



MUTUAL TRUST

Responsible Investing to Create Shared Value

HELPING FAMILIES ACHIEVE WHAT MATTERS MOST

Would you like to
invest in companies
which are profitable and
generate good returns
while making the world
a better place?

Responsible investment matters

There is a seismic shift occurring with how investors are considering the allocation of productive capital. What does this mean for you as an investor and a member of society?

The effects of the pandemic, geopolitical tensions and a rising awareness of the impacts of climate related events are encouraging more people to think about the sustainability of our planet and the role of business and capital. As a result, many are seeking to invest in businesses which minimise harm or, increasingly, are working to solve the social and environmental problems of the world. This marks a decisive shift towards more purpose-led business and “responsible investment”.

Australians care about investing responsibly: 74% believe social issues are important when investing their money. The Responsible Investment Association of Australasia (RIAA) estimates 17% of Australians are now investing their money responsibly. A further 46% are considering responsible investment products within the next five years, with 26% aiming to do so within the next 12 months.¹ The demand for responsible investment products is on the rise.

Mutual Trust’s clients place responsible investing among their top three concerns (behind ensuring a thriving family and strong wealth management). At Mutual Trust, we support our clients to achieve this objective with a comprehensive responsible investment offering.

1. Source RIAA Values to Riches Report, 2022

WHAT IS RESPONSIBLE INVESTING?

Investing in businesses which minimise harm or are working to solve the social and environmental problems of the world.



The Mutual Trust difference

The challenge for most responsible investment approaches is the ability to provide a holistic lens to view a company's performance.

Maximising shareholder returns was traditionally the primary obligation of companies and the motivation for investors, with minimal consideration for non-financial outcomes or other stakeholders.

At Mutual Trust, we believe it is necessary to consider the social and environmental contributions of a company and its purpose, *beyond* just financial obligations.

We create responsible investment portfolios for our clients by considering their financial return expectations, their tolerance for risk *and* their preference for purposeful and impactful outcomes.

With this approach, we endeavour to help families deliver a better future.

There are now three primary elements to investing



1. Return

How much could I financially gain from the investment from income and capital gains?



2. Risk

What is the likelihood I am going to incur losses on the investment and how big could they be?



3. Purpose

What contribution might the investment make to our society or environment?

WHY RESPONSIBLE INVESTING?

“To deliver really strong investment outcomes for members, they need to be invested in a way that is considering the long-term challenges to our society.”

— SIMON O'CONNOR, RIAA CEO

Leading with Shared Value

At Mutual Trust, we help our clients navigate the responsible investment landscape through our understanding of and commitment to investing in companies that create *shared value*.

Shared value occurs when businesses create economic value in a way that also develops value for society by tackling large, challenging societal issues.²

Shared value enables companies to maximise shareholder returns by delivering on their purpose and achieving positive outcomes for society and the environment.

We believe the inclusion of shared value into Mutual Trust’s responsible investment philosophy provides an approach to more efficiently allocate capital to address social and environmental problems.

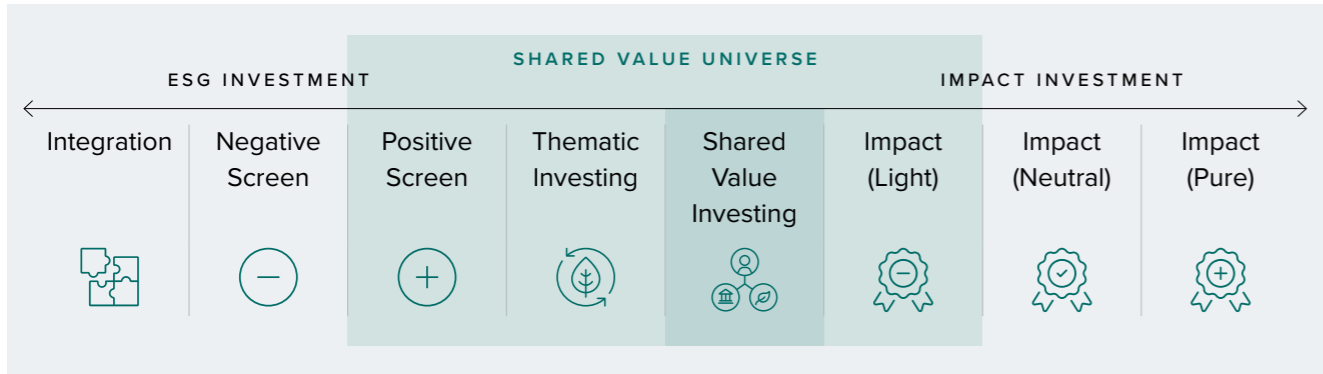
Shared value is a powerful addition to the existing responsible investment approach. It allows for a more complete analysis of a company’s performance and social and/or environmental impact, rather than exclusions and negative screens alone. It allows for better consideration of companies who are working towards creating positive outcomes for society.

Shared value investment

- ✓ Provides a clear link between social or environmental *and* financial performance.
- ✓ Creates opportunity for significant competitive advantage, scale and growth.
- ✓ Builds on but moves beyond responsible and ethical behaviour of a company.

2. ‘Creating Shared Value’, Porter & Kramer, Harvard Business Review 2011

Mutual Trust Responsible Investment Approach



Companies creating shared value are addressing global problems

Enable the Next Intelligence Leap

Water Conservation

Decarbonise the Planet

Reach and Scale of Global Healthcare

Plastics & Waste Reduction

Better Agricultural Practices

Shared value investing is focused on investments which aim to deliver **innovative solutions** to social and environmental problems at **scale**, while generating strong financial returns.

It’s a means to deliver **purpose and profitability**.

“Why wouldn’t you want to invest in companies that are profitable, generate good returns *and* make the world a better place?”

— PHIL HARKNESS, MUTUAL TRUST CEO

Mutual Trust's bespoke and highly personalised offering

Mutual Trust has a long history of trusted client relationships. This enduring success is testament to the experience of our team, the rigour of our process and the value we provide in achieving ongoing success for our clients.

Mutual Trust appreciates each client is unique and preferences are inherently personal and diverse. Therefore, when constructing our responsible investment portfolios, we consider their preference for purposeful and impactful outcomes.

Mutual Trust's responsible investment options are expertly researched, have high conviction and are from a variety of services. We incorporate the responsible investment approach into our institutional-grade due diligence process for all investments, including managed funds and unlisted opportunities. We have also utilised the expertise of global research house Mercer and incorporated shared value criteria and industry best practice into our selection process of responsible investment funds.

We offer a carefully selected range of options across all major asset classes, providing access to some of the leading fund managers globally in this field. We believe quality is essential and offer our clients superior solutions, with careful consideration of risk and performance parameters.

As the responsible investment landscape continues to evolve and grow, new opportunities will emerge. We are committed to remaining at the forefront of its development, to offer our clients the best-in-class investment opportunities they have come to expect.



Responsible Investing is one way we fulfill the Mutual Trust Purpose

Our Purpose is to help families achieve what matters most. We do this by:

- Caring for our families, our people and communities, not just their finances
- Delivering what they require under one roof
- Providing pre-eminent independent advice
- Enabling our families to have a positive impact on society

We do this with people who are **excellent, heartfelt, inspiring and principled.**

In doing so, we will be *the* exceptional multi-family office.

About Mutual Trust

Mutual Trust is a multi-family office providing integrated wealth services to Australia's most successful families, family businesses, trustees, not-for-profits and individuals. We build purposeful, long-term relationships with our clients to help preserve their wealth for future generations and for their communities.

Building and sustaining significant family wealth and values does not just happen. It takes careful planning and deep engagement across generations. We work with our clients to establish a clear vision, shared passion, definition for the purpose of their wealth and how to support the positive impacts of wealth.

Mutual Trust was established in 1921 by W L Baillieu and his four brothers as an enterprise to protect and grow family wealth for future generations. From our beginnings as a single-family office, we have evolved to meet the needs of a changing world and become the trusted partner to many of Australia's wealthiest families and individuals. In 2017, Mutual Trust and The Myer Family Company merged to become Australia's largest multi-family office. Today, Mutual Trust has over 200 employees and four offices nationally.

Mutual Trust is a purpose-led organisation and a member of the Responsible Investment Association of Australasia (RIAA). RIAA's guidelines and those of the UN Principals for Responsible Investment (PRI) have been incorporated into the development of our approach to responsible investing.

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With Mutual Trust you can invest in companies which are profitable and generate good returns while making the world a better place.

Helping families achieve what matters most.



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