

CIFSC Responsible Investment Identification

The CIFSC identifies funds that are sufficiently practicing responsible investing. To be labeled a CIFSC Responsible Investment a fund must have an investment mandate stated in regulatory documents demonstrating a responsible approach by adhering to at least one of the following responsible investment themes.

The responsible approach described in the investment mandate or elsewhere in the regulatory documents should, to the extent possible: provide detail on the intention of the approach, define the process and strategies used, describe intended results, describe the intended impact, be transparent, and be coherent.

The Responsible Investment Approaches below are not meant to be mutually exclusive.

Responsible Investment Approach

Environmental, Social and Governance Evaluation and Integration

The fund uses Environmental, Social and Governance (ESG) criteria as the primary evaluation method for security selection. Environmental criteria measure the impact that a company has on the environment, or the impact that the environment has on the company. Social criteria measure how well a company treats its employees and customers, deals with human rights, avoids corruption and the impact a company has on the community where it operates or the impact the community has on the company. Governance criteria evaluate the leadership of a company, executive compensation, board oversight, board diversity, internal controls and shareholder rights.

Thematic Investing

The fund has a specific focus on a theme that fits into one of either the Environmental, Social or Governance buckets but does not focus on all the elements of the ESG spectrum. For example, this includes funds with an environmental focus that only invests in companies that have a positive environmental impact.

Exclusionary Investing

Also referred to as negative screening, the fund has specific sectors, industries or companies that will be excluded from the investible universe based on ESG criteria or other specific ethical considerations. Exclusions based on legal requirements, or exclusions that would result naturally from the investment mandate will not be considered.

Impact Investing

The fund invests in companies or projects that have a measurable positive environmental and or social impact with the intent of generating a positive financial return.

Shareholder Engagement

The fund's administrators use their position as shareholders to influence the company to make decisions that increase the company's positive impact on the ESG factors. The goals of the engagements should be clear and should be reflected in formal dialogue with the company's board and/or by voting on shareholder proposals.

ESG and Sustainability Scores

ESG and Sustainability scores as provided by the CIFSC's member data providers appear next to each fund on the RI fund list. More information on the individual fund scores can be found on the data provider websites. *[links to be provided]*

Process for New Funds and Fund Reviews

New Funds

New funds will be reviewed monthly as they are launched as part of the CIFSC's new fund process. The CIFSC will review the regulatory documents and determine if the fund fits into one or more of the Responsible Investment Approaches.

Fund Reviews

The CIFSC will review any requests to have funds added or removed from the RI list on a monthly basis. As part of the review, the committee will ask for reasoning and evidence supporting the request. This can include any changes made to the Responsible Investment Approach as detailed in regulatory documents or marketing materials and/or changes to the portfolio.