

# Women, Wealth & Impact

Sallie Krawcheck, Patricia Farrar-Rivas & Zachary Karabell

October 1, 2015



# Today's Speakers

---



## **Sallie Krawcheck**

*Chair, Ellevest*

Sallie L. Krawcheck is the Chair of Ellevest. Ellevest Network is the global professional woman's network, with 34,000 members from across industries and around the world. Ellevest Asset Management has partnered with Pax World on the Pax Ellevest Global Woman's Index Fund, the first broadly diversified mutual fund of its kind, investing in the 400-plus top-rated companies in the world in advancing women's leadership.

## **Patricia Farrar-Rivas**

*CEO, Veris*



Patricia Farrar-Rivas is a founding principal, and CEO of Veris Wealth Partners LLC. She has been providing sustainable and responsible investment advisory and wealth management services since 1992. Patricia is a member of the Veris/Investnet's Impact Investment Solutions team and a member of the Investnet Advisory Board. Veris Wealth Partners builds portfolios aligned with their client's values and impact themes. The firm has been at the forefront of designing portfolios with a gender lens, an impact theme of growing interest to their clients. Patricia was recently featured in a New York Times article, *With an Eye to Impact, Investing with a Gender Lens*. She is also a member of the Standards Council of SASB, the Sustainable Accounting Standards Board.

## **Zachary Karabell**

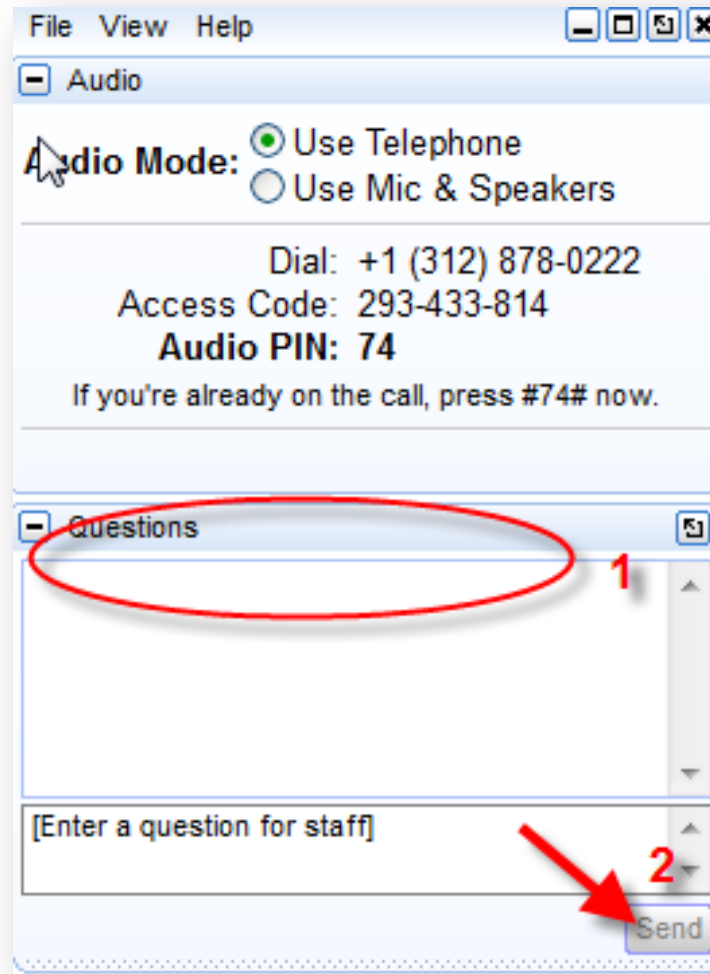
*Head of Global Strategy, Investnet*



As Head of Global Strategy, Mr. Karabell helps shape and communicate Investnet's investment perspective and deep research capabilities to clients and the media alike and advises the Investment Committee of Investnet | PMC in connection with PMC's portfolio solutions.

# How to Ask a Question

## GoToWebinar



# Women, Wealth & Impact

## Special Webinar

---

- For any technical difficulties, please contact:
  - Madeline Smith: [madeline.smith@envestnet.com](mailto:madeline.smith@envestnet.com)
- Listen-only mode
- Q&A at the end

# Introduction

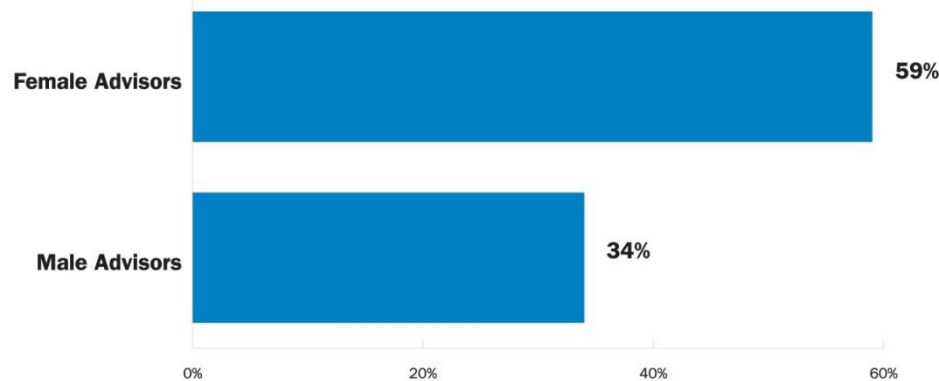
# Women, Wealth, and Impact

## Marked distinctions within generations and demographics

More interest and engagement among:

- **Millennials** and younger financial advisors (vs. those over 40)
- **Women** and female financial advisors (vs. men)
- **European investors** (vs. U.S. investors)<sup>1</sup>

**Figure 1:** Interest in recommending investments that seek to provide financial returns and environmental and social benefits<sup>2</sup>



Take-away: With women and Millennials more favorable to impact investing, advisors looking to build their business may want to take that into consideration.

# Women, Wealth, and Impact

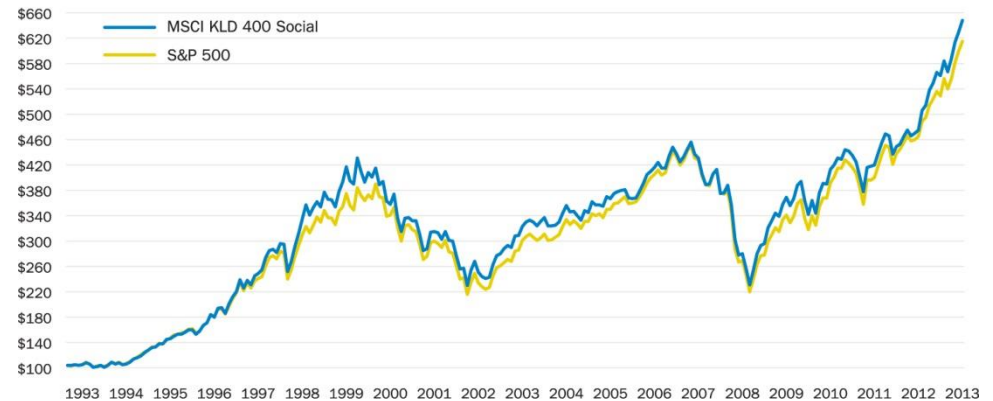
## Impactful returns

Research in the past few years has shown that impact portfolios perform much in line with the overall investing universe.

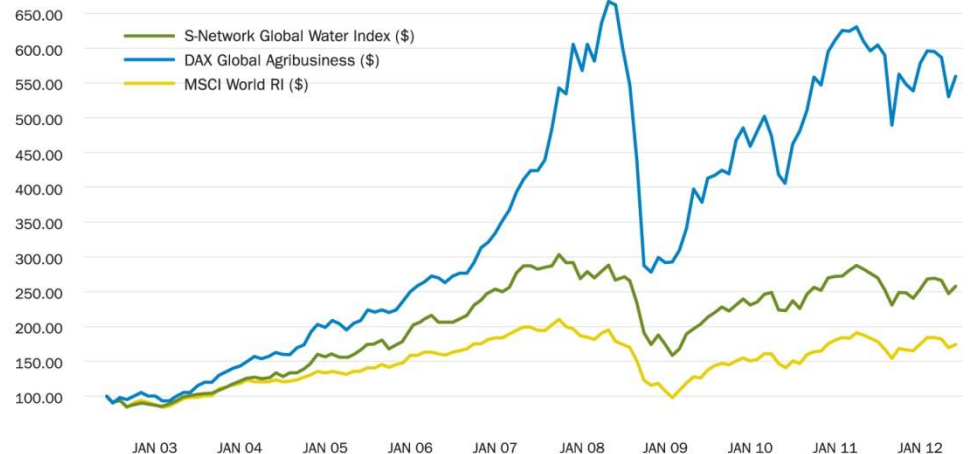
**Impact strategies generate outperformance in difficult and down markets;** the best of them also generate outperformance in up markets.

Take-away: factoring impact into client portfolios may actually contribute more to long-term performance than advisors think.

**Figure 2:** Growth of \$100 in social index vs. S&P500<sup>1</sup>



**Figure 3:** Cumulative returns: water & agricultural solutions vs. MSCI World<sup>2</sup>



(1) MSCI KLD 400 is the first domestic equity index to integrate environmental, social and governance criteria. Source: Morningstar Direct, MSCI, and Standard and Poor's. Data from 8/1993 to 8/2014.

(2) Water is represented by the S Network Water Index and Agribusiness, by the Dax Global Agribusiness Index.

Source: "Increasing Impact and Enhancing Returns: Integrating Publicly Traded Water and Agribusiness Equities into Impact Investor Portfolios", ImpactAssets, September 2013

# Women, Wealth & Impact



## Why Investing in Women Matters



*Investment return and principal value will fluctuate so that you may have a gain or a loss when you sell your shares. You should consider a fund's investment objectives, risks and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting [www.paxworld.com](http://www.paxworld.com). Please read it carefully before investing. Past performance is no guarantee of future results.*

# The business case: Gender diversity and corporate performance

- Research on more than 2,300 global companies found that those with women directors outperformed those without women directors<sup>1</sup>
- Companies with at least one woman director had better share price performance than those without<sup>2</sup>
- There is a strong correlation between a strong record of promoting women into the executive suite and high profitability<sup>3</sup>



Past performance is no guarantee of future results.

<sup>1,2</sup> Mary Curtis, "Gender Diversity and Corporate Performance," Credit Suisse Research Institute, August 2012.

<sup>3</sup>Roy D. Adler, "Women in the Executive Suite Correlate to High Profits," European Project on Equal Pay, 2009.



## Many female investors want to invest for impact

**90%** of women surveyed say “making a positive impact on society is important”

**77%** of women surveyed want to invest in companies with diversity in leadership

**Yet ...**

**4%** of Financial Firms CEOs are women

**20%** of Asset managers are women

Source: Center for Talent Innovation, *Harnessing the Power of the Purse*, May 2014, <http://www.talentinnovation.org/publication.cfm?publication=1440>  
State Street Center for Applied Research – *Addressing Gender Folklore*, 2015 [www.statestreet.com/centerforappliedresearch](http://www.statestreet.com/centerforappliedresearch)

## Fund gender leadership characteristics

When women’s representation on boards reaches a critical mass of three or more women – or 30 percent of an average-size board – historically, governance improves and companies performed better.

- **100%** OF COMPANIES IN THE FUND HAVE ONE OR MORE WOMEN ON THEIR BOARD OF DIRECTORS
- **99%** OF COMPANIES IN THE FUND HAVE TWO OR MORE WOMEN ON THEIR BOARD OF DIRECTORS
- **73%** OF COMPANIES IN THE FUND HAVE THREE OR MORE WOMEN ON THEIR BOARD OF DIRECTORS



Source: “2014 Survey of Women on Boards,” MSCI ESG Research, November 2014



Source: MSCI All Country World Index, Pax Gender Analytics, 2014

# Engaging and Serving Female Clients



**What do you want  
to invest in?**





Discussion and Q&A





Disclosures

# Disclosure

---

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this document is intended to constitute legal, tax, accounting, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment vehicle. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon and risk tolerance. The statements herein are based upon the opinions of Envestnet and third party sources. Information obtained from third party resources are believed to be reliable but not guaranteed. All opinions and views constitute our judgments as of the date of writing and are subject to change at any time without notice. Past performance is not a guarantee of future results.

# Contact Us


## Regional Advisory Services Team




### Regional Advisory Sales Team

#### National Sales

 **John Harris, CFP®**  
*Managing Director*  
 312.827.3900  
 john.harris@envestnet.com

 **Scott Oppen**  
*VJ Internal Sales Manager*  
 312.601.2790  
 scott.oppen@envestnet.com

#### Northwest

 **Luke Vinnola**  
*VJ Regional Director*  
 303.345.3144  
 luke.vinnola@envestnet.com

 **Jamie Gore**  
*AVR Senior Regional Consultant*  
 303.824.8128  
 jamie.gore@envestnet.com

#### West

 **Phil Nicolaou**  
*SVR Regional Director*  
 925.283.4700  
 phil.nicolaou@envestnet.com

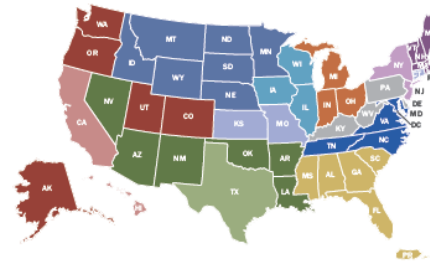
 **Bryan Watson**  
*VJ Senior Regional Consultant*  
 303.824.8151  
 bryan.watson@envestnet.com

 **Sean Humphreys**  
*Regional Consultant*  
 303.824.8149  
 sean.humphreys@envestnet.com

#### North Central

 **Chad Edwards**  
*VJ Regional Director*  
 303.877.6232  
 chad.edwards@envestnet.com

 **Jesse Nichols**  
*AVR Senior Regional Consultant*  
 303.824.8190  
 jesse.nichols@envestnet.com



#### Heartland

 **Eric Wilcher**  
*SVR Regional Director*  
 312.623.2593  
 eric.wilcher@envestnet.com

 **Bob Riggs**  
*AVR Senior Regional Consultant*  
 312.827.3986  
 robert.riggs@envestnet.com

 **Dan Gorman**  
*Regional Consultant*  
 312.827.7025  
 daniel.gorman@envestnet.com

#### Southwest

 **Patrick Forde**  
*VJ Regional Director*  
 303.870.4730  
 patrick.forde@envestnet.com

 **Patrick Reilly**  
*AVR Senior Regional Consultant*  
 312.601.2770  
 patrick.reilly@envestnet.com

#### CT & Central

 **John Murphy**  
*VJ Regional Director*  
 732.996.7264  
 john.murphy@envestnet.com

 **Brian Donovan**  
*AVR Senior Regional Consultant*  
 617.692.9711  
 brian.donovan@envestnet.com

#### Midwest

 **Matt Erickson**  
*SVR Regional Director*  
 773.443.7352  
 matt.erickson@envestnet.com

 **Fred Diaz**  
*AVR Senior Regional Consultant*  
 312.827.2824  
 frederic.diaz@envestnet.com

 **Dan Gorman**  
*Regional Consultant*  
 312.827.7025  
 daniel.gorman@envestnet.com

#### Texas

 **Jeff Delcorse, CFP®**  
*VJ Regional Director*  
 773.494.3997  
 jeff.delcorse@envestnet.com

 **Messini Makropoulos**  
*AVR Senior Regional Consultant*  
 312.601.2791  
 messini.m@envestnet.com

#### Southeast

 **Phillip Schoenecke**  
*VJ Regional Director*  
 773.354.3205  
 phillip.schoenecke@envestnet.com

 **James McGlynn**  
*AVR Senior Regional Consultant*  
 312.827.7036  
 james.mcglynn@envestnet.com

#### New England

 **Ryan Darr**  
*VJ Regional Director*  
 617.721.8972  
 ryan.darr@envestnet.com

 **Claire Montana**  
*AVR Senior Regional Consultant*  
 312.827.3946  
 claire.montana@envestnet.com

#### NY/NJ

 **Mark Olson**  
*SVR Regional Director*  
 917.576.7148  
 mark.olson@envestnet.com

 **Brian Dumonte**  
*AVR Senior Regional Consultant*  
 312.827.3961  
 brian.dumonte@envestnet.com

 **Susan Mullinger**  
*Regional Consultant*  
 312.827.7054  
 susan.mullinger@envestnet.com

#### PA/DE/WV/KY

 **Mike Saldutti**  
*VJ Regional Director*  
 614.361.6658  
 michael.saldutti@envestnet.com

 **Andrew Simonetti**  
*VJ Senior Regional Consultant*  
 617.692.9751  
 andrew.simonetti@envestnet.com

#### Mid-Atlantic

 **Kipp Cormier**  
*VJ Regional Director*  
 617.504.0702  
 kipp.cormier@envestnet.com

 **Alex Staley**  
*AVR Senior Regional Consultant*  
 312.827.3991  
 alexander.staley@envestnet.com

**Internal Sales Line**  
 855.769.0806