



Socially Responsible Investing

Organizations use a wide range of standards and approaches to define social responsibility. Some invest in companies in hopes of encouraging them to change certain practices. Others seek out leaders in socially responsible activities and demonstrate their support through ownership of their stock.

Most of our clients view stock ownership as a form of approval and support of the companies they own. They prefer not to be associated with companies who profit from activities that are inconsistent with their organization's values.

We believe that socially responsible practices such as environmental sensitivity, proactive employee relations and community reinvestment can actually enhance a company's value as an investment. In fact, organizations with high standards for social responsibility were among our firm's founding clients, and many other organizations have since entrusted our professionals with the stewardship of their assets. We currently manage \$427 M in socially responsible accounts as of September 30, 2009.

Standards for what constitutes social responsibility vary widely among organizations, so we take an individualized approach. Our investment managers work closely with our clients to identify the issues and priorities that are most important to them, and to establish clear criteria for appropriate investments. Then we incorporate those guidelines into the disciplined investment process we use with other portfolios.

The investment manager assumes responsibility for avoiding investments in companies whose activities and businesses are not consistent with the client's values. We analyze data from research services such as the Social Investment Research Service and the Interfaith Center on Corporate Responsibility to assess the companies' records on social issues. In addition, our managers research the products, strategies and leadership of these companies as part of the screening process. Simply put, we will not purchase stocks that fail to meet the clients' social investing criteria. Instead, we will substitute socially responsible choices within the same industry or sector, or that share investment characteristics.