



Kingsway Fund Management Limited

Managing an Asian SRI Fund



Their landscape is our legacy

October 29th 2002

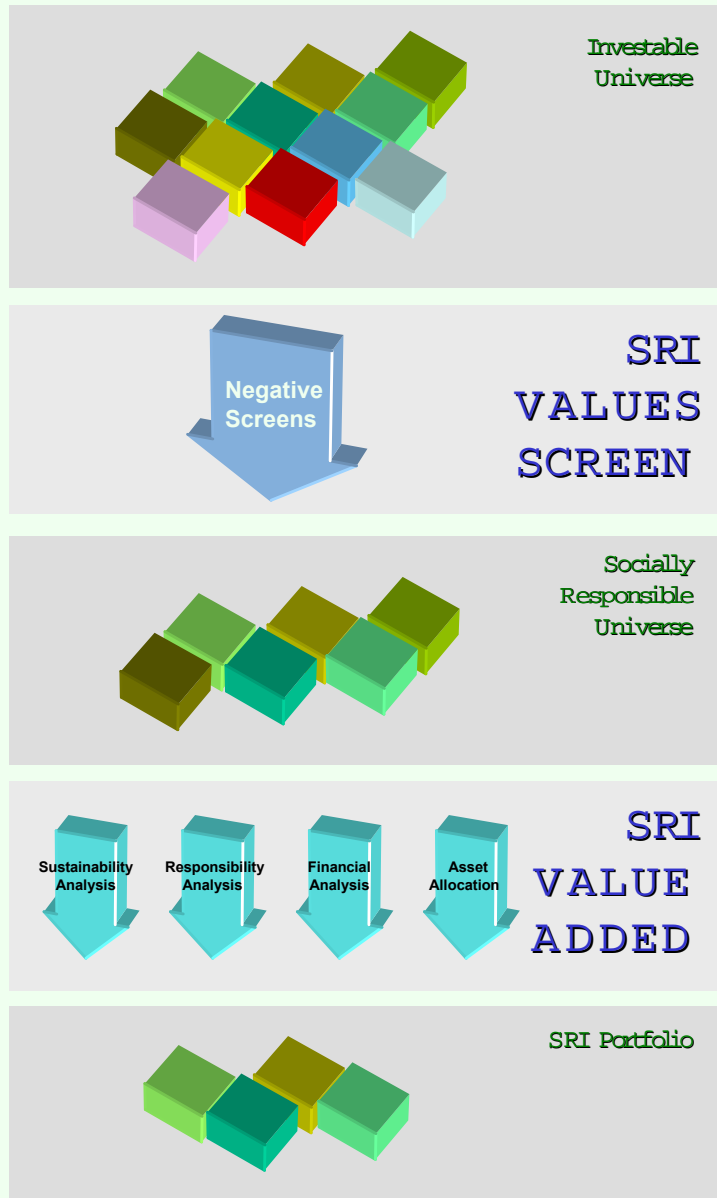
Socially Responsible Investment

- A broad concept: Two main themes
 - Ethical Investment
 - Values Based
 - Negative Screens
 - Sustainable Investment
 - Triple Bottom Line
 - Market mechanism for Sustainable Development
 - Sustainable Business: value driven

“You cannot build shareholder value at the expense of society, otherwise society will eventually destroy your shareholder value”

Anthony Burgsman, CEO Unilever

Combines Ethical and Sustainable Investment



Kingsway Process

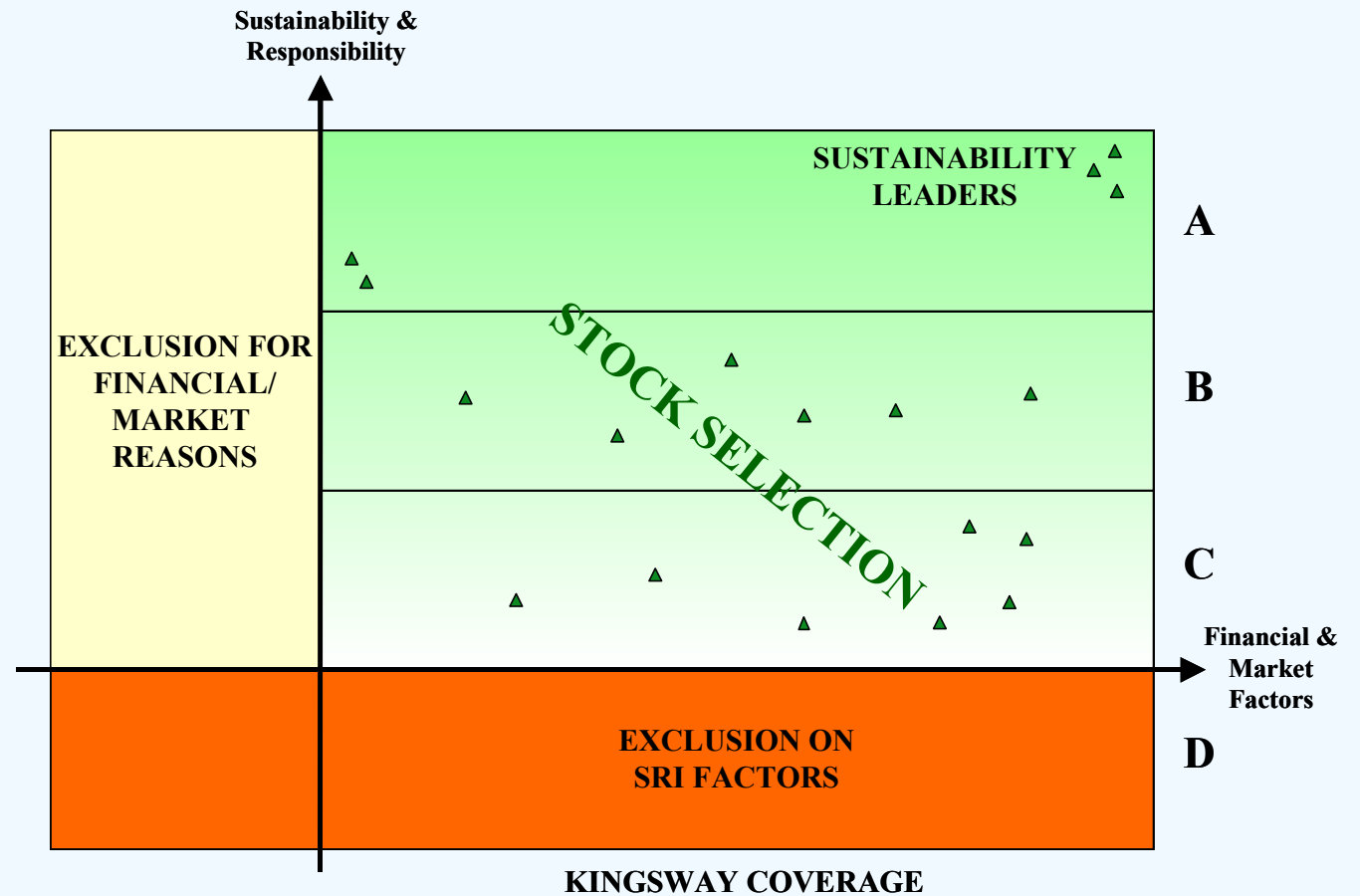
- In House Research
 - Integrated
- Questionnaire
- Interview
- Customised
- Dynamic
- Integrated triple bottom line stock selection

Kingsway Stock Selection Process

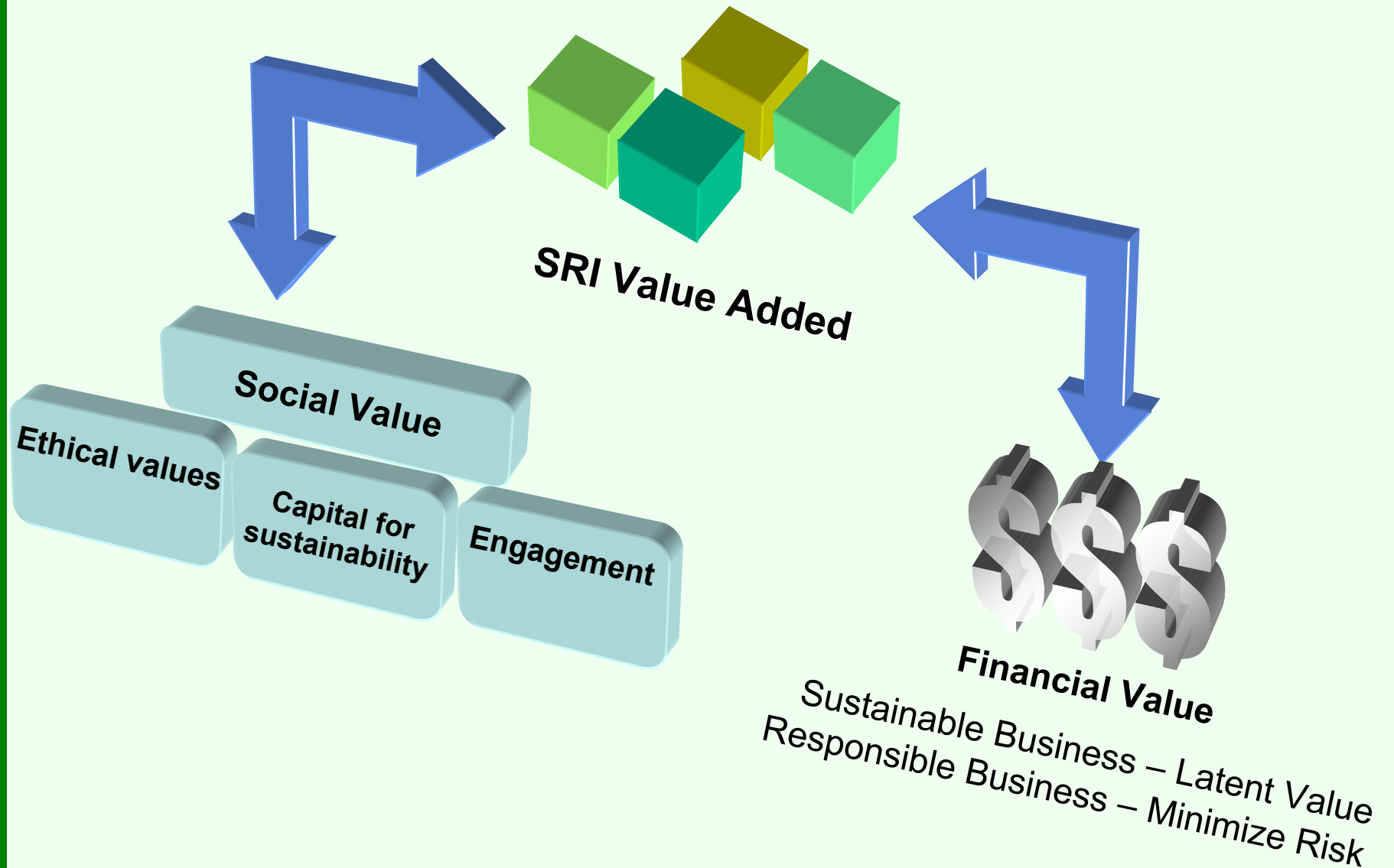
SRI VALUES SCREEN

- Tobacco
- Nuclear
- Military
- Gambling
- Deforestation
- Non Medical Animal Testing

SRI VALUE ADDED



SRI : Social and Financial Returns

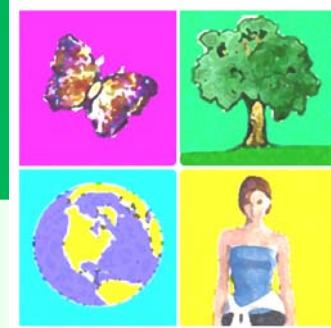


SRI: Financial Returns

- **Performance:** No systemic Underperformance
 - Kingsway MPF: 1,2 & 10th (out of 78 in 2001)
- **Sustainability Leaders:** Win win scenario
 - Process improvements and productivity gains
 - New products with secular growth prospects
- **Minimise Risk:** The expense of responsible business is but a fraction of the cost of irresponsibility
 - Litigation against socially damaging products
 - Poor corporate govt practices damages market credibility
 - new guidelines leaves companies liable to higher costs
- **Minimise Risk:** Lower volatility on funds after SRI Screens in place

Period / Fund	China Fund	MSCI China FF	Emerging Economics Fund	MSCI EMF Far East	Pacific Fund	MSCI Pacific	Middle Kingdom Fund	MSCI Hong Kong
Pre-SRI Avg (30/07/1999 - 31/01/2001)	8.60%	8.64%	10.47%	9.31%	9.64%	5.56%	13.33%	7.43%
Post-SRI Avg (31/01/2001 - 31/07/2002)	6.61%	8.80%	7.32%	7.38%	6.76%	5.08%	6.25%	6.60%

Kingsway SRI Asia Fund



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