COMPETITIVE AND SUSTAINABLE RETURNS

Responsible investments (RI) deliver performance in line with the very best managed investments in the world, while helping to bring about positive change in society.

- There's now substantial evidence in Australia, New Zealand and internationally to prove RI performs on a par with or better than the broader investment market.
- Savvy investors are seeking out RI because it includes forward-looking investments with excellent potential for future growth: clean energy, healthcare, mass transport and education.
- Why? Because environmental, social and governance issues can impact directly on the performance of companies. RI ensures you minimise exposure to financial risks associated with climate change, changing energy needs, poor ethical and governance practices, and resource shortages.
- In the future those companies that fail to manage their environmental and social risks may be more likely to perform poorly. Those that pay close attention to these issues and are committed to sustainability will be better able to tap into investment opportunities.

The latest benchmark report prepared by the Responsible Investment Association Australasia details the following performance of RI in Australia:

- 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.
- In the largest category, Australian shares, the major RI funds enjoyed a stronger return than the overall fund average and the market benchmark. This cements a pattern of better returns for RI investors over all time periods.
- Overseas RI funds did even better. This category has suffered losses over the past three years but it is now showing vast relative outperformance over all time periods measured.
- 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

Want to learn more about responsible investment?
Visit www.responsibleinvestment.org

There are also many particular examples showing that those companies with strong environmental, social and governance principals outperform or at least match mainstream companies or investments:

- As at October 2009, the Carbon Disclosure Leaders Index (which contains companies have best demonstrated that they understand and are managing the risks and opportunities of climate change) has generated cumulative outperformance of 10.7% since its inception in 2006.

- A 2008 study by management consulting firm AT Kearney shows companies with strong commitment to sustainability outperformed by an average of 15% in 15 out of 18 industries during the extremely tough period of May to November 2008.

- A 2007 review of academic and broker research by Mercer and the UN Environment Project Finance Initiatives found a strong correlation between a company's environmental, social and governance performance and their financial performance: 14 studies showed a positive correlation, 13 were neutral and only three showed a negative correlation.

- In 2006, 10% of GE's total revenue ($US10 billion) came from its Eco Imagination program which provides energy, waste and water efficient products and services. By 2010 the growth target is $US20 billion.

- Companies involved in Fair Trade (based on better terms of trade for farmers and workers in developing countries, better prices, working conditions and local sustainability) are booming according to a 2006 report by Citigroup. Between 2005-05 Fair Trade companies achieved average annual growth of : dried fruits – 265%; wine – 183%; beer – 197%; fresh fruit – 153%; and sugar – 124%

- Adopting sustainability initiatives can dramatically decrease a company's expenses. 3M achieved savings of over $US1 billion between 1975 and 2005 through its "Pollution Prevention Pays" program – over $US33 million for each year of the program.

There are a broad range of RI products, strategies and services for every life stage, investment timeframe and risk profile. 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.

RI will give you returns equal to, if not better than, mainstream investments and will provide you with an opportunity to achieve good social and environmental outcomes with your savings and investments.

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

WHAT'S YOUR MONEY UP TO?

Want to learn more about responsible investment?
Visit www.responsibleinvestment.org