

Not all Socially Responsible Mutual Funds are created equal: Survey finds big disparity among socially responsible funds

TORONTO, Canada, February 23, 2012 – Today Corporate Knights, the company for clean capitalism, unveiled its 2012 Responsible Investing Survey. The results of the ranking, which were released today in the February issue of the magazine, were designed to help investors make an educated judgment on which funds have done the best job of fusing the social, environmental, and financial values they bring to the table.

The leading funds were Meritas International Equity Fund, with a score of 75%, along with Acuity Social Values Canadian Equity Fund, which ranked just below at 74%. IA Clarington also had two impressive fund performances, with its Inhance Global Equity SRI CL A, along with Inhance Bal SRI Port A ranking at 72% and 70%, respectively.

The Responsible Investing Survey evaluated 42 socially responsible funds in three asset classes (balanced, bond, and equity). Funds were awarded a score of one to five shields, with five shields being the best score. The overall score was based on the following weighted scores: Portfolio Turnover Rate: 10%; Engagement: 20%; Integration: 19%; Systemic Impact: 6%; Performance: 45%.

Social scores for each of the 42 funds ranked, which were awarded based on how well they live up to the principles of socially responsible investing, ranged wildly from 89 per cent to 18 per cent. The survey also found significant variance among the socially responsible funds' financial returns. Among the funds that had at least a one-year history, the results varied from an 8.15% gain to a 41.34% loss.

The Corporate Knights Social Score was based on how well the fund integrated social environmental and governance factors into the stock selection process, presence and execution of community investment, disclosure of both voting record and policy, engagement with companies to help them better appreciate social and environmental risks and opportunities, and the extent to which the fund stayed true to its mandate when investing in derivatives, trusts, other funds, and indexes.