

Doing the Right Thing AND Making Money

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Greetings!

Thanks to today's **Impact Investing** the large and new idea is that investors do not need to forfeit market returns when investing for the greater good.



Catherine
Maniscalco Avery

Read on to learn more about the exciting options out there to invest in companies aligned with your personal values, AND get great market returns doing so.

Warm regards,

Catherine

Catherine Maniscalco Avery

The backbone of CAIM is to employ a classic long term investment strategy including dividend paying stocks. CAIM is an independent, women owned investment management firm specializing in managing investment portfolios for women and baby boomers.

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In This Issue

[Do Right Thing & Make Money](#)

[Market Update 1/4 2016](#)

[Want to invest in Tech?](#)

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Doing the Right Thing AND Making Money

From Socially Responsible Investing to Impact Investing

In 2008 CAIM wrote an article entitled: *Investments with Heart*, about the then fast growing phenomenon of Socially Responsible Investing (SRI). As its' name suggests SRI was all about investors aligning their money with their values. For many this meant investing in companies that met certain ethical standards, whether that involved the environment, health and safety, diversity and human resources policies, human rights or the supply chain.

Today's Impact Investing is the outgrowth of the SRI universe. According to a recent CNBC online article: *Impact Investing: Put Your Money Where Your Values Are*, Impact Investing is the evolution from primarily positive or negative screening of investments, to investing for measurable and positive environmental, social or governmental (ESG) outcomes with a financial return. ***The large and new idea is that investors need not give up market returns when investing for the greater good.***

At CAIM we concur with this idea. Clearly, investors want their capital to 'make a difference', and CAIM clients are no exception. At the same time, we are entrusted to help reach financial goals. So, while we aim for our investment returns to help clients increase their philanthropic efforts, we remain strongly focused on prioritizing financial needs.

A few of our holdings are seeing strong growth in environmentally friendly businesses. Examples include **General Electric (GE \$29.68, 3.10% dividend yield)** in solar, wind, LEDs and clean energy, **General Motors (GM \$30.76, 4.94% dividend yield)** in electric cars, and **DuPont (DD \$63.99, 3.93%)** in solar and biosciences. But a focused ESG strategy goes well beyond just environmentally-friendly products.

The CNBC article warns investors about "greenwashing" which is when an investment product labels itself as sustainable [but isn't really] - because that's what people want to see. To counter that type of smokescreen, CAIM uses an independent rating system to measure companies' ESG impacts. One we have found particularly useful is the Carbon Disclosure Project (CDP), a non-profit funded by philanthropy to insure independence (www.cdp.net). CDP ranks large cap companies' issues ranging from carbon emissions, environmental stewardship and energy efficiencies, to social impact in the community and strong corporate governance.

Based on this measurement CAIM's portfolio boasts a 92 score out of 100. In fact, we hold 14 positions of 'A+ students' with scores of 98 or better, which range over a number of industries that may not be obvious to the environmentally conscious investor. These include industrial companies like Cummins and DuPont, health care names like Johnson & Johnson and Merck, technology companies like Cisco, IBM, Intel and Microsoft, financial names like T. Rowe Price and Wells Fargo, and yes, even seemingly unfriendly names like Chevron and Philip Morris.

An increasing number of studies show a positive correlation between stock performance and high ESG stewardship by corporate management. At CAIM we continue to believe that the key part of such outperformance is earnings growth driving increases in dividends. It is important for our clients to realize that taking a holistic approach between corporate values, combined with a disciplined investment strategy, is the key to an investor's long-term financial success.

Market Update 1st Quarter 2016



"Going nowhere fast" is the best way to describe the markets in this 1st quarter of 2016. Markets did not take kindly to[Read more](#)

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Well-known technology companies are involved in ventures that make potentially great investments for your portfolio. These large companies are often overlooked for.....[Read more](#)

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