

# Smart Sustainable Investing – A better way to do the right thing

watchful  
responsive patient  
sustainable  
distinct



We believe that you don't need to sacrifice your core values to meet your financial goals. In fact, research shows<sup>1</sup> that by applying responsible investment strategies you can:

- Lower your risk
- Increase their returns
- Have a positive impact on your community and the environment

**Graham Isenegger and Neil Chappell, Portfolio Managers of the Blue Heron Advisory Group with CIBC Wood Gundy, have launched two sustainable investments strategies that use a positive best-in-class approach coupled with fossil fuel divestment:**

## Blue Heron Canadian Focused Equity

## Blue Heron Global Equity

### Why?

We believe that your investments should be aligned with your values. You may be uncomfortable with the presence of unsustainable businesses and fossil fuel production and exploration companies in your portfolio. Your ownership of these companies may present an ethical concern, an unacceptable risk, or a missed opportunity to invest in companies that are at the forefront of innovation.

Current research shows<sup>1</sup> that only 1 in 10 of those interested in Socially Responsible Investing (SRI) actually hold SRI investments products in their portfolios. Clearly, the traditional SRI options are not sufficiently appealing. The Blue Heron Portfolios are a result of our efforts to innovate and to provide you with a better opportunity to do the right thing.

### Why not?

Making the choice to invest responsibly is not making the choice to accept lower returns. Research has shown that focusing on more sustainable businesses and eliminating Fossil Fuel producing/exploring companies can positively impact your portfolio's performance and can measurably lower your risk.<sup>2</sup>

### How?

Blue Heron's rigorous positive Environmental, Social and Corporate Governance screening ensures that you invest in only the most committed, innovative, and sustainable companies. Positive screening emphasizes the impact of sustainability on a company's long-term potential to compete and succeed. This investment approach allows you to express your values on corporate behavior such as social justice and the environment through stock selection positively - without sacrificing your portfolio diversification or long-term performance.

At its simplest Fossil Fuel Free investing is the exclusion of the top 200 fossil fuel reserve holding companies – the "Dirty 200". In addition, the Blue Heron Portfolios also exclude all integrated oil companies and all Oil and Gas exploration and production companies.

**This positive screening is augmented with the exclusion of a number of industries including:**

- Cluster bombs or landmine manufacturing
- Nuclear, chemical and biological weapons manufacturing
- Tobacco production
- Genetic engineering
- Companies whose business is gambling or adult entertainment

These steps together create our Smart Sustainable Investing approach which identifies an “investable universe” of companies that exhibit the best-in-class Environmental, Social and Governance qualities. We then further refine this best-in-class “investable universe” into actively managed portfolios using both quantitative and qualitative research.



### Doing the right thing for you

Smart Sustainable Investing is one part of our holistic approach to wealth management. We work with you to develop and attain your vision of the future. Our professional knowledge and detailed processes are complemented with empathy and understanding, resulting in long-standing and trusted relationships. A union of values and performance.

**To find out more if these strategies are suitable for you or to get more information, please contact:**

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<sup>1</sup>Sustainable Investing, Deutsche Bank Group – June 2012

<sup>2</sup> ESG Issue Brief. “Options for Reducing Fossil Fuel Exposure.” MSCI ESG Research. January 2014.

Neil Chappell and Graham Isenegger are Investment Advisors with CIBC Wood Gundy. This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change. CIBC and CIBC World Markets Inc., their affiliates, directors, officers and employees may buy, sell, or hold a position in securities of a company mentioned herein, its affiliates or subsidiaries, and may also perform financial advisory services, investment banking or other services for, or have lending or other credit relationships with the same. CIBC World Markets Inc. and its representatives will receive sales commissions and/or a spread between bid and ask prices if you purchase, sell or hold the securities referred to above. © CIBC World Markets Inc. 2014. CIBC Wood Gundy is a division of CIBC World Markets Inc., a subsidiary of CIBC and a Member of the Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor.