuses primarily on how a changing world (socially and environmentally) might affect a company’s financial return. Impact analysis usually focuses on how a company’s operations and products affect society and the environment. The two types of analysis are distinct but complementary and can be used to help you blend your values with your investments.

Sources

¹ [Thegiin.org](https://thegiin.org); see also rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/

² “Triple bottom line,” *The Economist*, Nov 17, 2009. economist.com/news/2009/11/17/triple-bottom-line

³ [Blendedvalue.org](https://blendedvalue.org)

⁴ [UNepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf](https://unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf)

IMPORTANT DISCLOSURES

Alpha Omega Wealth Management, LLC (“Alpha Omega”) is a registered investment advisor headquartered in Richmond, VA. Alpha Omega and its representatives are in compliance with the current filing requirements imposed upon registered investment advisors by those states in which Alpha Omega maintains clients. Alpha Omega may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. A copy of Alpha Omega’s current written disclosure statement is available upon request.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Alpha Omega Wealth Management, LLC-“Alpha Omega”), or any non-investment related content, made reference to directly or indirectly in this document will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this document serves as the receipt of, or as a substitute for, personalized investment advice from Alpha Omega.

SOCIALLY RESPONSIBLE INVESTING LIMITATIONS

Socially Responsible Investing involves the incorporation of Environmental, Social and Governance considerations into the investment due diligence process (“ESG”). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Alpha Omega), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.