

How to Spot a True SRI Fund

More and more investors are seeing the personal and financial benefits of socially responsible investing (SRI). Not surprisingly, the investment industry has responded with an array of options to meet this demand.

But not all funds billed as socially responsible are created equal. Does your SRI fund have each of these five important features?

✓ Integrated team of ESG experts and security selection specialists

- The fund management team has dedicated environmental, social and governance (ESG) experts working seamlessly with financial analysts in a fully integrated investment selection process.

✓ ESG factors drive investment selection

- ESG factors are woven into the fund manager's investment screening and selection process.
- The fund manager not only screens out companies that do not meet ESG standards, but also screens in companies that actively pursue a progressive, ESG agenda.

✓ Banning the Big 6

- Does your SRI fund screen out companies whose primary line of business includes fossil fuels, tobacco, nuclear power, military weapons, adult entertainment and gambling?



✓ Shareholder engagement

- The portfolio manager continuously monitors the fund's holdings to ensure that companies uphold the ESG standards that qualified them for inclusion in the portfolio.
- In cases where companies appear to deviate from these high standards, the portfolio manager will leverage the fund's status as shareholder to call company boards and management to account.

✓ Put it in writing

- Worried that some funds may only be paying lip service to SRI? There's a simple way to separate true SRI funds from the pretenders: check the prospectus for a clear statement that identifies socially responsible investing as a core driver of the fund's investment objective.

IA Clarington Inhance SRI Funds, managed by sub-advisor Vancity Investment Management Ltd., deliver a high standard of socially responsible investing through a unique, integrated approach that incorporates each of these five criteria. For more information, speak with your financial advisor today.

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