



Follow the (Responsible) Money Blog

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As my clients are well aware, I have been serving as a Wealth Advisor and Financial Planner for over 25 years (although that certainly makes me feel ancient!). My career began at a bank-owned firm, where I had the privilege of learning from seasoned pros who excelled at constructing portfolios using individual stocks and bonds. Our clients trusted our recommendations because they knew we conducted thorough research and considered all the pertinent financial metrics. Our goal was, and continues to be, to unearth investments that would not only preserve their precious nest eggs but also prevail over the long term. As the saying goes, “follow the money,” and armed with reliable research, long-term thinking, an understanding of how it applies to each client’s unique circumstances, and perhaps a sprinkle of good luck, portfolios would benefit over the long run.

This strategy has stood the test of time. However, in 2016, a realization struck me: investments have the potential to do more than merely generate financial returns for clients. Our world is inundated with distressing news, and a lot of it stems from those wielding money and power for their own selfish, short-term gains. Yet, through the research I conduct to uncover sound investment opportunities, I have become increasingly aware that numerous individuals, institutions, and companies are diligently working on solutions to address humanity’s most pressing challenges. Whether combatting climate change, pursuing social justice, or improving governance, there is wonderful work being done. Across the globe, considerable time, effort, and resources are being dedicated to tackling the world’s most formidable problems.

For example, in 2015, the United Nations established the 17 Sustainable Development Goals (SDGs) as part of a 15-year plan to “end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere.” Though these goals are aspirational and encompass a broad range of areas (such as Zero Hunger and Decent Work And Economic Growth), they provide a framework for businesses, governments, and all of us to consider as we strive for a more sustainable and equitable world. Tools are available to assess how closely a business aligns with one or more of the SDGs, effectively identifying its commitment as a responsible entity.

Of course, let’s be honest, we’re not investing to contribute to charity, right? The remarkable aspect of responsible investing is that it not only aligns with our moral compass, but it also can present wealth-enhancing opportunities in the long run.

While the concept of investing with an ethical mindset was once associated primarily with religious and higher-education endowment funds, the imperative to select investments that promote environmental sustainability, social responsibility, and good governance practices has now become mainstream. Even the Business Roundtable, an organization comprising some of the world’s largest companies (including Apple, Amazon, BlackRock, JPMorgan, Walmart, and others), made a monumental shift in 2019. They declared that the purpose of a corporation was no longer solely to cater to shareholders’ interests but rather to serve all stakeholders: customers, suppliers, employees, communities (including Indigenous populations), and the environment. This marked a significant departure from the previous shareholder-centric approach.

While not all innovative strategies are accessible to public investment at present, many are, and the best part is that some are already generating financial returns for investors or hold promising potential in the future. These are what we refer to as “responsible” investments—companies whose activities, products, and services extend beyond serving shareholders to benefit all of us.

Today, I make it my mission to identify, investigate, and present investment ideas that seek to address global challenges while simultaneously delivering profits to my clients. In 2016, only 10 per cent of investment advisors focused on this approach, and truthfully, I introduced the concept to more clients than those who sought me out for it. To deepen my knowledge, I am a member of the Responsible Investment Association of Canada, and pursued qualification as a Responsible Investment Specialist (RIS®) by completing their courses. I recently attended the RIA’s annual conference in Toronto, to stay abreast of the latest issues, developments, and opportunities.

In the seven years since my enlightenment regarding environmental, social, and governance (ESG) factors, so much has changed. At first, responsible investment was mostly about “negative screening”, that is, choosing to eliminate investments that profited mainly from things like tobacco, weapons, fossil fuels, and so on. Today, we have access to so much data that it is easier to “positive screen” for innovative and creative solutions for the challenges we face. While some individuals have chosen to politicize and weaponize the term, most recognize that responsible investing is fundamentally about risk reduction, embracing positive change, and prioritizing quality—while still generating profits.

Here are a few examples:

- Although climate-change deniers still exist, individuals, governments, and commercial enterprises continually face the consequences of our warming planet. Thankfully, the global efforts to transition to cleaner energy sources and promote sustainability have gained tremendous momentum. Innovations and cost reductions, such as in solar power, not only contribute to our planet's well-being but also yield positive financial outcomes.
- Social justice concerns, like ensuring equal pay and living wages for all, are being embraced as opportunities to foster more vibrant and resilient workplaces, ultimately leading to greater long-term profitability. Companies that value diversity and diverse talents will attract the best and brightest.
- Investors are actively engaging with corporations, demanding transparency, progress, and improvement in ESG matters. Companies failing to meet these expectations risk being excluded from portfolios or experiencing challenges in securing financing. As data and measurement of ESG factors continue to improve and become standardized, both large institutional investors and individual participants like you and me will have the tools to decide whether to maintain an investment or shift our resources elsewhere, based on our values.

With this blog, my plan is to regularly publish content centered around responsible investment themes and explore them through investment opportunities that we believe build wealth as well as a better world. Not every idea will suit every investor, as factors such as your specific situation and risk profile must be taken into account. Ultimately, I encourage you to reach out to me directly to determine whether an idea aligns with your particular circumstances.

We are living in truly exciting times—no, really! I am thrilled to have the opportunity to follow the path of responsible money, wherever it may lead us in the years to come. I sincerely hope you will join me on this remarkable journey.

(For more information on the UN Sustainable Development Goals, please visit: <https://www.un.org/sustainabledevelopment/development-agenda/>)



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