

Trust Investment Approach



For generations, families have relied on the professionals of Hemenway & Barnes to preserve and grow their wealth through sound trust management. This is coupled with sophisticated estate and tax planning and a commitment to a long-term investment approach, using a diversified portfolio of holdings that span asset classes and industry sectors.

Our Team

Through our collaborative and personal approach, clients enjoy the benefit of working directly with H&B's partners who serve as legal advisors and trustees while the professional team at [Hemenway Trust Company](#), a New Hampshire based private trust company, advises on investment management strategies. As of December 31, 2023, Hemenway & Barnes LLP, together with Hemenway Trust Company, had fiduciary responsibility for over \$7.7 billion of client assets. With no products or investment funds to sell, we have the independence to do what's best for our clients.

Our Personal Approach

Experience has shown that our clients benefit most from direct, personal access to their trustee. In keeping with this goal, we meet with each client and tailor the investments in each account to meet that client's needs and objectives. Your trustee is dedicated to personally knowing you, your family, your goals and your needs.

This is the way we've served our clients for more than 160 years. Our goal is for you, your children, grandchildren and future generations of your family, to know us and trust us.

Our Investment Philosophy

At Hemenway & Barnes, our approach in investing trust assets is based on several over-arching principles. The first is to understand your objectives, financial needs and tolerance for risk. Our seasoned professionals have extensive experience working with complex, high-net-worth individuals and families, developing tailored investment strategies that meet their needs. Second, because we have no products to sell, we are free of constraints and aim to invest in the best opportunities available, whatever their source. We believe in diversification, but do not try to match market weightings reflected in any specific benchmark or index. Third, our investment horizon is long-term. We believe that the important trends in the economy develop over an extended period of time and we have built a long track record of finding investments that have compounded impressive returns over multiple years.

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Equities

Working with the investment professionals at Hemenway Trust Company, our New Hampshire based, wholly owned trust company, we build our equity portfolios both with individually selected common stocks and with carefully selected sub-managers. In our directly invested equity accounts, we focus on companies based in the United States and other developed countries. We gain exposure to the developing world primarily through investments in companies based in already developed countries that have substantial investments in emerging economies. In appropriate cases, we will allocate a portion of client assets to a dedicated emerging market specialist.

We generally invest in growing companies with strong balance sheets, trading at attractive valuations and favor companies that pay dividends and have demonstrated the ability to continue to grow their dividends. These stocks are able to withstand economic turbulence

and grow at a faster rate than their competitors. At times, we will invest in companies with superior growth prospects that currently pay no dividend, but have the prospect of doing so, and companies that reward their owners through price appreciation. We also have the ability to tailor portfolios to reflect a client's commitment to socially responsible investments, including a focus on environmental, political or health and human services issues.



Fixed Income

We view the fixed income portion of accounts as a source of steady income, liquidity and stability. In that light, we limit credit risk and invest in fixed income instruments issued by the United States Treasury, highly rated companies, or states and local municipalities. We generally structure bond portfolios to reflect our view of interest rate trends, taking into consideration a client's tax status and liquidity needs. Recently, we have shortened durations to protect against the loss of principal resulting from interest rate increase, and to provide opportunities to invest at higher rates. In larger accounts or where otherwise appropriate, we engage sub-managers to manage bond accounts that complement our core bond holdings. Those sub-managers will, at times, invest in high-yield bonds, and bonds issued by companies outside the United States.

“Our investment horizon is long-term.”



Other Asset Classes

In appropriate accounts, we invest in asset classes outside our core equity and bond portfolios. Those asset classes are intended to provide additional sources of return, less correlated to our core investment strategy. Those investments include venture capital and private equity funds where investors can tolerate reduced liquidity in exchange for the prospect of higher returns. We invest in real estate and real assets intended to provide a source of return that will grow in periods of inflation. We also invest in hedge funds structured to provide equity or bond-like returns with lower volatility. Exposure to these alternative assets is gained through direct and fund-of-fund vehicles, tailored to client needs and appetites. All outside investment managers, whether selected by us or directed by the client, are subject to a full due diligence process and ongoing monitoring from an investment and operational standpoint.



Environmental, Social and Governance Investing

A key difference in our approach to ESG/impact investing is that we structure each client's portfolio according to that client's values and priorities for environmental, social and governance concerns. In addition, for those clients for whom it is appropriate, we are available to discuss impact investments designed to support companies, often private, that are developing novel approaches and solutions to some of society's most challenging problems.

Questions

Please contact a member of our [Wealth Management team](#) to learn more.