



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?

Delivering profit, through purpose

The impact of family wealth is more than financial. Today, families are increasingly seeking guidance on how their investment capital can help to make the world a better place, whilst also meeting their financial objectives.

Our publication, Why the Modern Family Office Matters¹ highlights the increasing interest and participation wealthy families have in investing responsibly. The lasting effects of the pandemic, elevated geopolitical tensions and a rising awareness of climate related events have encouraged more families to think about how they can make a difference.

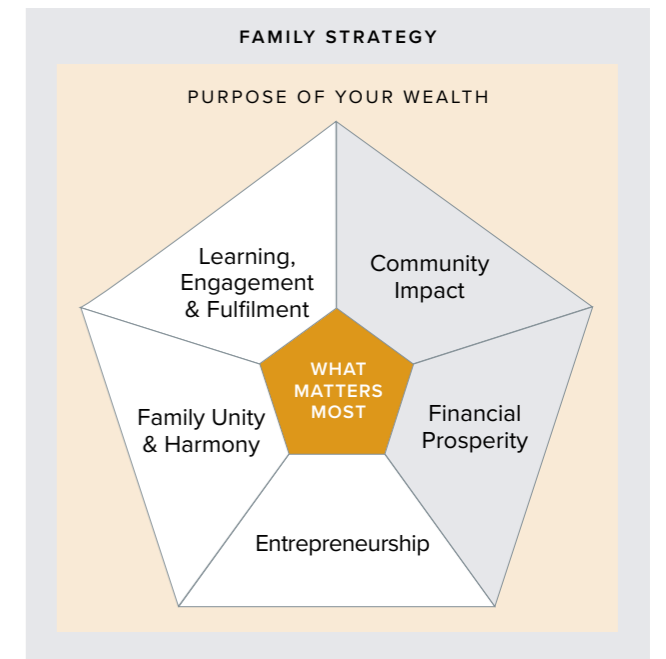
At Mutual Trust, we begin the conversation by helping individuals and families uncover what matters most to them from a holistic, long-term perspective. Using the Mutual Trust Gemstone Framework, we explore what is important to a family and individual family members across five key facets. This is where we are seeing Financial Prosperity and Community Impact intersect.

Families of wealth may leverage responsible investing as a pathway to fulfil their purpose, using a larger pool of capital beyond their philanthropic endeavours. There is an important role business and private capital can play to help solve significant global challenges.

We have therefore enhanced our approach to responsible investing – uncovering those businesses finding scalable solutions to global problems and doing so profitably. Incorporating this ‘shared value’ philosophy is a powerful addition to existing responsible investment frameworks. It provides a clear link between social and environmental performance with financial performance.

In this way, we deliver profit, through purpose.

The Mutual Trust Gemstone Framework 2023



SIMONE ROUSE
PARTNER, HEAD OF RESPONSIBLE INVESTING
AND PORTFOLIO SOLUTIONS

1. Page 48 'Why the Modern Family Office Matters'

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 as 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 strategies and responsible investments.

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.² The demand for responsible investment products is on the rise.

Mutual Trust families place responsible investing among their top three concerns (behind ensuring a thriving family and strong wealth management). We support our families to achieve this objective with a comprehensive responsible investment offering. This includes a much broader lens than only negative screening and ESG³ considerations. We also focus on those investments seeking to make a positive impact while aiming to generate attractive, risk-adjusted returns.

2. Source RIAA Values to Riches Report, 2022

3. ESG - environmental, social and governance



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.

Traditionally, maximising shareholder returns was the primary obligation of companies and the motivation for investors. Minimal consideration was given to 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 objectives.

We create responsible investment portfolios for our families 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, FORMER RIAA CEO

Leading with Shared Value

At Mutual Trust, we help our families 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.⁴

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.

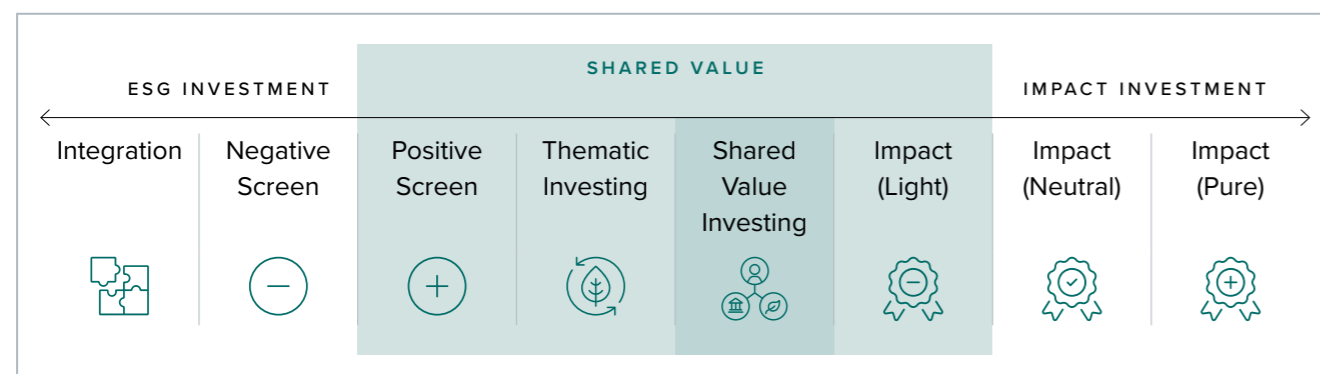
Shared value is a powerful addition to the existing responsible investment approach. It allows for a more complete analysis of a company's performance and social and/or environmental impact, rather than exclusions and negative screens alone. It allows for better consideration of companies which are working 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, yet moves beyond responsible and ethical behaviour of a company.

4. 'Creating Shared Value', Porter & Kramer, Harvard Business Review 2011

Mutual Trust Responsible Investment Approach



Companies creating shared value are addressing global problems

Innovation & Technological Advancements

Decarbonise the Planet

Resource Efficiency & Circular Economy

Reach and Scale of Global Healthcare

Support Community & Social Development

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 **profit, through purpose.**

“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 approach

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 families.

Every family has inherently personal preferences and unique portfolio objectives. That's why, when constructing portfolios, we tailor our approach with the goal of achieving their desired outcomes - both financial and non-financial.

We offer a carefully selected range of responsible investment options across major asset classes, which can be blended into an existing portfolio or chosen as part of a bespoke responsible investment portfolio. These options are expertly researched, have high conviction and are from a variety of sources. We incorporate shared value criteria and industry best practice into our due diligence and selection process of responsible investment funds. At all times, we believe quality, along with the careful consideration of risk and performance parameters, is essential.

Our preference is to source investment opportunities within our defined 'shared value' threshold, encompassing those investments defined as Positive Screen, Thematic Investing, Shared Value or Impact (Light). However, each asset class is at a different stage of its responsible investment journey. Therefore 'ESG Integration' is our minimum threshold to be considered a responsible investment, where entities factor ESG considerations into their financial analysis.

As the responsible investment landscape continues to evolve and grow, new opportunities will emerge. Mutual Trust is committed to remaining at the forefront of its development, offering our families attractive investment opportunities to meet their unique objectives.



Fixed
Income



Australian
Equities



Alternative
Assets



International
Equities



Property



Cash



Leverage Global
Relationships



Access to Private
Investment Deals

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 provides integrated wealth and professional services to some of 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 and grow their wealth for future generations. Through a collaborative approach, we empower clients to create a lasting positive impact, both for their families and for their wider communities.

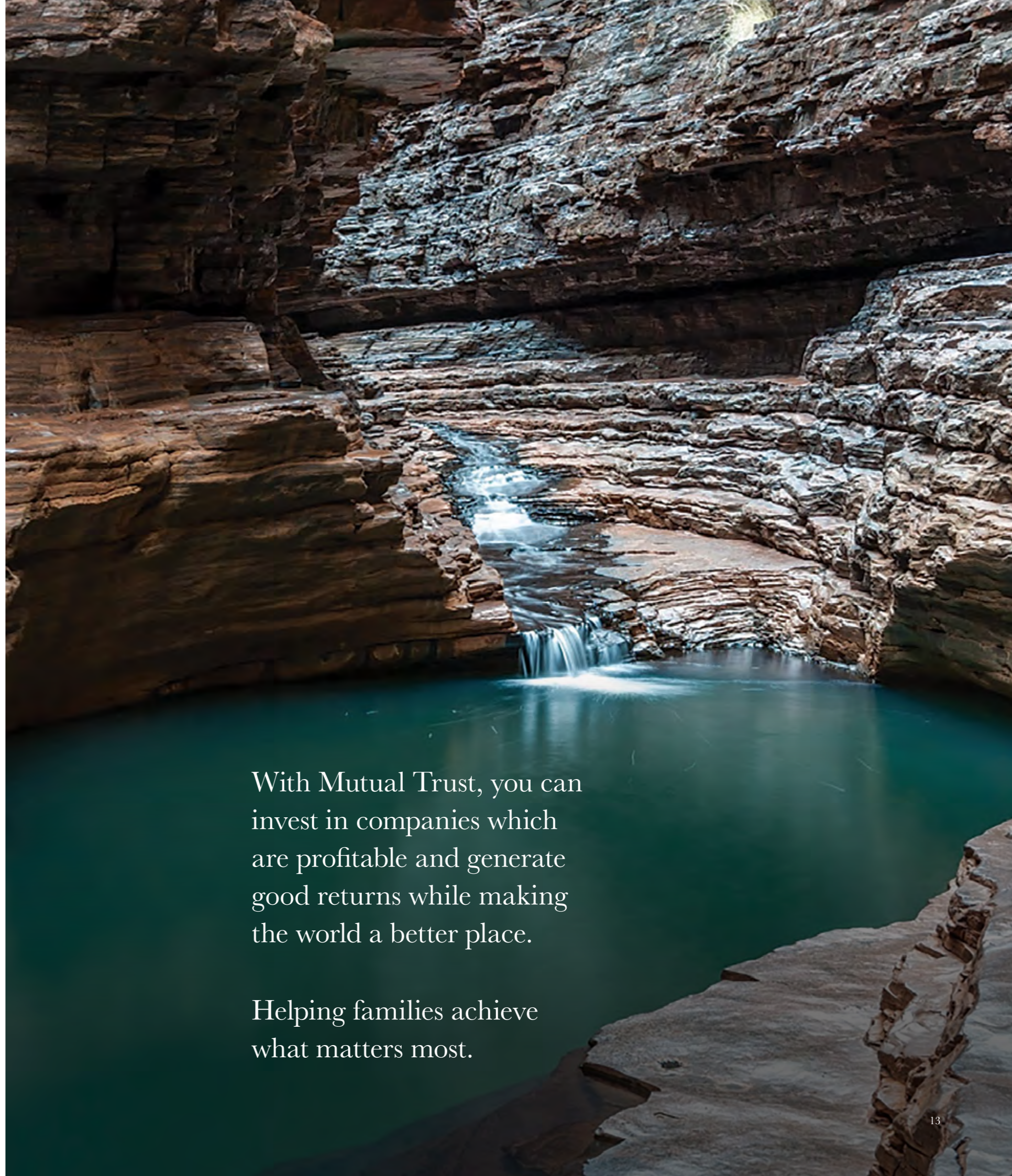
Building and sustaining significant family wealth doesn't just happen. It takes careful planning and deep engagement across generations. We start by working with our families to establish a clear vision for the purpose of their wealth. With this focus and alignment, we then help families create and execute a Family Strategy that will achieve their Purpose of Wealth for generations to come.

Initially founded in 1921 by W.L. Baillieu and his four brothers as a vehicle to provide accounting and trustee services for the Baillieu family, we have grown and evolved over the years to meet the needs of a changing world. In 2017, following the union of Mutual Trust and The Myer Family Company Limited (MFCo), Australia's largest Multi-Family Office was formed. Today, Mutual Trust has over 200 employees and four offices nationally and is the trusted partner to many of Australia's wealthiest families and individuals.

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.

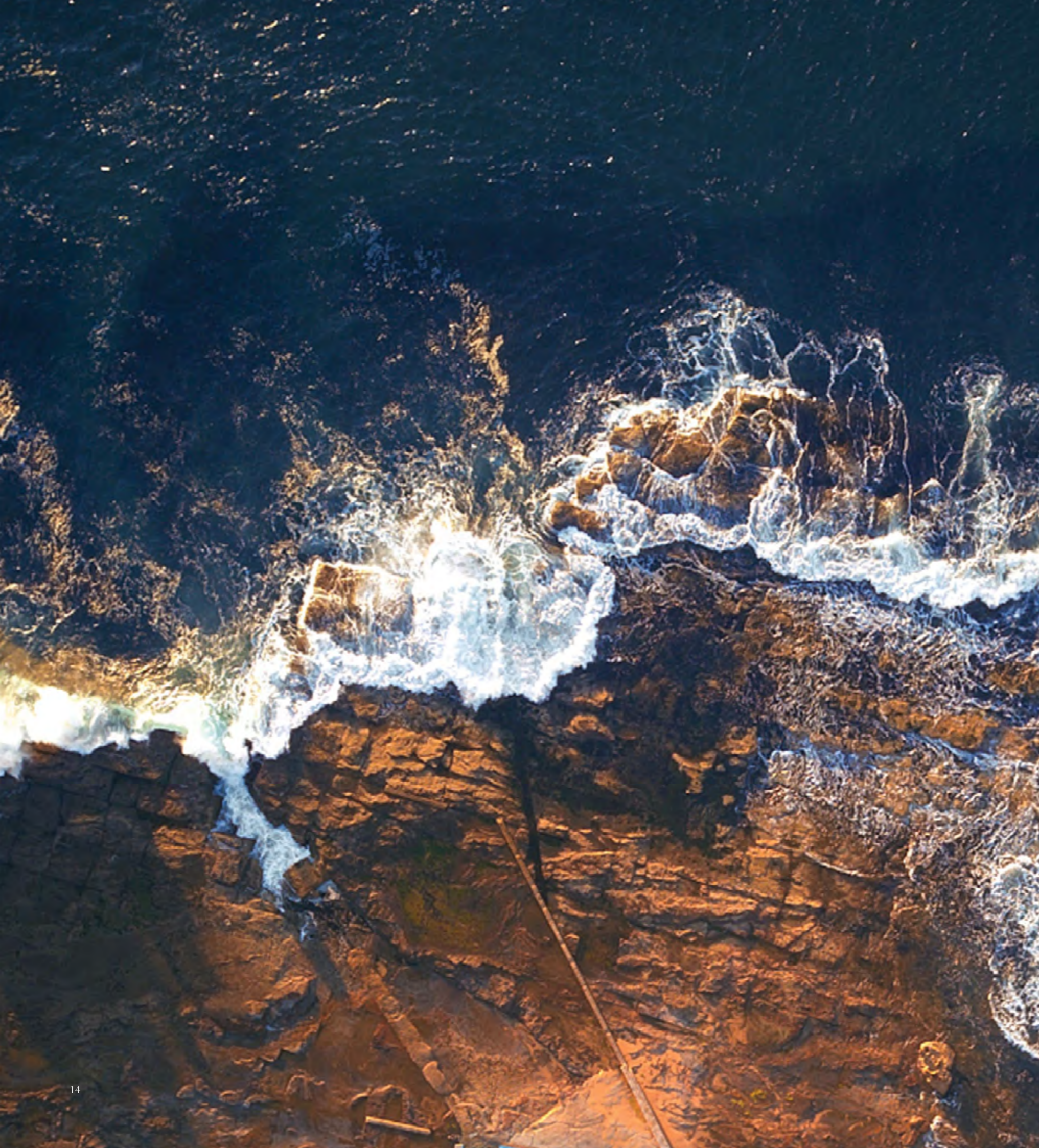


Mutual Trust was recognised with the Highly Commended award for the Investing category at the **2024 Shared Value Awards**.



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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