



THERE'S SOMETHING FOR EVERYONE

Demand for responsible investment (RI) is increasing. The Global Financial Crisis has made more people aware of the importance of considering good corporate ethics, governance and environmental issues when examining the future worth of any investment.

Once upon a time RI was considered a niche market. Today responsible investors come from all walks of life and the issues that motivate them are universal.

- They may have an interest in social issues, be a member of community, environmental, political or human rights organisations.
- They could have a science background and be passionate about new energy technologies as a way as solving the problem of climate change.
- They may belong to a faith-based or other spiritual organisation. Or they might just enjoy being close to nature, and want to ensure its preservation.
- RI appeals to people from all age groups and all social backgrounds.

As a result of the growing number of people who want to invest responsibly, there are an increasing range of RI products to meet your needs at each stage of your life – from wealth creation through to the way you choose to pass your wealth on to family and loved ones.

- You can place your savings with a community finance organisation or a deposit fund and in turn your capital will be used to fund microfinance loan schemes or financial services to disadvantaged communities. In June 2009 there were 12 community finance providers with total assets of \$980 million, a 14% increase on the previous year.
- You may also consider a green loan for your next car or you can put your savings with a bank or credit union that provides green loans for worthwhile environmental purchases. Green loan balances increased 13% to \$76 billion between June 2008-09.
- The biggest growth area in RI managed funds is in thematic funds, which target a particular RI theme such as “alternate energy” or “carbon aware” shares. Other areas include water and waste management, sustainable agriculture, sustainable property and health care.
- On a broader level RI principles are increasingly being integrated into the analysis of company performance either after or during the more conventional financial analysis – your broker may be able to help you to put together a direct share portfolio in this manner. Being a direct shareholder also enables you to engage in shareholder activism by attending annual general meetings and passing resolutions or using your voting rights to bring about changes in corporate behaviour.



Want to learn more about responsible investment?

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- You can invest in a managed fund selecting one that uses the RI strategy that matches your views and meets your financial goals. A fund manager may screen in or out certain sectors or companies based on their environmental or social impact; incorporate an analysis of environmental, social and governance risks and opportunities with traditional financial data; select only those companies scoring the highest sustainability rating; or invest along thematic lines. Increasingly fund managers may use a combination of the above approaches.
- Your superannuation fund may provide a dedicated responsible investment option or they may manage all of their funds by including an assessment of environmental, social and governance issues in their stock selection and ownership policies.
- If you have an interest in RI, you may want to speak with a financial adviser who has the experience and expertise to create a wealth management plan based around responsible investment principles or design a tailored RI direct share portfolio.
- When it comes to wealth transfer there are many philanthropic trusts and charities that can be considered for bequests.

RI is a thriving investment sector that continues to outperform the mainstream market. To the end of 2009 the average responsible investor in Australia made better returns than mainstream investors for almost all time periods from one to seven years across three major investment categories, Australian shares, International shares and Balanced.

The following table shows seven year performance figures as at December 2009 from Corporate Monitor*:

FUND TYPE	AUSTRALIAN SHARE FUNDS	INTERNATIONAL SHARE FUNDS	BALANCED GROWTH FUNDS
Average RI Fund	12.64	8.06	5.09
Average Mainstream fund	11.52	1.43	5.16

**Responsible Investment 2009* prepared by Corporate Monitor for the Responsible Investment Association Australasia. This report uses Morningstar, Fund Manager data and is available at www.responsibleinvestment.org

The most common reasons why people decide to become responsible investors are:

1. To generate **competitive returns** whilst making a difference to the environment or society.
2. To ensure your money is directed towards companies making a **positive difference to the environment** and the impact of climate change whilst avoiding those that cause harm.
3. As a way to **influence corporate behaviour** and push for greater accountability on issues like employment and trade conditions, environmental sustainability and good corporate governance.
4. To take your **social or consumer activism** to the next level.

The range of responsible investments available in Australia and New Zealand is extensive and growing all the time. There are products or services for every life stage, timeframe and risk profile.

Speak to JustInvest Financial Planning today on 08 9325 2299 to find out how investing responsibly can help you grow your wealth.



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