



Responsible Investing for Values Based Investors

A Case Study

September 24, 2008

Background Facts

- Investor is a US Catholic Health Care System
- It is sponsored (owned) by a female Religious Order
- The Investment Committee and Finance Committee are *dominated by male professionals*
- Issue at Hand
 - Invest according to the values of the Religious Order
 - But. . .
 - They need a return to fund the Mission (healthcare)

Challenges

Near-to-Intermediate Term

- Convince the male professionals that SRI is not the same thing as the “Communist Manifesto”.
- Convince the Sponsor that they in fact **own** the assets and their desire as to its investment is appropriate and important.

Longer-Term

- Keep **both** parties vested in the investment portfolio results

Near-Term Challenges and Solutions

Education and Protocol

An examination of social screening and its investment impact

- Dispel myths
- A discussion of the priority of social objectives
 - Focus
 - Maintain diversification
- A candid conversation regarding expectations
 - Effective measurement
 - *Actionability*
- Development of an integrated policy
 - How best to apply social policy
 - Peer comparisons
 - UNPRI
- Development of a reporting protocol
 - Index comparisons
 - Double bottom line reporting
 - Returns; and
 - engagement
- Horizon effect

Longer-Term Challenges

“Something for Everybody”

- Keep both parties *vested*
 - Consolidated Reporting
 - Financial
 - Non-Financial
 - Routine educational pieces