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# Investing with Integrity

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## BEYOND DIVESTMENT TO REINVESTMENT

We take to heart the words of Faith and Practice: "Good stewardship of economic resources consists both in avoidance of those evils and in actions that advance peace, simple living, justice, and a healthy ecosystem." We wish to encourage Friends' institutions to divest from/screen out fossil fuel companies and reinvest in a greener economy. This may take the form of reducing our facilities' carbon footprint, and reinvesting in community development funds, the green energy sector or other sectors that better reflect our values.

### **REINVESTMENT OPTION 1: STAY IN THE CONVENTIONAL FINANCIAL MARKET**

Are there fossil free funds we could re-invest in? Yes, there are many other options. While we are not in a position to recommend any particular fund or fund manager, we urge you to learn more about the alternatives – and they are growing quickly.

**If you are a constituent of Friends Fiduciary Corporation, consider moving your money to the new Quaker Green Fund.**

The Quaker Green Fund (QGF) is a new balanced and diversified fund which is "fossil fuel free," and is specifically designed for Friends meetings, churches, and organizations. New and existing organizational investors may invest in this fund which excludes fossil fuel companies consistent with 350.org's divestment goals (the Carbon Tracker Top 200 Fossil Fuel Companies). The fund also adheres to FFC's Quaker values investing guidelines. FFC's shareholder advocacy work is present in this fund, as with all other Friends Fiduciary Funds. In addition to being "fossil fuel free," the Quaker Green Fund invests in alternative and sustainable energy producers and other "CleanTech" companies.

The Quaker Green Fund, similar to the Consolidated Fund, includes a mix of stocks and bonds and has a semi-annual income distribution and is intended for investors with a greater than five year investment horizon. Investors may hold units in any of the Friends Fiduciary Funds in a single account.

The QGF has an expense ratio of 0.90% (or 90 basis points); this includes all investment management and administrative fees. The investment returns and semi-annual income distributions and fee will vary from the Consolidated Fund.

For more information or to invest in the Quaker Green Fund, please contact Friends Fiduciary at 215-241-7272 or [info@friendsfiduciary.org](mailto:info@friendsfiduciary.org). <http://www.friendsfiduciary.org/quaker-green-fund/>

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If you are a client of another financial manager, consider moving your money to protect the planet. Here are places to find specific funds to review. (Source: Green America)

## MUTUAL FUNDS

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### *Broad-Based Mutual Funds That Exclude Fossil-Fuel Companies by Policy*



**Green Century Balanced Fund**—This fund excludes fossil-fuel companies, and in 2009 became the first fund to release a carbon-footprint report of its holdings: 66 percent smaller than the S&P 500.



**Portfolio 21**—Portfolio 21 pursues a company-wide strategy of screening out investments in fossil fuel companies. A searchable list of its holdings appears on its Web site.



**Shelton Green Alpha Fund**—Green Alpha Advisors believes that fossil fuels disrupt the economy and its underlying ecosystems, do not represent solutions, and have no place in Green Alpha portfolios.

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### *Clean-Energy-Focused Fossil-Free Mutual Funds*



**Pax World Global Environmental Markets Fund**—While excluding fossil fuels, this fund also invests in clean energy and energy efficiency, pollution control, waste management, and water infrastructure.

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### *Community-Development Mutual Funds (Also Fossil-Free)*



**Access Capital Community Investment Fund**—Because of this fund's focus on community investing, it is not invested in fossil fuel companies.



**CRA Qualified Investment Fund**—The CRA Fund focuses on community development, including affordable housing, job creation, and neighborhood revitalization.

## EXCHANGE TRADED FUNDS

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|---|---|
| • First Trust ISE Global Wind Energy Index Fund   | • PowerShares Global Clean Energy ETF   |
| • Van Eck Solar Power ETF<br>Guggenheim Solar ETF | • Van Eck Global Alternative Energy ETF |

## RETIREMENT INVESTMENT OPTIONS

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**Social(k)** offers over 500 Environmental, Social and Governance (ESG) screened funds and ETFs (exchange traded funds) alongside thousands of traditional investment options. Included in the list are funds that are free of fossil fuel companies, either by policy or practice: Portfolio 21, Green Century Balanced, Shelton Green Alpha Fund, Pax World Global Environmental Markets Fund and the CRA Qualified Investment Fund. We work in association with many of the advisory firms across the country. If you are interested contact your financial advisor or Socialk.com. More info at [www.blog.socialk.com](http://www.blog.socialk.com) and [www.facebook.com/Socialkretirementplans](http://www.facebook.com/Socialkretirementplans)

## FINANCIAL PLANNERS & INVESTMENT CONSULTANTS

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### **Capital Intelligence Associates**

We are a Southern-California-based full-service financial planning firm specializing in multi-generational wealth management, philanthropic planning, and socially responsible investing. We can develop fossil-fuel-company-free portfolios for both individual and institutional clients.

### **Encore Wealth Advisors**

We are helping to solve the climate crisis by supporting individuals, families, non-profits and small businesses in divesting of fossil fuel investments. We accomplish this by offering a values based wealth management process, utilizing fossil free investment portfolios, that helps clients achieve their financial, social and environmental goals.

### **First Affirmative Financial Network**

With 25 years of experience serving Green America members with their social investing needs, First Affirmative and its nationwide network of 100 associated advisors can develop fossil-free portfolios using mutual funds, exchange traded funds, and individual securities as appropriate to your needs.

### **Horizon Sustainable Financial Services**

Horizons Sustainable Financial Services offers a line of well-diversified, zero-carbon energy mutual fund portfolios with no exposure to any companies directly involved in the production of fossil fuels. The portfolios are built on a "sustainable, responsible, impact" ("SRI") investing foundation, using mutual funds from SRI industry leaders.

### **Natural Investments**

Natural Investments launched a Fossil-Fuel-Free Portfolio in January 2013, which also excludes tobacco, alcohol, military contractors, firearms, gambling, and nuclear power, while specifically including clean technology and renewable energy.

### **Progressive Asset Management, Inc.**

Since 1987 PAM Inc has been providing social screening to members of the PAM Group, the socially responsible division of Financial West Group. Advisors in the PAM Group can create a fossil free portfolio utilizing stocks, bonds, mutual funds and ETFs to meet the needs of any client.

### **SRI Wealth Management Group of RBC Wealth Management**

The SRI Wealth Management Group of RBC Wealth Management provides customized investment solutions that help clients achieve financial and value-based objectives. With \$1.3 billion AUM, SRI Wealth Management Group works with investors to implement client-specific Environmental, Social, Governance and Impact preferences throughout their asset allocation. RBC Wealth Management, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC.

### **Quantum Financial Planning, LLC**

Providing hourly, fee-only financial planning since 2005. We can assist investors interested in fossil-free investing using methodology based on the book "Low Fee Socially Responsible Investing, Investing in Your Worldview on your Terms," published by Tom Nowak in 2012.

## ASSET MANAGEMENT FIRMS

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The following asset management firms are able to assist higher-net-worth individuals in establishing customized fossil-free portfolios upon request. They may also help you shift the assets of your house of worship, university, or pension plan.

- Boston Common Asset Management
- Calvert Asset Management
- Clean Yield Asset Management
- First Affirmative Financial Network
- Jantz Morgan LLC
- JPS Global Investments
- Krull & Company
- Legg Mason Investment Counsel
- Joyce Moore Financial Services  
<http://www.jmfs.com/>  
(Quaker Financial Advisor)
- North Sky Capital
- Northstar Asset Management, Inc.
- Pax World Funds
- The Sustainability Group
- Trillium Asset Management\*
- Veris Wealth Partners
- Washington Square Capital Management
- Zevin Asset Management

*\*Trillium Asset Management offers two fossil-fuel-free separate account strategies, “Fossil Fuel Free Core,” and the “Sustainable Opportunities Portfolio,” which invests in green solutions, economic empowerment, and healthy living.*

### **Resources on Option 1:**

- Green America <http://www.greenamerica.org/fossilfree/>
- As You Sow (see the pdf of their Reinvestment Handbook) [http://www.asyousow.org/health\\_safety/investment-math.shtml](http://www.asyousow.org/health_safety/investment-math.shtml)
- US SIF – The Forum for Sustainable and Responsible Investment is the US membership association for professionals, firms, institutions and organizations engaged in sustainable and responsible investing. See their work on Fossil Fuels, Investment and Reinvestment <http://www.ussif.org/climatereinvestment>
- *Institutional Pathways to Fossil Free Investing* <http://gofossilfree.org/files/2013/05/Institutional-Pathways-to-Fossil-Free-Investing.pdf>
- Resilient Portfolios and Fossil Free Pensions <http://631nj1ki9k11gbkx39b3qpzua.wpengine.netdna-cdn.com/files/2013/05/Resilient-Portfolios-and-Fossil-Free-Pensions.pdf>
- Divest/Invest (based in DC) <http://www.divestinvest.org/#resources>

## REINVESTMENT OPTION 2: COMMUNITY DEVELOPMENT INVESTING

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Community development investments are designed to support healthy local economies both in the United States and internationally. The investments primarily relate to affordable housing, small businesses, and local jobs creation that specifically benefit lower-income families and neighborhoods.

To learn more about community development investing consider these resources:

For an overview of community development financial institutions see <http://www.domini.com/community-investing/What-Is-A-/index.htm>

*Examples of Community Development Funds include:*

- Oikocredit
- Enterprise Community Impact
- Partners for Common Good
- Opportunity Finance Network
- Community Reinvestment Fund
- Capital Management Mutual Fund

*For information on Community development credit unions see*

<http://www.cdcu.coop/investing/>

Credit Union National Association (CUNA), based in Washington, D.C., and Madison, Wisconsin,  
<http://www.cuna.org/aboutus/>

*For information about Micro-credit see*

Quaker-led SosteNica has over two decades of experience providing micro-credit in Nicaragua  
<http://www.sostenica.org/>

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## **REINVESTMENT OPTION 3: REDUCING OUR CARBON FOOTPRINT**

*1. Faith based organizations which guide the greening process include:*

- Friends General Conference Friends Meeting House Fund  
<http://www.fgcquaker.org/services/friends-meeting-house-fund>
  - GreenFaith's Getting Started for Houses of Worship <http://greenfaith.org/getting-started>
  - Interfaith Power and Light Cool Congregations <http://www.coolcongregations.org/>
  - Creation Justice Ministries <http://www.creationjustice.org/greenchurch/GetInvolved.php>
  - Earth Care Congregations <http://www.pcusa.org/resource/earth-care-congregations-guide-greening-presbyteri/>
  - Building a Firm Foundation: A Creation Friendly Building Guide for Churches  
<http://www.cofchrist.org/earthsteward/Green%20Building.pdf>
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