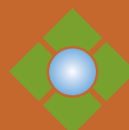




CREATING A SUSTAINABLE WORLD:

*A Guide to Responsible Stewardship
of American Indian Assets*



Social Investment Forum
Foundation

Acknowledgements

A publication like this one is a collaborative effort, and many people shared their talents, time and expertise. We thank all of them for contributing to this final product. This guide was co-authored by Peter DeSimone, director of programs at the Social Investment Forum (SIF) and Donald Trone, CEO of Strategic Ethos (www.5ethos.com) and president of the Foundation for Fiduciary Studies. Sylvia Panek, program coordinator for the Indigenous Peoples Working Group (IPWG), also contributed to the report.

Major funding for this project came from the **J.A. & H.G. Woodruff, Jr. Charitable Trust** and from the **Oneida Tribe of Indians of Wisconsin**. The Oneida Tribe of Indians of Wisconsin is a proud and progressive nation with a colorful history and rich culture. Located in Northeastern Wisconsin, the Oneida Nation has practiced socially responsible investing (SRI) for centuries. From their roles and responsibilities as part of the Iroquois Confederacy to the agricultural practices that promoted sustainability and conservation to the investment in their own community, SRI is a common thread weaving through the Oneida culture, history and community. Today, the Oneida Nation's Trust Committee regularly implements SRI practices through screening, shareholder activism and community investments.

Founded by Rebecca Adamson, **First Peoples Worldwide** is one of the only international organizations led by Indigenous Peoples and dedicated to strengthening indigenous communities' traditional knowledge, technical capacity and their control over the assets in their territories. FPW has been involved in social and sustainable investing since 1992.

Additional support came from **Calvert Investments** (www.calvert.com). A leader in sustainable and responsible investments (SRI), Calvert Investments offers investors among the widest choice of SRI strategies of any investment management company in the United States. Serving both individuals and institutional investors, Calvert offers integrated corporate sustainability and responsibility research and was the first U.S. SRI firm to develop stand-alone criteria to support Indigenous Peoples' rights issues in 1999. Its criteria address a range of corporate environmental, social and governance factors. Founded in 1976 and based in Bethesda, Maryland, Calvert Investments manages more than \$14 billion in assets as of December 31, 2009.

The Memnosyne Foundation also provided funding. With the mission to help the diverse people of the world consciously encourage an evolution for themselves and for future generations, Memnosyne (www.memnosynefoundation.org) works to provide communities with the means to encourage positive, peaceful global collaboration in areas of knowledge.

The authors offer special thanks to the following individuals for their valuable advice and feedback in the course of this guide's preparation: Sherry Salway Black, National Congress of American Indians; Carla Fredericks, Milberg LLP; Ken Gordon, Potlatch Fund; Scott Klinger, First Peoples Worldwide; Mary Jane McQuillen, ClearBridge Advisors; and Michele Weber, Edward Jones.

The authors also are grateful to the Indigenous Peoples Working Group's Steering Committee for their assistance in the completion of the guide: Susan White, Oneida Tribe of Indians of Wisconsin Trust Department; Jan Bryan, First Affirmative Financial Network; Rebecca Adamson, First Peoples Worldwide; Steven Heim, Boston Common Asset Management; Stephanie Leighton, Trillium Investment Management Corporation; and Reed Montague, Calvert Investments.

In addition, we want to thank the other SIF staff who also worked on this: Lisa Woll, CEO; Meg Voorhes, deputy and research director; Kristin Lang, program coordinator; and Zachary Hasychak, membership coordinator.

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Disclaimer: The information provided herein does not constitute investment advice. Please remember that investments are subject to market risk, including possible loss of principal. Consider the objectives, risks, charges and expenses of an investment carefully before investing. Past performance is no guarantee of future results.

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Foreword

A guide for American Indian investors on socially responsible investing (SRI) and fiduciary duty has been a long time in the making, and the Social Investment Forum (SIF) and its Indigenous Peoples Working Group (IPWG) should be applauded for their efforts to bring this important tool to life. Both communities share many values—championing human rights, protecting the environment and eradicating poverty—so it is a natural fit for both to collaborate more closely. I believe this guide is an important step in our continued work together to create a sustainable world.

American Indians and the SRI community already have a proven record in working together effectively. I remember attending my first “brokering” session at the Interfaith Center on Corporate Responsibility (ICCR) in New York City sometime in 1987. Outside of foundation program-related investments, this was my first experience with socially responsible or mission-related investing. During these sessions, religious investors would listen to and question representatives of community development organizations to learn about their work so they could make investment decisions—perhaps to make deposits or to lend funds for community development purposes. As the then Vice President of First Nations Development Institute, I was there to present our work. We sought investments to finance the early Native community development lending in business, housing and other credit areas.

The organizations at ICCR were eager to invest in Indian Country. However, more than 20 years ago there were few opportunities, consisting largely of First Nations Development Institute’s Oweesta Program, the new Lakota Fund on the Pine Ridge Reservation, the Blackfeet Bank, the Sisseton-Wahpeton Credit Union and Hopi Credit Association. It took a decade plus of effort to build the infrastructure in Indian Country, but now there are more than 40 certified Native Community Development Financial Institutions with dozens more in the pipeline—excellent opportunities for socially responsible investments.

Since 1987, much development has happened and continues to happen in Native communities. Tribes are increasingly exercising their sovereignty through efforts to strengthen their institutions of government. Taking over the management of their assets from the federal government or simply directing their financial investments is one aspect of this transformation. Many of the more than 560 tribes are developing enterprises to generate jobs, income and opportunities for their people through investing. Several tribes, the Oneida, Sycuan and Ute to name a few, started their own investment funds, while other tribes own investment businesses. Increasingly financial advisors and firms—SRI and others—recognize a growing market in Indian Country.

Over the last 20 years, the SRI field has been growing and evolving. More investors and investment professionals understand that competitive returns can be combined with a concern for environmental, social and governance factors. A growing realization that investing also can have positive social impacts is drawing new SRI investors, both individuals and institutions. A recent development is that the philanthropic sector is increasingly interested in directing its investments, along with its grants, to support social change.

As tribes gain more experience investing their financial assets, and learn more about socially responsible investing, they will learn they can do more with these assets than just seek a financial return. Tribes will incorporate their cultural values in investments just as they do with their enterprises and other development activities. Tribes have begun to seek out those advisors, managers and institutions that provide the expertise and the investment products for meeting their social and cultural goals along with their economic ones.

Just as it took more than a decade to build the community development finance field in Native communities, it will take time, education, outreach and persistence to demonstrate the compatibility between SRI and the goals of tribes and other organizations in Indian Country. It will also take the right strategies and resources to

broaden tribes' knowledge and understanding of SRI so that they recognize there are many options available to meet their financial aspirations in ways that address their cultural values. This guide will be such a resource.

Much appreciation goes to the Social Investment Forum and its Indigenous Peoples Working Group for their continuing efforts to join together the voices and aspirations of SRI investors and American Indian tribes and organizations. Now all of us engaged in Native efforts must commit to develop the strategies to bring this guide—and the vital field of SRI—to Indian Country.

—*Sherry Salway Black*

In addition to being an Advisory Council Member for the National Congress of American Indians Policy Research Center, Sherry Salway Black sits on Trillium Asset Management's board and is a member of the Oglala Lakota.

Introduction

The Indigenous Peoples Working Group (IPWG) of the Social Investment Forum (SIF) brings together American Indian organizations and social investment leaders to coordinate education and advocacy on investments that affect indigenous cultures and communities. Both socially responsible investors and American Indian cultures place a high value on building strong communities, caring for the natural environment, respecting human rights and moving the planet toward sustainability.

Yet, during one of the IPWG's first strategy sessions, members noted that, while a handful of Native tribes and organizations have used their assets to protect indigenous rights, prevent environmental degradation or invest in their communities, few had taken the opportunity to define standards for responsible investment practices, and most were unfamiliar with SRI strategies. Consequently, these organizations were not using—and realizing the benefits of—the full set of tools available to them as asset owners.

This guide was created to:

- Illustrate parallels between American Indian and SRI core principles.
- Demonstrate how SRI approaches can enhance the work of American Indian groups.
- Provide a framework to undertake SRI investing.
- Form closer connections between American Indian investors and the SRI community.

It is intended to help trustees of or those otherwise charged with administering, overseeing or managing investments for American Indian groups, although any member of the American Indian community interested in learning more about how investments are managed and how socially responsible investment strategies can be implemented would find it useful.

Unlike other SRI guides, this one is tailored to American Indian organizations and their unique complexities and challenges in the area of investing. For example, the sovereign nature of American Indian organizations and the diverse types of portfolios they manage—elder funds, minors trust fund accounts and economic development funds, to name a few—make investing and the question of fiduciary duty complex and also complicate the integration of SRI strategies. This guide keeps these specific attributes in mind and tailors assistance and advice based on them.

The guide has three parts:

- The first offers an overview and introduction to the common values shared by American Indian and socially responsible investors.
- The second chapter reviews the three principal approaches to SRI—screening, shareholder advocacy and community investing. The chapter gives examples from within the American Indian community to illustrate all of them in action.
- Finally, the third chapter looks at fiduciary duty in the context of SRI and lends guidance to persons responsible for managing American Indian assets on how SRI can be successfully incorporated into a fiduciary's decision-making process. It defines and describes a fiduciary standard of excellence for persons responsible for managing American Indian assets and demonstrates how fund managers can incorporate SRI standards into fund management, following the five steps—to analyze, strategize, formalize, implement and monitor.

As a companion, SIF also has created an online resource center for the guide, which provides examples of the types of investment policies, proxy voting guidelines and other documents that American Indian leaders might need to adopt as part of an effective SRI strategy. The online resource center is available at: <http://www.socialinvest.org/projects/indigenous.cfm>.

We encourage American Indian leaders and financial officers to use this guide to develop prudent investment guidelines for American Indian funds that will also advance the mission of their communities.

Chapter One: Connections between Native and SRI Communities

In broad terms, American Indian cultures view people and their physical environment as interconnected and emphasize the importance of recognizing a decision's implications for future generations. The Tohono O'odham and Pima peoples in Arizona use the image of a man atop a maze as a symbol of our connection to the Earth and to underscore the importance of this relationship.

At times, Western cultures also have embraced similar philosophies. For example, the United Nations established the Brundtland Commission, named for its chair, Gro Harlem Brundtland, in 1983 to address growing concern "about the accelerating deterioration of the human environment and natural resources and the consequences of that deterioration for economic and social development." The commission issued a definition for a sustainable future, which it says is:

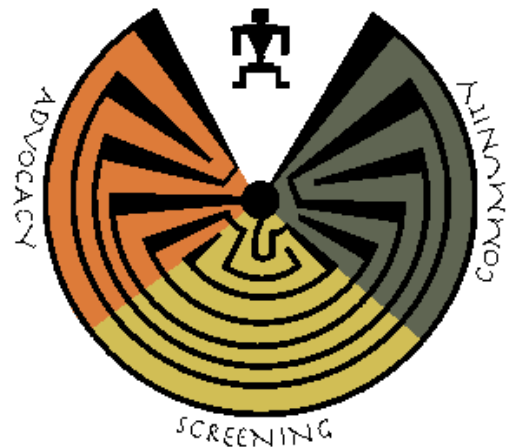
"...development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Indigenous peoples also seek to preserve their cultural patterns, social institutions, sovereignty, land and control of natural resources on their lands for future generations in a world where economic globalization and corporate power is growing. Thus, their values dovetail with those held by the SRI community and the ideals embodied in the increasingly popular concept of sustainability.

Unfortunately, the connection between investments and social and environmental impacts has not been a central focus of Native asset management, in part because of the difficult economic realities of many tribes. As a result, most American Indian assets are not invested in a socially responsible manner, and American Indians are losing opportunities to support their values and generate positive social change.

Since the first acquaintance with Europeans 500 years ago, American Indians have fought to maintain stable economies after having entire populations decimated by disease and wars, uprooted from ancestral lands and forced into land settlements. Today, some of the most impoverished communities in North America are located on Native reservations. The enormous effort needed to stimulate these depressed economies means that tribal leaders often lack the capacity and resources to review investment guidelines and to develop SRI strategies. Yet, there are tribes that have much more robust economies and assets, which could be invested to obtain financial returns with positive environmental and social impacts for their communities.

SRI investors believe that environmental, social and governance factors should be considered in investments. Practically speaking, this means looking critically at which companies to invest in, taking into account sustainability performance, whether to use stock ownership to influence those companies, and whether and how much to invest in community development. Most SRI investors firmly believe that companies with a history of responsible corporate practices towards employees, consumers, communities and the environment are inherently less risky and are better long term investments. Research studies have shown that SRI funds generate returns at least as competitive as non-SRI investment vehicles, and at times outperform them. The Social Investment Forum's most recent *Report on Socially Responsible Investing Trends in the United States* found that SRI assets under management grew an astounding 18 percent from 2005 through 2007 and accounted for



almost 1 in 9 U.S. dollars invested by the end of 2007, clearly demonstrating that more and more investors are coming around to this viewpoint. By crafting an investment strategy aligned with a tribe's mission and principles, tribal leaders and asset managers can ensure that a tribe's assets work in support of—not against—Native nation-building. When Native investment dollars are funneled into corporations with historically poor practices

toward American Indians and are not used to pressure companies to reform, the results are counterproductive. American Indian tribes and organizations can greatly enhance their impact by establishing guidelines allowing them to be more strategic in their investment decisions, use their shareholder status as leverage with companies and affirmatively invest in communities.



WHEN ALL THE TREES HAVE BEEN CUT DOWN,
WHEN ALL THE ANIMALS HAVE BEEN HUNTED,
WHEN ALL THE WATERS ARE POLLUTED,
WHEN ALL THE AIR IS UNSAFE TO BREATHE,
ONLY THEN WILL YOU DISCOVER
YOU CANNOT EAT MONEY.

—CREE PROPHECY

Chapter Two: SRI Approaches for American Indian Investors

This chapter explores how American Indian investors can incorporate socially responsible investing (SRI) strategies in accordance with their mission and values. There are three basic approaches to SRI:

- **SHAREHOLDER ADVOCACY**, including proxy voting, shareholder proposals and corporate engagement;
- **PORTFOLIO SCREENING**, including negative and positive screening, benchmarking and best-in-class strategies; and
- **COMMUNITY INVESTING**.

Some SRI investors opt to use only one of these practices, while others integrate all of them into their investment strategies. (See the box on the Oneida Trust Funds' investment policy for an example of a multipronged approach.) Each imposes different demands for expertise, time and information.

This chapter is divided into three sections, each covering one of the three pillars outlined above. Each section explains how to determine values and objectives for an SRI product, describes approaches to implementation and offers real world examples.

There are many misconceptions about implementing SRI strategies, including:

- “SRI strategies are too expensive because of the extra costs for proxy voting and other services, additional staffing and consultants.”
- “My consultant or manager has no knowledge of SRI, and it is too difficult to find one who does.”
- “My money manager discourages us from requesting SRI products, so implementing an SRI strategy must be a bad idea.”
- “SRI products underperform the market.”

None of these statements is true. Trustees on a tight budget can work with other investors to engage a small number of companies on issues important to their beneficiaries. They can also provide their money managers with proxy voting guidelines, instructing them how they should be voting on the fund's behalf. Both of these are basic and inexpensive ways to begin SRI, and neither takes much time or money. While there are financial advisors, consultants and money managers who are reluctant to recommend or implement SRI because of their own misconceptions or lack of due diligence, there are plenty with knowledge and ability to help. This guide provides information on these resources.

Most SRI-related investments offer market returns and are competitive with similar non-SRI investments of the same asset class. As with all investments, trustees should review prospectuses and performance information with their advisors and consultants before making an SRI investment. In addition, they should scrutinize carefully how a given fund or other investment implements SRI. Some claim to be an SRI fund without doing much of anything to support or protect the environment, employees or communities. Establishing an investment strategy is a serious decision. Therefore, trustees should meet regularly with their financial advisors, consultants or fund managers to engage in a detailed discussion about investment approaches and how SRI can be part of this strategy.

SOCIALLY RESPONSIBLE INVESTING



Integrating SRI—A Glance at the Investment Policy for the Oneida Tribe’s Trust Funds

The Oneida Tribe of Indians of Wisconsin Trust Funds adopted its first investment policy in 1990 and integrated socially responsible investment criteria soon afterwards, issuing a revised policy with SRI features in 1995. The updated policy states that the Oneida recognize “the responsibility to invest in a manner that does not enable harm to the environment or the spiritual and cultural values of American Indians.” Specifically, it says, Oneida “prefers to invest in companies that make positive contributions to alleviating the problems facing society and the environment.” Furthermore, the policy states that the tribe’s investment activities “should support self-sufficiency for the community and the well-being of tribal members.” To implement its policy, the tribe’s trust funds engage in all three principal SRI-related activities: (1) sponsoring and voting for shareholder resolutions on ESG issues, (2) portfolio screening and (3) community investing.

SPONSORING PROPOSALS AND VOTING PROXIES: Oneida’s policy states that it sponsors and votes proxies “against harmful activities by companies” and is “active in supporting certain proxy issues of particular importance to the Oneida Nation and to other American Indian groups or lands.” In support of this policy, it reserves the option to provide its money managers with instructions on how to vote on particular shareowner resolutions.

Oneida was the first American Indian affiliate partner of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of nearly 275 of religious-based institutional investors representing over \$100 billion in invested capital. ICCR has been the most active sponsor of environmental and social policy shareholder proposals since the 1970s. Through its membership in ICCR and the shareholder advocacy committee of the Social Investment Forum’s Indigenous Peoples Working Group, Oneida is able to develop investor coalitions to raise issues important to it and other American Indian tribes with investments in publicly traded companies. It also learns of other efforts in these and related ESG areas, which informs its proxy voting.

PORTFOLIO SCREENING: With assistance from Trillium and Walden Asset Management, Oneida screens its funds to reflect its tribe’s mission and values, which include several environmental and social criteria.

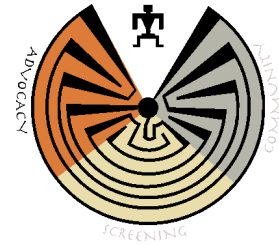
COMMUNITY INVESTING: The Oneida Nation also is active in community investing, which it says is “the most direct and immediate impact” it can have on the community. As part of its community investing portfolio, it supports affordable housing, micro-credit and social enterprise programs that help “create jobs, build homes and change lives.”



I THINK THE MOST IMPORTANT ISSUE WE HAVE AS A PEOPLE IS WHAT WE STARTED, AND THAT IS TO BEGIN TO TRUST OUR OWN THINKING AGAIN AND BELIEVE IN OURSELVES ENOUGH TO THINK THAT WE CAN ARTICULATE OUR OWN VISION OF THE FUTURE AND THEN WORK TO MAKE SURE THAT THAT VISION BECOMES A REALITY.

—WILMA MANKILLER

Pillar One: Shareholder Advocacy



The most basic way a shareholder can communicate its evaluation of a company's leadership, performance or policies to management is through voting its shares. Similar to the tribal council meetings of the tribes voting members, at corporate annual meetings, shareholders have opportunities to elect directors to the board, to approve executive pay plans and to voice opinions on a wide range of other corporate governance, as well as environmental and social issues. Most shareholders do not actually attend annual meetings but vote in absentia or "by proxy." For each meeting, companies send shareholders, or their designated representatives, information on voting items and ballots in proxy materials. Shareholders, or their designated voting agencies, review these materials and submit votes. These voting decisions have far-reaching implications for the company. At some special meetings, for example, shareholders decide on whether the company should merge with, acquire or be bought by another company.

Shareholder advocacy starts with proxy voting, but it also incorporates other forms of shareholder engagement. This includes writing a letter to a corporation about a particular concern or broader policy issue, which can lead to in-person meetings with corporate management or board of directors. Shareholders in the United States and Canada also have the ability to file shareholder proposals on social and environmental policy matters, which gives them further leverage in bringing corporate executives to the negotiating table. This section discusses these options.

PROXY VOTING: Proxy voting gives shareholders a voice in how their companies are operated, and it is an important, although sometimes neglected, responsibility of stock ownership. Trustees have a fiduciary duty to oversee how their funds vote their proxies and to ensure that these votes are executed in their beneficiaries' best interests. Policies governing proxy voting usually are outlined in a plan's investment policy or proxy voting guidelines.

Since 2006, mutual funds in the United States have been required by the Securities and Exchange Commission (SEC)—the regulator of financial markets in the United States—to publish their proxy voting records, although many SRI firms chose to disclose this information before 2006. In addition, growing numbers of other institutions implementing SRI strategies, including faith-based institutions, academic organizations and foundations, increasingly are voluntarily making their voting decisions public in an effort to remain accountable and transparent to their beneficiaries and other stakeholders.

For funds holding large numbers of equities, proxy voting can be a complicated undertaking, as it can entail executing a large number of voting decisions daily. However, over the past four decades, myriad services have been developed by proxy advisory firms to assist investors with this process. The three largest advisors in the United States are:

- Glass Lewis (www.glasslewis.com);
- ProxyGovernance Inc. (www.proxygovernance.com); and
- RiskMetrics Group (www.riskmetrics.com)

All of the firms offer custom solutions to assist funds to execute votes along ailed guidelines, research to help trustees and funds to develop specific guidelines and to vote on less common issues on a case-by-case basis. One free service, Moxy Vote (www.moxyvote.com), displays the recommendations of key civil society organizations and also empowers individuals and small institutions to vote. Another, ProxyDemocracy (www.proxydemocracy.com), helps stockholders vote their shares by publicizing the intended votes of institutional investors with a track record of shareholder engagement.



IN EVERY DELIBERATION, WE MUST CONSIDER THE IMPACT ON
THE SEVENTH GENERATION... EVEN IF IT REQUIRES HAVING SKIN
AS THICK AS THE BARK OF A PINE.

—GREAT LAW OF THE IROQUOIS

In addition, investor networks offer shareholders valuable resources to learn about and vote on social and environmental policy resolutions, including:

- Ceres and its Investor Network on Climate Risk (INCR) (www.incr.com);
- Interfaith Center on Corporate Responsibility (ICCR) (www.iccr.org); and
- Social Investment Forum (SIF) (www.socialinvest.org).

Whether investors undertake voting in-house or hire a service provider to vote on their behalf, there are some basic steps trustees can take to implement a proxy voting policy:

- Have in-house capacity to oversee shareholder advocacy efforts, track holdings and meetings, execute votes and manage dealings with outside fund managers and advisors.
- Establish a committee to make decisions on proxy voting guidelines, review research and decide upon votes in cases where guidelines fall short of offering a clear decision.
- Research sustainability issues to formulate proxy voting guidelines. As mentioned earlier, proxy advisory firms have many services available to assist with this task. In addition, several investors make references to indigenous peoples' rights in their formal proxy voting guidelines, and these are a good starting point for American Indian groups. Calvert Investments, for example, says it ordinarily will support proposals "requesting that companies respect the rights of and negotiate fairly with indigenous peoples, develop codes of conduct dealing with treatment of Indigenous Peoples, and avoid exploitation and destruction of their natural resources and ecology," as well as proposals "requesting companies to develop, strengthen or implement a policy or guideline designed to address free, prior and informed consent/consultation from Indigenous Peoples or other communities."
- Join one or more shareholder networks. (Examples are offered on page 13.)

SRI Shareholder Networks in North America

SRI shareholder networks offer ways to connect with other like-minded investors to build support for campaigns and trade information on proxy voting and investment practices. Below is a list of some of the networks in North America that American Indian groups might find particularly useful.

Ceres, founded in 1989, is a national network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change. It launched and directs the **Investor Network on Climate Risk (INCR)**, a group of more than 80 institutional investors with collective assets of more than \$7 trillion engaging companies to work toward a solution to the climate crisis. INCR leverages the collective power of these investors to promote improved disclosure and corporate governance practices on the business risks and opportunities posed by climate change. (<http://www.ceres.org>)

The **Interfaith Center on Corporate Responsibility (ICCR)** is an association of 275 faith-based institutional investors, including national denominations, religious communities, pension funds, foundations, hospital corporations, economic development funds, asset management companies, colleges and unions. It has been the largest coordinating filer of social and environmental policy resolutions since the 1970s. Its members typically file more than 100 such proposals each year, including proposals on indigenous peoples' rights. ICCR's website lists these proposals and provides other valuable resources for investors. (<http://www.iccr.org>)

The **Shareholder Association for Research and Education (SHARE)** is a social enterprise that coordinates and implements responsible investment practices in Canada. Since its creation in 2000, SHARE has carried out this mandate by providing proxy voting and shareholder engagement services as well as education, policy advocacy and practical research on emerging responsible investment issues. (<http://www.share.ca>)

The **Social Investment Forum (SIF)** (<http://www.socialinvest.org>) advances investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact. The Social Investment Forum is the U.S. membership association for professionals, firms, institutions and organizations engaged in socially responsible and sustainable investing (SRI). SIF members support SRI through such strategies as portfolio selection analysis, shareholder advocacy and community investing.

For trustees outsourcing all management of their funds, another step will include communicating their proxy voting instructions to these fund managers. For those only invested in index funds, proxy voting power is limited, but there are still options. As mentioned earlier, mutual funds in the United States are required to make their proxy voting records public. Shareholders in mutual funds have voiced their concerns about particular votes and overarching policies at these companies and have begun to change voting patterns. In addition, the way a particular manager or fund handles proxy voting can be one of the many factors trustees evaluate in selecting a fund. (The following sections discuss other options such as funds based on sustainability indexes and dedicated SRI funds.)

SHAREHOLDER PROPOSALS: As mentioned earlier, shareholders can submit shareholder proposals on social and environmental policy issues to publicly traded companies in the United States and Canada. In this way, shareholders can potentially place requests on a company's annual meeting agenda and put them to a vote by all shareholders in the company. Hundreds of these types of proposals are filed in North America every year, and several each year address indigenous peoples' rights. Very few of these proposals ever win majority support, but they have been used successfully over the past four decades to reform corporate conduct.

If they come to votes, shareholder resolutions compel companies to respond publicly—both in the materials for the annual meeting and at the meeting itself—to issues they might otherwise not address or might even seek to avoid. In many cases, companies will agree to open a dialogue with concerned shareholders if they simply agree to withdraw a proposal, so that the company does not have to include it in its proxy statement or discuss it at its annual meeting. (Proxy statements provide the agenda for and instructions on attending the annual meeting, related background material about voting items, and ballots to vote. They are mailed to shareholders typically six or more weeks before the meeting date.) Others go further to implement their critics' suggestions, and oftentimes adversarial relationships between companies and activist shareholders have transformed into productive partnerships. Some of these victories are discussed on page 16, but first up is a brief discussion about proxy rules in Canada and the United States.

Rules in the United States:

The SEC oversees the shareholder proposal process in the United States. Rule 14a-8 of the Securities Exchange Act of 1934 governs the inclusion of shareholder proposals in proxy statements. The rule permits shareholders to file a proposal at a company if they own at least \$2,000 of shares or 1 percent of all shares in a company and have held the shares continuously for the past year. Proposals are limited to 500 words and cannot contain false or misleading information or be based on or motivated by a personal grievance. Proposals also generally need to address corporate environmental, social and governance policy questions of significant public debate and cannot pertain to "ordinary business" issues such as particular decisions on employee benefits, personnel changes, or the sale of particular products.

Companies receiving proposals can challenge them at the SEC based on the proposal's content or length or the ability of the proponents to prove they meet share ownership requirements. The SEC acts as a referee in these cases by sending a letter to both corporate management and the filers of the resolution with its opinion on whether the company can omit the proposal from its meeting agenda and proxy statement—or must include it. In addition, to resubmit resolutions in subsequent years after an initial filing, the proposal must win at least 3 percent support in its first year, 6 percent in its second and 10 percent in its third year and all years after. The SEC calculates support levels by dividing the total votes cast for the proposal by the total votes cast for and against the proposal. (It does not count abstentions or non-votes.) If a proposal fails to meet the requisite resubmission thresholds, the filer must wait five years to resubmit it.

Rules in Canada:

The Canada Business Corporations Act (CBCA) governs the filing of shareholder proposals and was amended in November 2001 to permit a broad range of social and environmental issues to come to votes at Canadian companies for the first time. Before the changes, companies could omit shareowner resolutions filed “primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes.” The revised provisions of the CBCA eliminate this clause and instead require a shareowner to “demonstrate that the proposal relates in a significant way to the business or affairs of the corporation.” The changes to the CBCA also permit a beneficial shareowner—the party that receives the bulk of the monetary gains associated with an equity holding even though the legal ownership of the security is recorded in the name of a broker, bank or other registrant—to file proposals, previously allowed only for registered shareholders. The amendment also lowered the minimum ownership threshold to \$1,000 worth of stock held continuously for at least six months.

DIVESTMENT: Most shareholders involved in shareholder advocacy and corporate engagement view selling shares—divestment—as a tool of last resort. However, when letter-writing campaigns, shareholder resolutions and corporate dialogues fail to produce sought reforms, divestment can be used as a show of protest and warning to other companies that a particular type of conduct will not be tolerated. A highly publicized divestment action, or the threat of it, also can generate negative publicity for a company, thereby acting as another pressure point.

SHAREHOLDER CAMPAIGNS ON INDIGENOUS PEOPLES’ RIGHTS: For more than a decade, shareholder activists have been asking companies to review how their operations affect the livelihood and culture of indigenous or aboriginal peoples in both developed and developing countries. In North America, these campaigns have taken many forms. Some addressed adverse environmental or social effects of corporations’ operations in or near American Indian lands. Others have sought to end corporations’ use of American Indian names or images in ways that are offensive or perpetuate stereotypes.

Many of these campaigns have been guided by the *Principles for Ethical Business Relations with Indigenous Peoples*, a code created by First Peoples Worldwide (www.firstpeoplesworldwide.org), a U.S.-based organization that seeks to support the self-determination of indigenous peoples. First Peoples Worldwide encourages companies to respect the code, which is drawn largely from international law.

The code is in part based on the International Convention on Civil and Political Rights, the International Convention on Economic, Social and Cultural Rights, International Labor Organization Conventions 107 and 169 on indigenous and tribal populations, the UN Declaration on the Rights of Indigenous Peoples, the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, and the Convention on Biological Diversity. The principles ask that companies:

- “Respect the right to self-determination.”
- “Respect land and natural resource rights and traditional homelands of indigenous communities.”
- “Respect cultural heritage, ceremonial and sacred indigenous sites.”
- “Obtain free prior and informed consent to operate or explore on indigenous lands.”
- “Avoid relocation of indigenous communities, except in cases where there is prior informed consent, agreement on fair compensation and an option for return to homelands.”
- “Negotiate agreements with indigenous communities fairly and transparently with independent observers present.”

- “Avoid exacerbating any tensions between indigenous communities and local or national governments.”
- “Protect and respect customary knowledge and use of natural resources.”
- “Provide restitution and fair compensation to indigenous people when any property, including intellectual property, has been taken from them.”
- “Establish a mechanism for monitoring company compliance with codes of conduct and principles.”

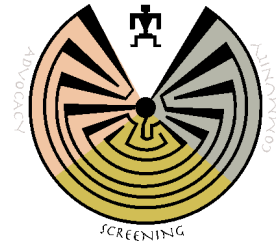
There are many examples of investors implementing these values by waging shareholder campaigns and filing shareholder proposals. The following are some highlights.

- **CALPINE AND THE MEDICINE LAKE HIGHLANDS:** In 2003, Calvert Investments filed a resolution asking Calpine to develop, implement and publish a formal written policy on indigenous peoples’ rights and to cease geothermal development in the Medicine Lake Highlands of California, which local Indian tribes consider sacred land. The proposal won 4.3 percent of the votes cast. In June 2004, Calvert divested its shares of Calpine amid concern about the threatened violation of an indigenous sacred site and the fact that the company no longer met the requirements of Calvert’s Indigenous Peoples’ Rights Policy for its sustainable investment funds. In 2006, an appellate U.S. court overturned a lower court decision and found that government agencies violated their regulatory duties by failing to complete an environmental impact statement before extending Calpine’s leases in 1998, and that the agencies never took a “hard look” at whether the Medicine Lake Highlands should have been developed for energy in the first place.
- **CONOCOPHILLIPS AND INDIGENOUS PEOPLES’ RIGHTS:** Boston Common Asset Management filed a shareholder proposal in 2008 asking ConocoPhillips to report on its policies and interactions with indigenous peoples. The company produced the report and agreed to meet with shareholders about its findings in 2009. As a result, Boston Common Asset Management withdrew its proposal, which had been filed on behalf of the Church of the Brethren Benefit Trust and 14 other proponents. The shareholder coalition says it will continue to press the company to adopt a global policy on indigenous peoples’ rights in support of the principles outlined in the UN Declaration on the Rights of Indigenous Peoples.
- **CONOCO PHILLIPS, EXXONMOBIL AND CANADIAN OIL SANDS:** Since 2006, Trillium has been pressing energy companies engaged in oil sands extraction in Alberta, Canada, to account more fully for the environmental impacts of these projects and their efforts to mitigate them. In 2010, Trillium has been joined by the California State Teachers Retirement System in resubmitting a proposal to ConocoPhillips that asks for a report “on the environmental damage that would result from the company’s expanding oil sands operations in the Canadian boreal forest.” The proponents say that the “report should consider the implications of a policy of discontinuing these expansions...” (The proposal received 30.3 percent in 2009.) Using a slightly different construction, Green Century has presented Exxon Mobil with a new request that asks for a report “discussing possible long term risks to the company’s finances and operations posed by the environmental, social and economic challenges associated with the oil sands.” The resolution says the report should “address risks other than those associated with or attributable to climate change.”
- **FEDEX AND THE WASHINGTON REDSKINS:** In February 2009, Boston Common Asset Management also sent a letter to FedEx Corporation signed by two dozen organizations, questioning FedEx’s corporate sponsorship of the Washington Redskins NFL football team. In 1999, FedEx paid \$200 million for the naming rights to the Washington team’s football stadium, now known as FedEx Field. American Indian inter-tribal and professional organizations have publicly denounced the team’s use of the Redskins name for more than 38 years. FedEx agreed to have a meeting with shareholders to discuss the investors’ concerns. The effort is being coordinated by members of the Advocacy Subcommittee of the Social Investment Forum’s Indigenous Peoples Working Group.

- **IDACORP AND HELLS CANYON:** In 2002, Trillium Asset Management submitted a shareholder proposal to Idacorp related to indigenous peoples' rights. The proposal requested that Idacorp disclose financial and environmental information regarding the relicensing of its Hells Canyon complex of hydropower dams. It also asked Idacorp to report on potential economic impacts to the company in the event that four federally owned dams on the Snake River below Hells Canyon were breached. IdaCorp subsidiary Idaho Power is the owner and operator of the three-dam Hells Canyon Complex, which is one of the largest private hydropower projects in the United States and generates about half of Idaho Power's electricity in a typical year. In its resolution, Trillium expressed concern that because the dams at Idacorp's Hells Canyon hydroelectric complex straddling the Idaho-Oregon boundary did not contain fish ladders, as required by the dam's operating license from the Federal Electric Regulatory Commission, they were harming the fishing rights and livelihood of local American Indian tribes. The proposal garnered an unprecedented 35.5 percent of the votes cast, the highest ever for a proposal related to indigenous peoples' rights. A second shareholder proposal that year submitted by Calvert Investments called on Idacorp to adopt a formal policy on the rights of indigenous peoples and drew 12.8 percent of votes cast. The votes sent a clear message to Idacorp and other companies that the issue of indigenous peoples' rights is important to many investors.
- **LIZ CLAIBORNE AND CRAZY HORSE:** In 2002, Calvert Investments filed a shareholder resolution at apparel designer Liz Claiborne over the company's use of the Crazy Horse name to market a line of clothing. Using Crazy Horse as a brand was offensive to the Lakota, as Crazy Horse is the name of one of the tribe's most respected leaders who fought against the U.S. federal government to preserve the Lakota's traditions and values. For several years before the filing, ICCR members had engaged Liz Claiborne over the company's marketing of the Crazy Horse brand and organized a sign-on letter from 800 institutional investors asking Liz Claiborne to cease its use of the name. Shareholders, along with the American Indian community, had argued that Liz Claiborne had misappropriated and desecrated the Crazy Horse name and legacy of one of the most revered spiritual and political leaders in American Indian history by treating him and his legacy as a mere commodity. Despite the mounting pressure, Liz Claiborne refused to relent. Liz Claiborne only offered to alter the name to all lowercase letters, as opposed to title case, and to make horse plural. Calvert eventually sold its shares in Liz Claiborne in opposition. In 2007, Liz Claiborne dropped the Crazy Horse label.
- **WEYERHAEUSER AND THE GRASSY NARROWS FIRST NATION:** In May 2009, Calvert Investments announced that its Calvert Social Index Fund would sell its shares in Weyerhaeuser Company because the company no longer met the criteria outlined in its Indigenous Peoples' Rights Policy. Calvert had been in talks with Weyerhaeuser since 2003 over its policies addressing indigenous peoples' rights and had pointed to some progress, but it was not enough to allay Calvert's strong concerns over the company's influence on treaty implementation negotiations between Grassy Narrows First Nation and the Province of Ontario. Specifically, Weyerhaeuser put pressure on the Province of Ontario to conclude or circumvent the negotiations so that the company could regain access to timber from the Whiskey Jack Forest.

Divestment actions taken by Calvert against Liz Claiborne, Calpine and Weyerhaeuser were motivated by the principles outlined in its indigenous peoples' rights criteria, which is described in the next section.

Pillar Two: Portfolio Screening and Benchmarking



Screening is the process of portfolio formation and evaluation by which firms are eliminated or chosen by the nature of their business activities. As reviewed in the previous section, selling shares for some investors is a last option and a show of protest in the wake of a failed corporate engagement dialogue. This is also referred to as a divestment action. For years, divestment actions and screening also have been used to scrub portfolios of investments in companies in particular industries considered to be harmful to human health, such as tobacco, or in companies doing business in particular countries blamed for human rights abuses, such as Sudan.

However, socially responsible investors have become increasingly sophisticated in how they use this tool. For example, some score companies' environmental, social and governance (sustainability or "ESG") performances and then weight holdings of these companies in their portfolios based on these scores. Still others use a hybrid approach, screening some companies because of their industry or country ties and adjusting holdings in other companies based on their rated sustainability performance.

- **NEGATIVE SCREENING:** For years, socially responsible investors have avoided investing in firms involved in particular industries or doing business in certain countries. Early screens, for example, addressed stocks related to human health issues such as tobacco and alcohol. Many SRI investors also have sought to eliminate defense companies from portfolios, especially those involved in the making of nuclear weapons, cluster bombs and landmines. Many SRI firms divested of companies doing business in then-apartheid South Africa during the 1980s and today refuse to hold shares in firms doing business in Sudan due to the Sudanese government's complicity in genocide and the ongoing humanitarian crisis there.
- **POSITIVE SCREENING, BENCHMARKING AND BEST-IN-CLASS APPROACHES:** As the SRI industry has evolved, funds also have begun to benchmark corporate performance in creating investment strategies. These "positive" screens can incorporate qualitative evaluations of corporate policies and reporting on board practices, executive pay, ethics, labor and human rights, employee recruitment and retention, and the environment. They can also include quantitative indicators such as a company's carbon footprint or greenhouse gas emission per dollar of revenue generated over time. SRI firms use these evaluations to develop scores for companies that are then viewed alongside financial analysis and other pertinent investor data to make investment decisions. In developing scoring systems, some look at all companies, regardless of size or industry, and pick the best overall sustainability performers, while others select the best performers by size and/or industry, also known as a "best-in-class" approach.

Several firms issue indexes based on these strategies, including:

- Dow Jones (Dow Jones Sustainability Index, www.sustainability-index.com);
- FTSE4Good (managed by FTSE and powered by research from EIRIS, http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp); and
- RiskMetrics group (KLD 400 and other social indexes offered in partnership with FTSE, www.riskmetrics.com).

These can be licensed by fund management companies so that they can offer mutual fund products based on the index's weightings.

Many firms implementing SRI policies use a mix of all of these approaches. Research firms offer products and support services to investors looking to create their own custom portfolios and approaches, including:

- Asset 4 (www.asset4.com, now owned by Thomson Reuters);
- EIRIS (www.eiris.org);
- IW Financial (www.iwfinancial.com);
- RiskMetrics Group (www.riskmetrics.com); and
- Trucost (www.trucost.com).

The wide range of corporate environmental, social and governance information available today provides investors with many options. (As part of its investment policy, Calvert Investments employs criteria on indigenous peoples' rights, which is described on the next page.)

If your organization is simply shopping for a fund instead of trying to manage a portfolio independently, SIF's website provides information on SRI mutual fund performance. In addition to financial performance information, the site also describes each fund's approaches to shareholder advocacy, portfolio screening and benchmarking and provides practical information, such as each fund's minimum balance, profile and links to key documents, such as the fund prospectus. All of this information is available to the public at: <http://www.socialinvest.org/resources/mfpc/>.



TREAT THE EARTH WELL:
IT WAS NOT GIVEN TO YOU BY
YOUR PARENTS,
IT WAS LOANED TO YOU
BY YOUR CHILDREN.
WE DO NOT INHERIT THE EARTH
FROM OUR ANCESTORS,
WE BORROW IT FROM
OUR CHILDREN.

—ANCIENT AMERICAN INDIAN PROVERB

Calvert Investments' Indigenous Peoples' Rights Criteria

Calvert Investments, a family of sustainable and socially responsible mutual funds, became the first U.S. investment firm to articulate formal criteria explicitly addressing indigenous peoples' rights in 1999. In unveiling its policy, Calvert expressed concerns that "over the years, the basic rights and fundamental freedoms of Indigenous Peoples continue to be violated. They are experiencing ongoing oppression and social and economic injustice on a massive scale." As indigenous peoples often "live in areas containing the world's last untapped natural resources," Calvert said, their communities are increasingly under assault by global corporations.

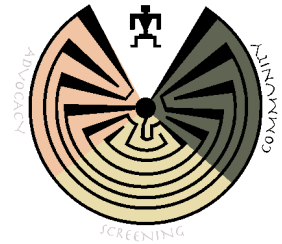
To address this crisis, Calvert's Indigenous Peoples' Rights Policy prohibits investing in companies that "engage in egregious practices toward Indigenous Peoples," as well as threaten their rights of sovereignty, land and control of natural resources. Calvert also urges companies to:

- "Respect land, sovereignty, and natural resources rights or traditional homelands of indigenous communities."
- Hold ongoing consultations and meetings with indigenous communities and their leaders.
- "Provide equitable compensation to indigenous peoples in exchange for any property, including intellectual property like indigenous knowledge of natural resources."
- Respect cultural heritage, sacred sites and indigenous peoples' rights to self govern.
- "Respect self determination and secure free prior and informed consent in any transaction."
- Refrain from using offensive images of indigenous peoples in advertising and marketing, especially those that perpetuate stereotypes and racism.

Calvert's developed its Indigenous Peoples' Rights Criteria with counsel from Calvert Social Funds board member Rebecca Adamson, a Cherokee, former president of First Nations Development Institute and now head of First Peoples Worldwide. Other representatives from organizations recognized for American Indian economic development and advocacy also provided input.

In implementing its screen over the years, Calvert has filed shareholder resolutions, opened corporate dialogues and, at times, divested, as described earlier in the summaries of corporate engagement with Calpine, Liz Claiborne and Weyerhaeuser. For more information, go to <http://www.calvert.com>.

Pillar Three: Community Investing



Community investing is also known as alternative, community development, direct, economically targeted, program related, mission, project and targeted investing. Community investing includes making:

- Deposits in community development banks and credit unions;
- Loans to community development funds;
- Investments in community development venture capital funds; and
- Private equity directly available to local businesses.

As of 2007, community investing was the fastest growing component of socially responsible investing. As reported by the Social Investment Forum in its *2007 Report on Socially Responsible Investing Trends in the United States*, assets in community investing institutions rose nearly 32 percent from \$19.6 billion in 2005 to \$25.8 billion in 2007. The field also continues to expand in terms of the number and diversity of community investing products and services available to U.S. investors.

Furthermore, community investing offers market rate returns and government insured options, making them appropriate for a wide range of fiduciaries. For example, deposits in a community bank with significant engagement with low and moderate income communities are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC), just like any other FDIC-insured bank account, making them an equally safe alternative. In addition, the Certificate of Deposit Account Registry Service (CDARS) program enables institutions to make up to \$50 million in FDIC-insured deposits in community development financial institutions (CDFIs) certified by the U.S. Department of the Treasury.

CDFIs provide capital, training and technical assistance to communities that are often underserved by traditional lenders, and affordable housing, small and minority-owned businesses and community facilities are often the beneficiaries of CDFIs. In 1994, the U.S. Department of the Treasury created the CDFI Fund (www.cdfifund.gov) pursuant to the Riegle Community Development and Regulatory Improvement Act of 1994. The CDFI Fund was created to promote economic revitalization and community development through investment in and assistance to CDFIs, and CDFIs attaining certification have access to assistance through the CDFI Fund. There are over 800 certified CDFIs in the United States, and they operate in every state and the District of Columbia, serving both rural and urban communities. Since its creation, the CDFI Fund has awarded \$1.11 billion to community development organizations and financial institutions. The U.S. Treasury Department also operates the Native American CDFI Assistance Program, which is designed to help American Indian, Native Hawaiian and Alaska Native populations in the United States overcome barriers to access to credit, capital and other financial services in their communities. Specifically, the program offers a complimentary series of training programs that, according to the Treasury Department, “seek to foster the development of new Native CDFIs, strengthen the operational capacity of existing Native CDFIs and guide Native CDFIs in the creation of important financial education and asset building programs for their respective communities.”

As of Dec. 31, 2009, there were 54 certified Native CDFIs, up 17 percent from 46 a year earlier. To be certified as a Native CDFI by the U.S. Department of the Treasury’s program, a CDFI must meet the CDFI eligibility requirements and direct more than 50 percent of its activities to native communities and/or native persons. Native CDFIs are one of the most effective tools for stimulating Native economies. They create local entrepreneurs, homeowners and tribal businesses as well as develop the infrastructure and knowledge that lead to solid and culturally appropriate governance, legal systems, commercial practices and community-focused financial management. (A full list of certified Native CDFIs appears on page 24.)

In addition, investors have many other options in community investing across a broad range of asset classes and risk profiles. They can designate part of their portfolio for community development credit unions, banks, loan funds and other emerging investment vehicles that make loans to people and enterprises in under-served, low-income communities. Other options include venture capital funds, direct lending and equity placements.

American Indian groups find community investing to be particularly valuable in addressing deficient infrastructure, inadequate housing and poverty in their communities. Furthermore, trustees of Native funds can shape the development that happens in their communities through investments in these types of institutions. Many American Indian tribes, as illustrated in the example of the Lakota Funds' experience on the next page, have used community investing to build strong small businesses owned by tribal members and operated on Native lands. Such businesses often offer products and services formerly only available from businesses controlled by non-Natives. These small businesses generate much-needed income and jobs in formerly impoverished Native areas.

As with other investment options described in this guide, it is important for fiduciaries to thoroughly review community investments and options with their consultants and advisors. As with investing in SRI funds, it also is critical to review the environmental and social objectives of the community investing vehicles you consider. The Social Investment Forum encourages all investors to invest at least 1 percent of their holdings in community investments, as part of its "1 Percent or More in Community" campaign. However, depending on the types of community investments, the composition of the rest of your organization's assets and your organization's investment goals, higher percentages are possible. In addition, there are a wide range of community development investment products at Native-owned community development banks, credit unions and other financial institutions.

The Lakota Funds and Community Investing

Established in 1987, the Lakota Funds (<http://www.lakotafunds.org>) serve the Oglala Lakota Oyate people living on the Pine Ridge Reservation in Shannon County, South Dakota, which was ranked the poorest county in the United States at the time of the funds' launch. In a rural area, Pine Ridge's citizens had difficulty establishing any credit history that would help them gain financial assistance from local banks and lending institutions. Elsie Meeks, Gerald Sherman and Birgil Kills Straight, along with the support of the Oglala Community College and the First Nations Development Institute, worked to construct a community development institution that would be run by the Oglala Lakota Oyate people and provide business loans, technical assistance and other services to the community. The Lakota Funds became a certified Native CDFI in 1993. Their mission is to provide "culturally appropriate strategies including business loans, technical assistance, and targeted community and business development."

In 2005, the Oneida Tribe of Wisconsin Trust Committee approved a three-year loan to the Lakota Fund, marking the first intertribal loan in history. Upon successful completion of the three year loan, the Trust Committee renewed the loan for another three years. In addition, Trillium Asset Management (<http://www.trilliuminvest.com>) and other SRI firms have also made investments in the Lakota Funds on behalf of their clients. Trillium made its first investment in the funds in 1994 and continues to make investments of at least \$5,000 per client for a term of at least two years. Individuals can invest directly in the Lakota Funds through its Thousand Arrows Campaign (<http://www.lakotafunds.org/1000arrow.html>).

Today, there are more than 300 Native-owned businesses in Pine Ridge, up from two when the community fund was launched. Since its inception, the Lakota Funds have loaned more than \$4.7 million dollars to more than 350 small businesses. In the first six months of 2009 alone, the funds loaned more than \$420,000 to 16 businesses.

On top of providing training and capital to commercial ventures, the fund has helped create a local chamber of commerce, the Wawókiye Business Institute and the Lakota Trade Center, to facilitate networking and commerce among local small businesses. Most important to note, Shannon County, South Dakota, has risen above 43 other counties in the United States and no longer has the distinction of being the poorest in the nation.

The 54 Certified Native Community Development Financial Institutions

Adair County Indian Credit Association, Stilwell, OK
Affiliated Tribes of Northwest Indians, Dallas, OR
Alaska Growth Capital BIDCO, Inc., Anchorage, AK
American Indian Economic Development, St. Paul, MN
Arizona Tribal CDFI, Phoenix, AZ
Bank of Cherokee County, Inc., Tahlequah, OK
Cherokee Nation Economic Development, Tahlequah, OK
Chickasaw Nation Community Development, Ada, OK
Choctaw Federal Credit Union, Choctaw, MS
Choctaw Home Finance Corporation, Hugo, OK
Citizen Potawatomi Community, Shawnee, OK
Community Development Bank, FSB, Ogema, MN
Community Development Financial, Sells, AZ
Cook Inlet Lending Center, Inc., Anchorage, AK
First American Capital Corporation, West Allis, WI
First Hawaiian Homes Federal Credit Union, Hoolehua, HI
First National Bank, Davis, OK
First Nations Oweesta Corporation, Rapid City, SD
Fort Gibson State Bank, Fort Gibson, OK
Four Bands Community Fund, Inc., Eagle Butte, SD
Four Directions Development Corporation, Orono, ME
Haa Yakaawu Financial Institution, Juneau, AK
Hoopa Development Fund, Hoopa, CA
Hopi Credit Association, Keams Canyon, AZ
Karuk Community Loan Fund, Inc., Happy Camp, CA
Keweenaw Bay Ojibwa Housing and Community Development Corporation, Baraga, MI
Kulia Ohana Federal Credit Union, Wailuku, HI
Lac Courte Oreilles Federal Credit Union, Hayward, WI
The Lakota Fund, Kyle, SD
Lokahi Pacific, Wailuku, HI
Lower Brule Community Development, Lower Brule, SD
Lumbee Revitalization & Community, Pembroke, NC
Lummi Community Development Financial, Bellingham, WA
Mazaska Owecaso Otipi Financial, Inc, Pine Ridge, SD
Minnesota Chippewa Tribe Finance, Cass Lake, MN
Molokai Community Federal Credit Union, Kaunakakai, HI
Montana Homeownership Network, Great Falls, MT
Native American Bancorporation, Co., Denver, CO
Native American Bank, N.A., Denver, CO
Native American Development Corporation, Billings, MT
Native Community Finance, Laguna, NM
Navajo Partnership for Housing, Inc., Gallup, NM
Niijii Small Business Loan Fund, Inc., Keshena, WI
North Shores Loan Fund, Inc., Harbor Springs, MI
Osage Financial Resources, Pawhuska, OK
Rural Alaska Investment and Finance, Anchorage, AK
Salt River Financial Services Institution, Scottsdale, AZ
Sisseton Co-op Federal Credit Union, Sisseton, SD
Sovereign Leasing & Financing, Inc., Ronan, MT
The Sequoyah Fund, Inc., Cherokee, NC
White Earth Investment Initiative, Ogema, MN
Wind River Development Fund, Fort Washakie, WY
Wolf Point Federal Credit Union, Wolf Point, MT
Yurok Alliance for Northern California, Crescent City, CA

Source: CDFI Fund, U.S. Treasury Department (as of Dec. 31, 2009)

Chapter Three: SRI and the Role of the Investment Fiduciary

This chapter is intended to define a fiduciary standard of excellence for persons responsible for managing American Indians' assets. Specifically, we will focus on how socially responsible investing (SRI) can be successfully incorporated into a fiduciary's decision-making process.

To begin it is important that we define who may be considered a fiduciary, and the responsibilities associated with the fiduciary's role. A fiduciary is defined as:

One, such as an agent of a principal or a company director, that stands in a special relation of trust, confidence, or responsibility in certain obligations to others.

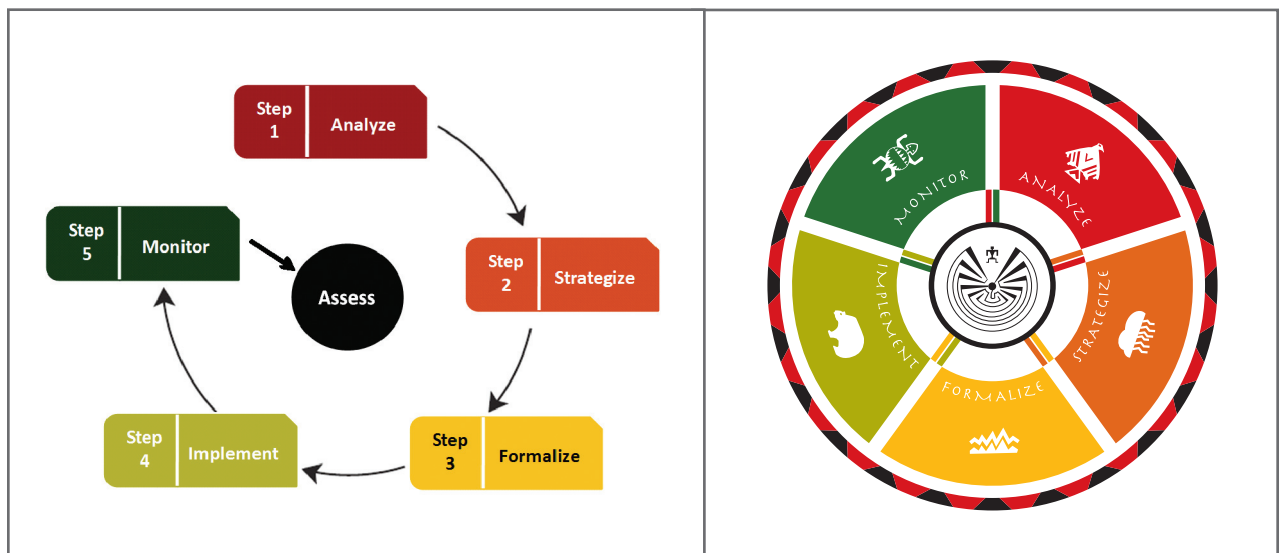
—*The American Heritage Dictionary of the English Language, Fourth Edition, (2009)*

In the United States, more than eight million men and women serve as investment fiduciaries overseeing the management of qualified retirement plans, foundations, endowments and personal trusts. In the case of the assets of American Indian tribes, the sovereign nature of each tribe, and the various types of portfolios being managed—elder funds, minors trust fund accounts and economic development funds, to name a few—makes the question of fiduciary status a bit more complex.

This chapter will define a prudent decision-making process that can be used by anyone managing an investment portfolio, including the portfolio of an individual investor. In sum, a fiduciary is required to:

1. Define goals and objectives;
2. Diversify portfolio assets with regards to a specific risk-return profile;
3. Prepare a written investment policy and document the process used to manage investment decisions;
4. Use prudent experts, including professional money managers and service providers, to implement the investment policy; and
5. Monitor the activities of hired prudent experts.

From these fiduciary requirements, we define a five-step decision-making process, which is outlined in the diagrams below:



The Management of Investment Decisions

Superior investment returns are the result of developing a prudent process or strategy, and then sticking with it. Only by following a structured process can it be certain that all critical components of an investment strategy are being properly implemented.

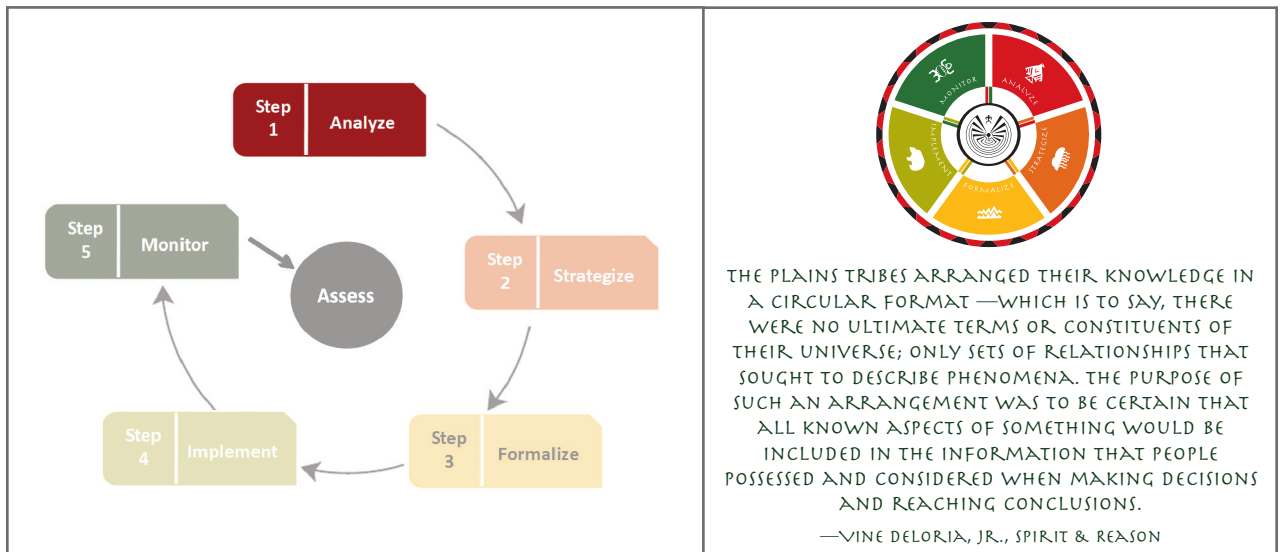
The role of the investment fiduciary (or investor) is to maximize the benefit to be gained from the process—that is to maximize the likelihood of the SRI goals and objectives being achieved while at the same time demonstrating that the fiduciary responsibilities are fulfilled. It will be those decisions made as the manager of the investment process that will have the greatest impact on investment success.

This chapter will describe a decision-making process that provides clear guidance using practical, readily identifiable and easily adaptable steps. The process is virtually the same for all types of portfolios, regardless of asset size or intended use. While the process discussed will not guarantee investment success, it will significantly increase the odds of building and structuring an investment portfolio that will withstand the test of private and public scrutiny. It is written for those whose role as a trustee and fiduciary is a form of public service, and whose responsibility it is to be procedurally cautious in the management of investment decisions.

There are numerous objectives associated with a defined fiduciary process. A thoughtful process:

- Provides the framework for simple decision-making, a key success factor when operating in a complex and dynamic environment.
- Forms the basis for standards, prudent practices and procedures, including those associated with SRI strategies, that drive performance improvements.
- Guides consistent decision-making across all parties, which facilitates delegation to staff and service providers.
- Aids in benchmarking performance, prioritizing work and measuring progress.
- Helps to uncover procedural and behavioral risks.

Step One—Analyze



Identify Goals and Objectives

The investment management process begins with a thorough understanding of the current situation and future requirements of the assets being managed, particularly the identification of SRI goals and objectives. Investment decisions should never be managed in isolation. All factors that might have a bearing on investment decisions should be identified, analyzed and integrated into the process. It is essential to identify and communicate clear, concise SRI values, priorities and direction so that everyone involved in the management of investment decisions understands how they are to function and can contribute. In turn, once defined, the fiduciary’s role is to ensure that SRI objectives are nurtured, monitored and honored. For SRI goals and objectives, this can include integrating environmental, social and governance factors, as decided by the tribe or organization, into proxy voting guidelines, a portfolio screening process or community investments.

To implement the process, it is necessary to obtain a complete understanding of the current financial position; legal and regulatory constraints, such as the sovereign status of the American Indian tribe or nation; the terms for contracted service providers and professional advisors; and investment risk-return profile.

Begin by collecting, reviewing and analyzing all of the documents pertaining to the management of the portfolio:

- Investment policy statements (IPS), which are described in more detail in step three;
- Applicable trust documents, including amendments;
- Custodial and brokerage statements, including fees and expenses for investment management services;
- Service agreements with investment management vendors, including custodians, money managers, investment consultants, actuaries, accountants or attorneys;
- Information on retained money managers, such as a prospectus or similar documents; and
- Any other files pertaining to the management of the portfolio.

For American Indian assets, the following information also should be collected and analyzed:

- The source of the tribe's or organization's funds and intent for the funds;
- Information about the tribe's values, culture, norms and strategic vision;
- Descriptions of the tribe's history, people and demographics; and
- Constitutions, policy and procedures manuals, corporate minutes, by-laws and any other files pertaining to the management of tribal assets.

Define Roles and Responsibilities of Decision-makers

Particular attention should be paid to documents that identify trustees and fiduciaries, restrict or prohibit certain asset classes or allow for investment decisions to be delegated.

The investment fiduciary plays the most critical role in the decision-making process as the manager of the process. However, this individual will also have to determine what roles and responsibilities other fiduciaries (legal professionals, fund managers and trustees) will play. For each person, responsibilities will have to be clearly understood and, when applicable, ensure that they are cognizant that they are serving in a fiduciary capacity.

The parties that might be involved include:

- Trustees (usually deemed to be fiduciaries);
- Investment committee members (usually deemed to be fiduciaries, but check for the existence of by-laws that will normally specify whether the committee member is a fiduciary);
- Money managers (usually deemed to be fiduciaries, but confirm fiduciary acknowledgement in the manager's services agreement);
- Investment consultants (usually deemed to be fiduciaries, but confirm fiduciary acknowledgement in the manager's services agreement);
- Custodian (usually deemed to be a fiduciary); and
- Accountants and attorneys (ordinarily, not fiduciaries).

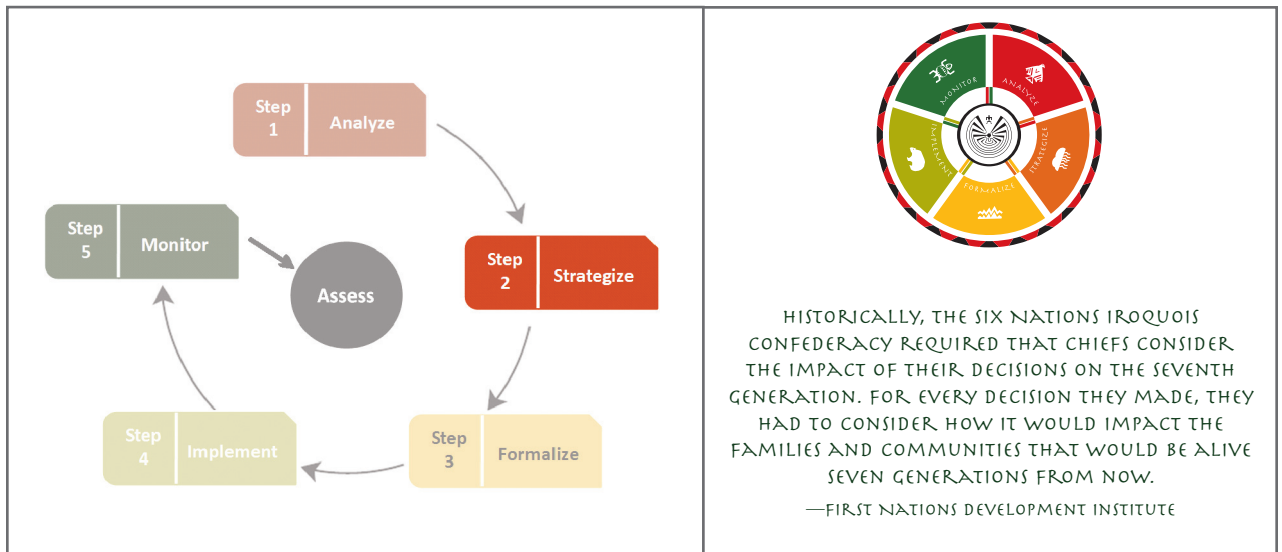
To ensure that all parties involved in the decision-making process are in sync, each party's role and responsibilities should be communicated in writing, either by a services agreement or in the investment policy statement, as outlined in step three.

Brief Decision-makers of Standards, Policies and Procedures

It is essential to determine the legal character or ownership of the investable assets, which reveals quite a bit about what is and is not permissible or appropriate among potential asset classes or SRI strategies. In fact, we strongly recommend that trustees discuss this with legal counsel. The type of portfolio may have profound implications on how it is managed:

- Trustees of retirement plans are required to demonstrate their procedural prudence—that they are following generally accepted investment theory. The appropriate consideration and inclusion of SRI principles is recognized as an important element of a sound, long-term investment strategy and should be included as part of this discussion.
- Foundations, endowments, and health and welfare funds are in danger of breaching their fiduciary duties if they don't develop an investment strategy aligned with their mission. SRI strategies can be particularly useful to these types of funds.
- Trustees of personal and charitable trusts also might violate their fiduciary duties if trust documents specify the inclusion of SRI, and such direction is not taken into consideration.

Step Two—Strategize



This step identifies the inputs that will be used to develop the specific investment strategy for the portfolio. To make it easier to remember the inputs, this section uses the acronym “RATE”:

- R** Risk tolerances
- A** Asset class preferences
- T** Time horizons associated with the investment strategy
- E** Expected outcomes—modeled performance returns

Risk

The analysis of risk is often the first topic of concern among fiduciaries. Risk can never be completely avoided, but it can be managed through proper implementation of this decision-making process. The term “risk” has different connotations, depending on the fiduciary’s frame of reference, circumstances, and objectives. Typically, the investment industry defines risk in terms of statistical measures such as standard deviation. However, these statistical measures may fail to adequately communicate the potential negative consequences an investment strategy can have on the fiduciary’s ability to meet objectives—particularly those relating to SRI goals and objectives.

The development of a risk checklist is recommended to assist in prudently managing relevant risk factors and could include:

- Sustainability risk—fiduciaries and hired money managers fail to factor the risks associated with investing in companies with a history of not having responsible corporate practices towards employees, consumers, communities and the environment.
- Liquidity risk—lacking cash when obligations come due. The best SRI strategy can be undercut if the fiduciary has not anticipated the timing of cash calls (the need to have cash available in the portfolio);
- Asset allocation risk—the selected asset mix (allocation between stocks and bonds) has a low probability of producing required performance results.
- Boardroom risk—the investment committee has shown evidence that it might not have the wherewithal to ride out short-term volatility in favor of an appropriate long-term strategy.
- Purchasing power risk—adopting an asset allocation that will not keep pace with inflation.
- Lost opportunity risk—the right strategy is developed but not implemented: “Yes, I know I should have a larger allocation in equities, but now is not a good time to buy.”
- Funding risk—sponsoring organizations can no longer make contributions, or a source of income (such as casino revenue) might not be available in the future.

Asset Class Preferences

As the investment fiduciary, the duty is to decide which asset classes, including stocks and bonds and other assets, optimally allocated, will produce the greatest probability of achieving the stated goals and objectives. Fortunately, the tremendous growth of the SRI industry means that most broad asset classes can be effectively and efficiently implemented with SRI products and strategies.

As with risk, an asset allocation discussion can have different connotations depending on the fiduciary's frame of reference and preferences. For example, a fiduciary could have high confidence in the stability of a fixed income strategy simply because it is labeled as a "bond portfolio." However, this comfort might be misplaced. Consider that fixed income investors lost nearly all of the money invested in bond portfolios largely consisting of perceived "safe" securities backed with subprime mortgages.

Some common mistakes fiduciaries make when developing an asset strategy include:

- Under-allocating, defined as making an allocation to an asset class of less than 5 percent. Making too small of an allocation rarely makes good sense, because it probably will not materially change the portfolio's risk-return profile and will be costly, both in terms of implementation and monitoring.
- Making an allocation to an asset that cannot be properly implemented or monitored. The classic example is an allocation to hedge funds. Because of the lack of transparency and the complexity of financial instruments employed, the typical fiduciary cannot employ the same level of due diligence as could be applied to selecting a mutual fund or a separate account manager. A good rule of thumb to follow: If you lack the time, risk tolerance, inclination or knowledge to conduct appropriate due diligence—be it of an asset class or an investment manager—steer clear of the strategy or the manager.

Time Horizon

One of the critical roles an investment fiduciary plays is to help ensure that there is sufficient liquidity to meet financial obligations when they come due. As a best practice, an investment fiduciary should prepare a cash flow statement that shows anticipated portfolio contributions and disbursements for at least five years.

Such a cash flow analysis is essential to determining the portfolio's investment time horizon—the point in the future when more money is flowing out than coming in from contributions and portfolio growth. The identification of the investment time horizon is often the key variable in determining the allocation between equity and fixed income. As a general rule, time horizons of less than five years should be implemented with cash and fixed income, and time horizons of greater than five years should be allocated across a broad range of asset classes. Even with a very high tolerance for risk, one should not invest in equities if the money is required in the next year.

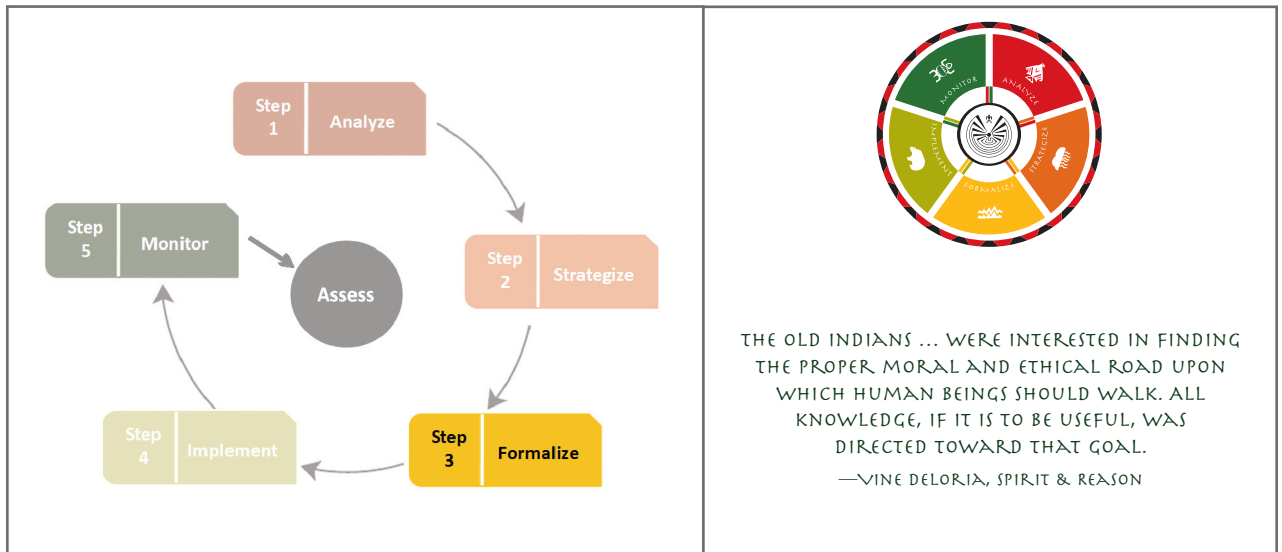
For example, many universities that had allocations greater than 25 percent to alternative investments, private equity and hedge funds were forced to sell these assets at deep discounts and depressed prices during the recent economic meltdown to raise cash to meet their obligations.

Expected Outcomes

A fiduciary is not expected to be able to predict future returns or events. Rather, a fiduciary needs to be able to demonstrate that the investment strategy is based on thoughtful and realistic performance forecasts. Expected outcomes differ from the goals and objectives identified in step one in that they represent quantifiable results expected to be achieved over a shorter, specified time horizon.

As an example, an expected outcome might be to produce a total rate of return that exceeds the rate of inflation by a certain amount. If a fiduciary anticipates that the rate of inflation is going to be 3 percent for the next five years and wants to achieve a return of 4 percent over inflation, then their performance objective would be 7 percent.

Step Three—Formalize



This next step reviews developing an investment strategy that:

- Represents the greatest probability of achieving stated SRI goals and objectives;
- Is consistent with a portfolio’s unique risk-return profile (inputs from step two); and,
- Is in line with implementation and monitoring constraints.

The greatest risk in the development of an investment strategy is omitting a critical component. This is why a defined decision-making process, such as the one provided in this chapter, is so critical.

A fiduciary demonstrates prudence by the process through which investment decisions are managed. It is the ways in which strategies are used, and how decisions as to their use are made, that need to be examined to determine whether the prudence test has been passed. Even the most aggressive and unconventional investment can meet the standard if arrived at through a sound process, while the most conservative and traditional one may not measure up if a sound process is lacking.

A crucial element to this step, and the overall investment process, is the development and ongoing maintenance of the investment policy statement (IPS). The IPS should be viewed as the business plan and the essential management tool for directing and communicating the activities of the investment strategy. It should be a formal, long-range, strategic plan that allows the fiduciary to coordinate the management of the investment strategy within a logical and consistent framework.

All material investment facts, assumptions and opinions should be included in an IPS, particularly those that relate to the SRI goals and objectives, because it is the primary instrument by which SRI goals and objectives are communicated. Therefore, it is critical that the individual or team preparing the IPS is knowledgeable about environmental, social and corporate governance criteria and can speak to how these factors will be implemented. An IPS should be developed with the understanding that it will be implemented in a complex and dynamic financial environment. The IPS will produce the greatest benefits during periods of adverse market performance, as it acts as a stabilizer and guidepost and makes it far less tempting to depart from sound programs on a whim or in panic. Its mere existence forces fiduciaries to pause and consider the external and internal circumstances that prompted the development of the IPS before changing course.

There are several reasons why the IPS is so critical:

- The IPS is the essential document that auditors, regulators and the courts will review to help determine whether investments are being prudently managed.
- For the investment committee, particularly one with a high turnover of members, the IPS ensures continuity of the investment strategy, including SRI components, and keeps future members from second guessing the actions of the original members.
- The IPS provides a paper trail of policies, practices and procedures for investment decisions. The document can serve as critical evidence used in the defenses against litigation or accusations of imprudence.
- The IPS provides a baseline from which to monitor investment performance of the overall portfolio, as well as the performance of the investment advisor and of money managers.
- It instructs those empowered to vote proxies on how to vote them in the beneficiaries' best interests.

The IPS should combine elements of planning and philosophy and should address all five steps of the investment management process discussed in this guide. A suggested outline for the IPS appears below.

Suggested Outline for an Investment Policy Statement (IPS)

EXECUTIVE SUMMARY

SECTION I: STATEMENT OF GOALS AND OBJECTIVES

Background

Purpose

Objectives, including SRI approaches to shareholder advocacy, portfolio screening and community investing, to be incorporated in the investment strategy.

Roles and Responsibilities of Decision-makers

SECTION II: INPUTS USED TO DEVELOP THE INVESTMENT STRATEGY

Risk Tolerances

Asset Class Preferences

Time Horizons

Expected Outcomes

SECTION III: IMPLEMENTING THE INVESTMENT STRATEGY

Selection Criteria for Money Managers

SECTION IV: MONITORING THE INVESTMENT STRATEGY

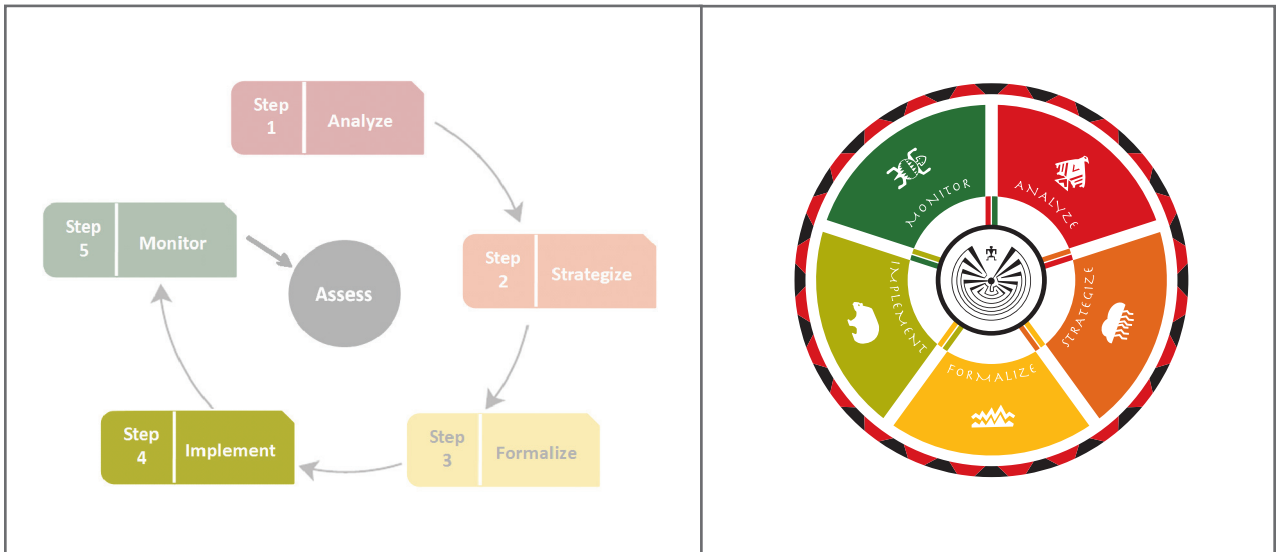
Performance Criteria

Rebalancing the Portfolio

Monitoring of Fees and Expenses

Review of the IPS

Step Four—Implement



Suggested Due Diligence Process for Selecting SRI Money Managers

Manager Tenure	The portfolio team should have at least a two-year record of working together.
Depth	The manager should have experience in managing SRI mandates and demonstrate that they take into consideration ESG criteria when building an investment portfolio. The manager should have a separate performance record for SRI portfolios to demonstrate knowledge, experience and skills in this area.
Fee Structure	Fees and expenses should compare favorably to those of peers. There should not be additional fees for SRI over and above similar products.
Portfolio Characteristics	The manager should be able to demonstrate that an SRI strategy or style has been consistently applied, and that portfolio holdings are consistent with the stated SRI strategy or style.
Performance Consistency	Portfolio returns should be evaluated on a quarterly, one-, three-, and five-year basis and should be consistent in both rising and falling markets.
Relative Performance	Portfolio returns should be evaluated on a quarterly, one-, three-, and five-year basis and should be favorable in comparison to an appropriate SRI index and peer group.
Risk- Adjusted Performance	Risk-adjusted returns as measured by an investment statistic, such as Alpha—defined as the performance return which is in excess of the risk borne by the portfolio—should be favorable in comparison to those of peers.

This step continues with the decision-making process involved in implementing the investment strategy, most notably the development of due diligence criteria for selecting money managers. As a fiduciary, the primary function is to set the overall strategy, and the primary function of the money manager is to implement the SRI strategy and to maximize returns within the parameters defined by the IPS. The following is a due diligence process for selecting money managers for SRI mandates.

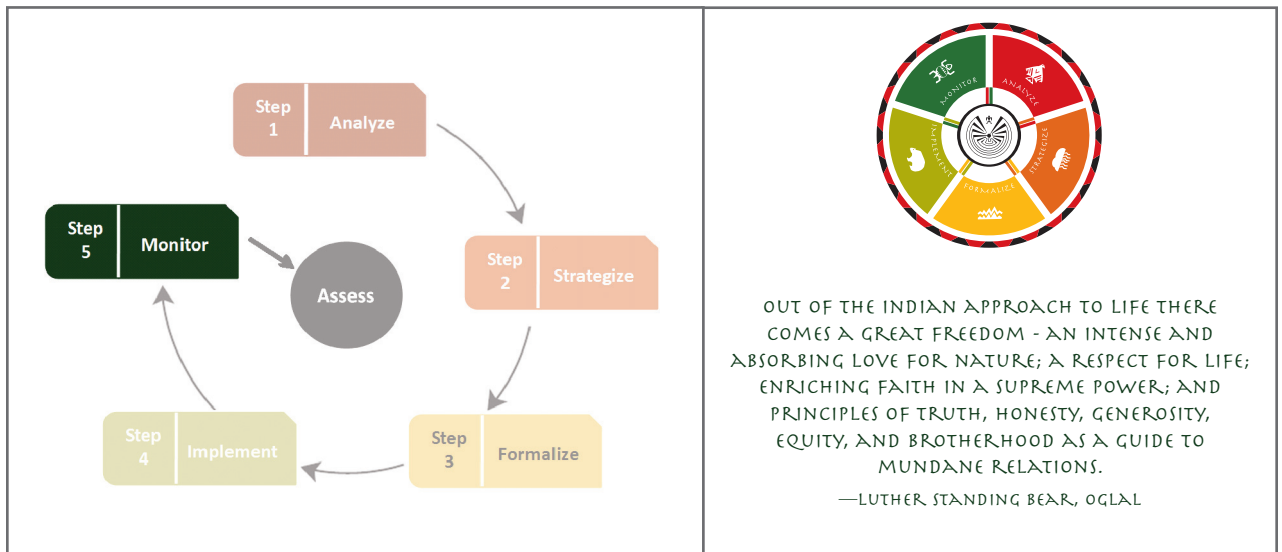
Separate Account Managers versus Mutual Funds

A portfolio's size may limit choice in working with a particular money manager. However, improved electronic protocol between managers, custodians and intermediaries has made it easier for managers to lower their account size minimums allowing better access to good managers on a separate account basis.

However, just meeting the minimum account size requirement for a particular manager doesn't mean that a separate account is the best alternative. It is important to look at other characteristics associated with separate accounts and mutual funds to make an informed choice. These are outlined below:

- **SRI DIRECTION:** A separately managed account affords the opportunity to give specific SRI direction to the manager, especially important when such direction includes screening criteria, proxy voting or community investing.
- **COSTS:** Mutual funds spread their costs across all shareholders—a good thing for a small investor in a mutual fund, but a potential detractor for a large investor. As larger sums of money are being invested with a particular fund, there will be a break even point where it will be less expensive to implement the strategy on a separate account basis rather than with a mutual fund.
- **FUND LIQUIDATIONS AND PURCHASES:** Mutual funds are disadvantaged in that the managers of these funds must also contend with purchases and liquidations within the fund. This can be a major problem in a down market when the investing herd tries to move out of a fund, forcing the manager to sell securities against the better judgment of the manager.
- **DIVERSIFICATION:** Generally speaking, mutual funds tend to be more diversified than separate account managers. For this reason, investors willing to accept more volatility may prefer a concentrated separately managed account.

Step Five—Monitor



Monitoring the resulting performance of selected money managers and evaluating the continuing viability of meeting SRI goals and objectives constitutes the final step of the investment management process. The monitoring function extends beyond a strict examination of performance. By definition, monitoring occurs across all policy and procedural issues and includes an analysis of not only what happened, but also why it occurred.

Monitoring should trigger the following periodic reviews:

QUARTERLY: A fiduciary should analyze:

1. The portfolio's asset allocation against the strategic asset allocation defined in the IPS to determine whether the portfolio should be rebalanced back to the strategic asset allocation. The discipline of rebalancing, in essence, controls risk and forces the portfolio to move along a predetermined path. Rebalancing limits should be set so they do not trigger continuous readjustment to the portfolio. A good practice is to maintain a collar of plus or minus 5 percent around the strategic asset allocation.
2. The money manager's performance against benchmarks established in the IPS, including a comparison of each manager's performance against an appropriate index and peer group.
3. The securities held in the portfolio, the proxy votes executed, engagement in other shareholder activities, and the community investments made to ensure that they are consistent with SRI mandates.

ANNUALLY: At least annually there should be a formal review of the IPS to determine whether the goals and objectives have changed and whether the investment strategy still holds the highest probability of meeting SRI goals and objectives.

The decision to terminate a manager should not be taken lightly, as there are several costs associated with changing managers. When poor performance becomes an issue, it is important to approach the evaluation process with the same rigor applied to conducting a due diligence process on the manager. Fiduciaries should ask, has:

- The manager violated SRI guidelines or mandates?
- There been a change to the portfolio team?
- The money manager encountered legal or regulatory problems?
- There been a change in the manager's strategy?

- There been a change in the asset allocation structure of the manager's portfolio (i.e. is the manager beginning to hold more cash)?
- The manager consistently dropped below the performance of an appropriate SRI index, or below the manager's peer group?
- Risk-adjusted performance, such as Alpha, dropped below the performance of an appropriate index, or below the manager's peer group?

Many fiduciaries try to devise a quantifiable way to determine when a manager should be terminated, such as a set number of quarters of failing to meet a benchmark. While a disciplined methodology is essential, the best approach is remarkably simple: *The fiduciary should fire a manager when she has lost confidence in the manager's ability to do the job.*

Control and Account for Investment Expenses

Fiduciaries have a responsibility to control and account for all investment-related expenses. Investment management costs and expenses can be broken down into four broad categories. Certain expenses can be obscured or moved from one category to another to create apparent savings, so it is important to consider costs across them:

1. Money manager fees and/or the annual expenses of mutual funds;
2. Trading costs for separately managed portfolios, including commission charges, also known as soft dollars, and execution expenses;
3. Custodial charges, including custodial fees, transaction charges and cash management fees; and
4. Consulting, record keeping, or administrative costs and fees.

An investment fiduciary should be able to identify every party that has been compensated from the portfolio's assets and to demonstrate that the compensation was fair and reasonable for the level of services provided.

In Summary

The intelligent and prudent management of investment decisions requires a rational, consistent investment process. The majority of SRI goals and objectives can be accomplished by implementing a simple decision-making process, such as the ones defined in this chapter. An investment fiduciary's effectiveness will be evaluated against a process standard: the ability of the fiduciary to demonstrate a prudent and logical process to manage SRI decisions. As a practical matter, a comprehensive framework is needed to ensure that an SRI strategy is fully and effectively addressed on an ongoing basis. Even for those not familiar with some of the investment terms used in this chapter, the five-step investment process and the previous chapter on SRI strategies offer a valuable roadmap to guide sustainable investment decisions in keeping with beneficiaries' values.

Key Takeaways and Next Steps

1) ALIGN YOUR INVESTMENT POLICY AND GOALS WITH YOUR PRINCIPLES AND PRIORITIES. Hold a discussion about how your tribe or organization's mission and values could be aligned with your investment policy. Bring in Elders and other community leaders to help frame the dialogue.

2) BECOME AN ACTIVE SHAREHOLDER. If your organization invests in stocks, be sure to have a proxy voting policy so that you can easily vote and weigh in on important corporate governance issues, such as electing directors to the board or approving executive pay packages, as well as social and environmental matters affecting the companies you own. When a company you hold in your portfolio is engaged in conduct that your organization opposes, write to the company as a shareholder and engage them in a dialogue. If you do not get a response, file a shareholder proposal at the company. You can even get other investors to co-file with you. This will put your issue before all other shareholders and give you a time to address them at the company's annual meeting. Investors are a key stakeholder group for publicly traded companies, so your organization's voice as a shareholder is important to them. There are resources to help you on the Social Investment Forum website: <http://www.socialinvest.org/projects/indigenous.cfm>.

3) INTEGRATE CORPORATE ENVIRONMENTAL AND SOCIAL FACTORS INTO YOUR INVESTMENT DECISIONS. You might find that investing in certain types of companies does not mesh with your organization's principles and priorities. In addition, socially responsible investors believe effective management of environmental, social and governance challenges and opportunities can contribute directly to a company's financial success. Whether you want to eliminate companies engaged in certain activities from your portfolio or pick the best corporate sustainability champions, many options exist. In addition, you can track the performance of SRI funds and check out their investment strategies, approaches to sustainability factors and proxy voting records at: <http://www.socialinvest.org/resources/mfpc/>.

4) BUILD COMMUNITIES. There are a wide range of community development investment products at Native-owned community development banks, credit unions, etc. Support intertribal development by growing your financial portfolio while investing in these Native financial institutions.

5) DESCRIBE ALL OF YOUR INVESTMENT GOALS AND OBJECTIVES. A formal investment policy is crucial to directing an investment committee and asset managers. The policy should clearly state your organization's investment goals and objectives, including approaches to socially responsible investing and any associated investment requirements.

6) CHOOSE THE RIGHT TEAM AND CLEARLY IDENTIFY ROLES. Take the time to build an investment committee with financial expertise, as well as with a blend of legal, social, environmental and corporate governance experience. Describe in detail the duties for everyone involved in your organization's investments, how the trustees will be held accountable and how advisors and others supporting your investment team fit into the investment process.

7) MONITOR RESULTS. All parties investing and managing assets on your organization's behalf need to be evaluated based on long term financial performance, but they also need to be assessed on their success in implementing your organization's socially responsible investment strategies.

8) ATTEND SEMINARS AND CONFERENCES. The financial industry has new investment products and training opportunities for learning about socially responsible investment issues relevant to American Indians. Take time to attend key events held by the Social Investment Forum, First Nations Development Institute, Native American Financial Officers Association (NAFOA), and The Opportunity Finance Network.



I DO NOT THINK THE MEASURE OF A CIVILIZATION
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BUT RATHER HOW WELL ITS PEOPLE HAVE LEARNED TO RELATE
TO THEIR ENVIRONMENT AND FELLOW MAN.

—SUN BEAR OF THE CHIPPEWA TRIBE

9) SPREAD THE WORD. Socially responsible and sustainable investors have learned that they do not have to sacrifice returns to invest in a manner supporting their mission and principles, but many more investors do not know about SRI. So, once your organization has implemented its socially responsible investing strategy, share your experiences with others.

10) JOIN THE SOCIAL INVESTMENT FORUM. Membership in the Social Investment Forum gives you opportunities to network with hundreds of other organizations and professionals involved in the socially responsible and sustainable investing industry, access to key industry related research, analysis and other information, ability to work with others on indigenous issues, and discounts on industry products and conferences. For more information on SIF membership, go to: <http://www.socialinvest.org/joinrenew/>.

Disclaimer: The information provided herein does not constitute investment advice. Please remember that investments are subject to market risk, including possible loss of principal. Consider the objectives, risks, charges and expenses of an investment carefully before investing. Past performance is no guarantee of future results.



The I'toi or "Man in the Maze" symbol used within this guide refers to the traditional history of the Tohono O'odham and Pima peoples in Arizona. I'toi, also known as Elder Brother, brought the ancestors of the people the Himdag, a set of commandments for living in balance with the world. The maze represents a map towards I'toi's cave at the base of the sacred Baboquivari Mountain. However, it is also meant to symbolize the journey taken during life, as each choice made will take the traveler in another direction.

Visit the Indigenous Peoples Working Group online at: www.socialinvest.org/projects/indigenous.cfm.