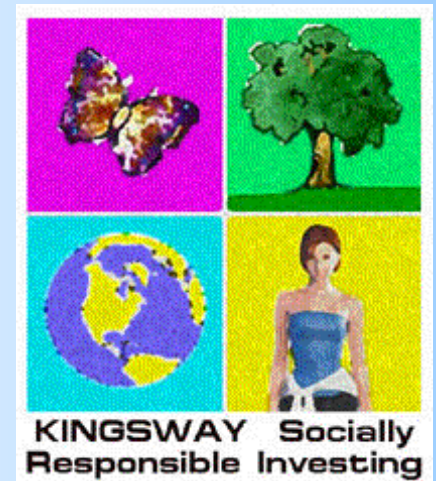


# SR I Initiatives in HONG KONG & ASIA

- where moral and business bottom lines coincide



**Richard Yin**

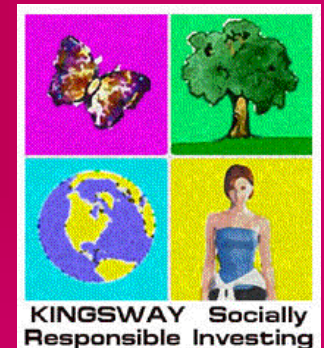
**Kingsway Fund Management Ltd**

November 2, 2001

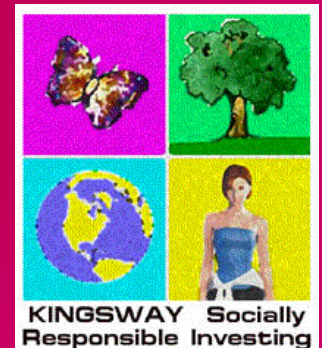
# SR I Principles

Combine the :

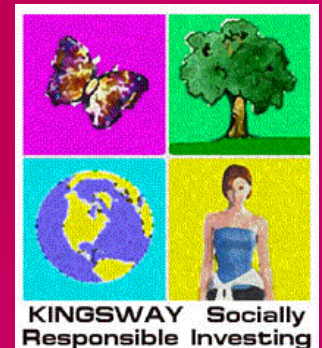
- ▮ Ideological intensity of the 60's
- ▮ Globalization
- ▮ Sophistication of modern investors



# Interaction between Communitarianism and Globalization against a backdrop of differing standards and societal values



**Communitarianism means members of the international community having the same social responsibilities abroad as they have in their local communities**



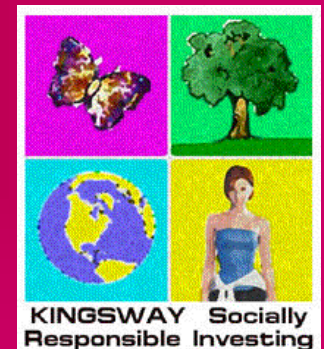
**Globalization means :**

Complexity

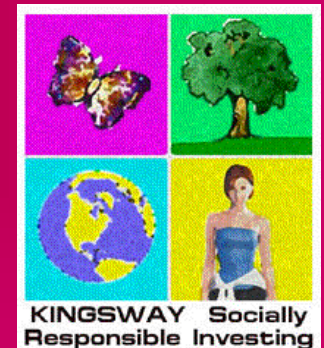
Interaction

Simultaneity

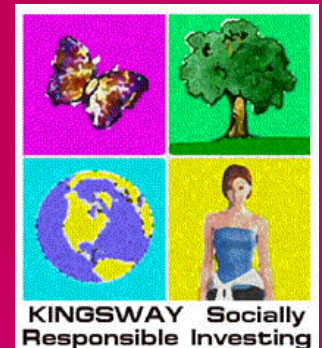
- It exposes and accentuate developing countries' inability to adjust to the modern investors' new ethical stance on investments



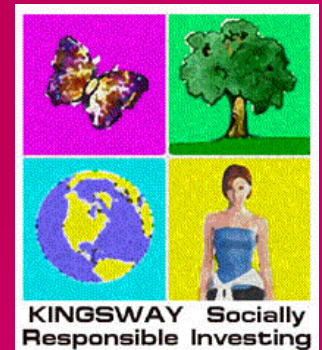
# Inadequacies of existing legal framework in accommodating this new type of ethical stance



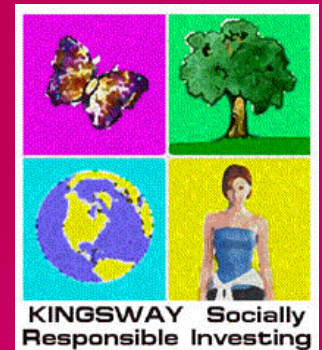
Need also to respond to “emerging voluntary standards and societal values”



# “Tripe bottom line” reporting is new and novel in Asia

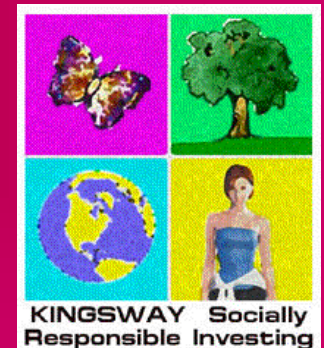


**Need to revert to “de-facto non-statutory regulatory standards”**

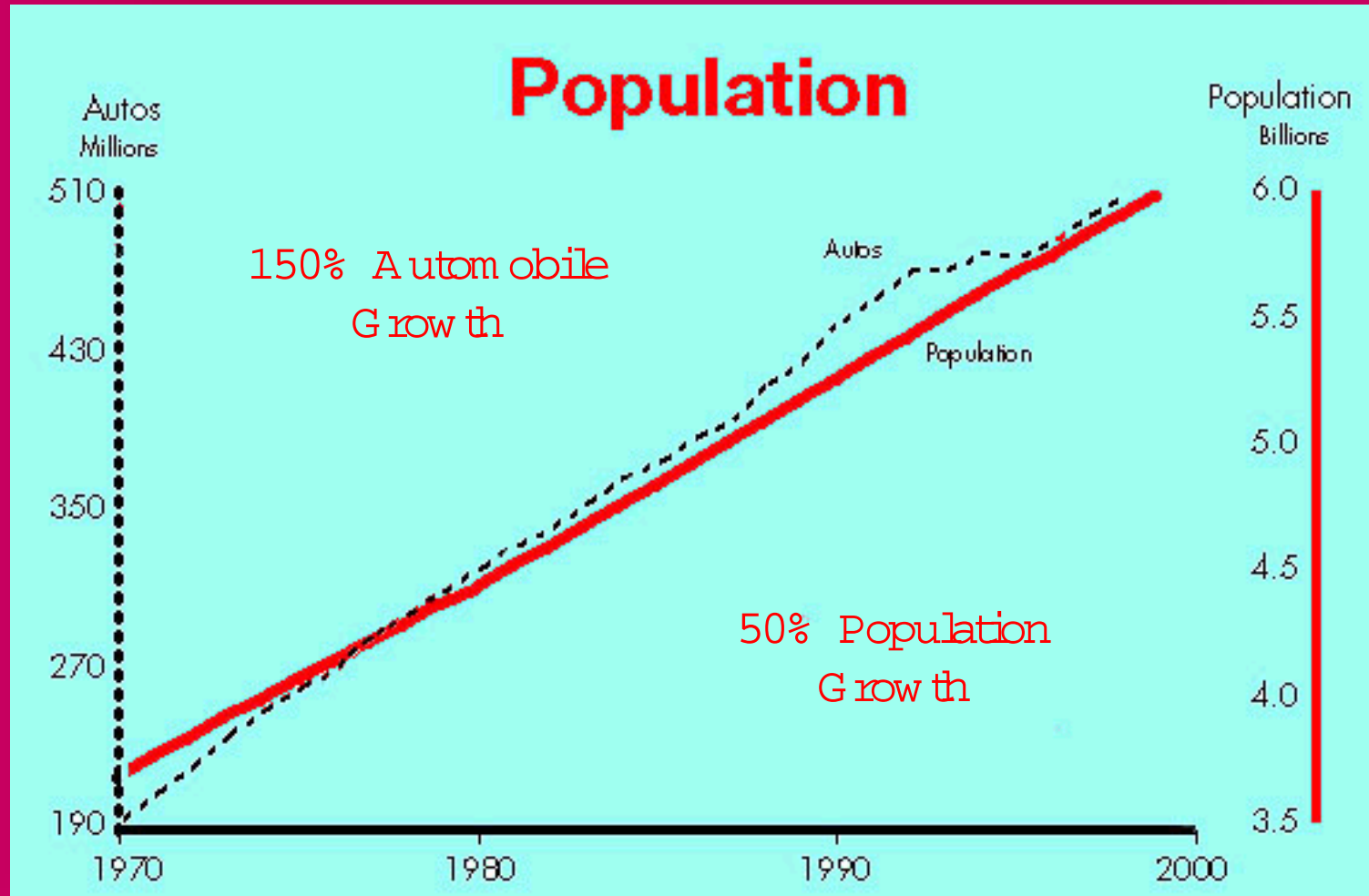


## Two challenges to Kingsway SRI Fund

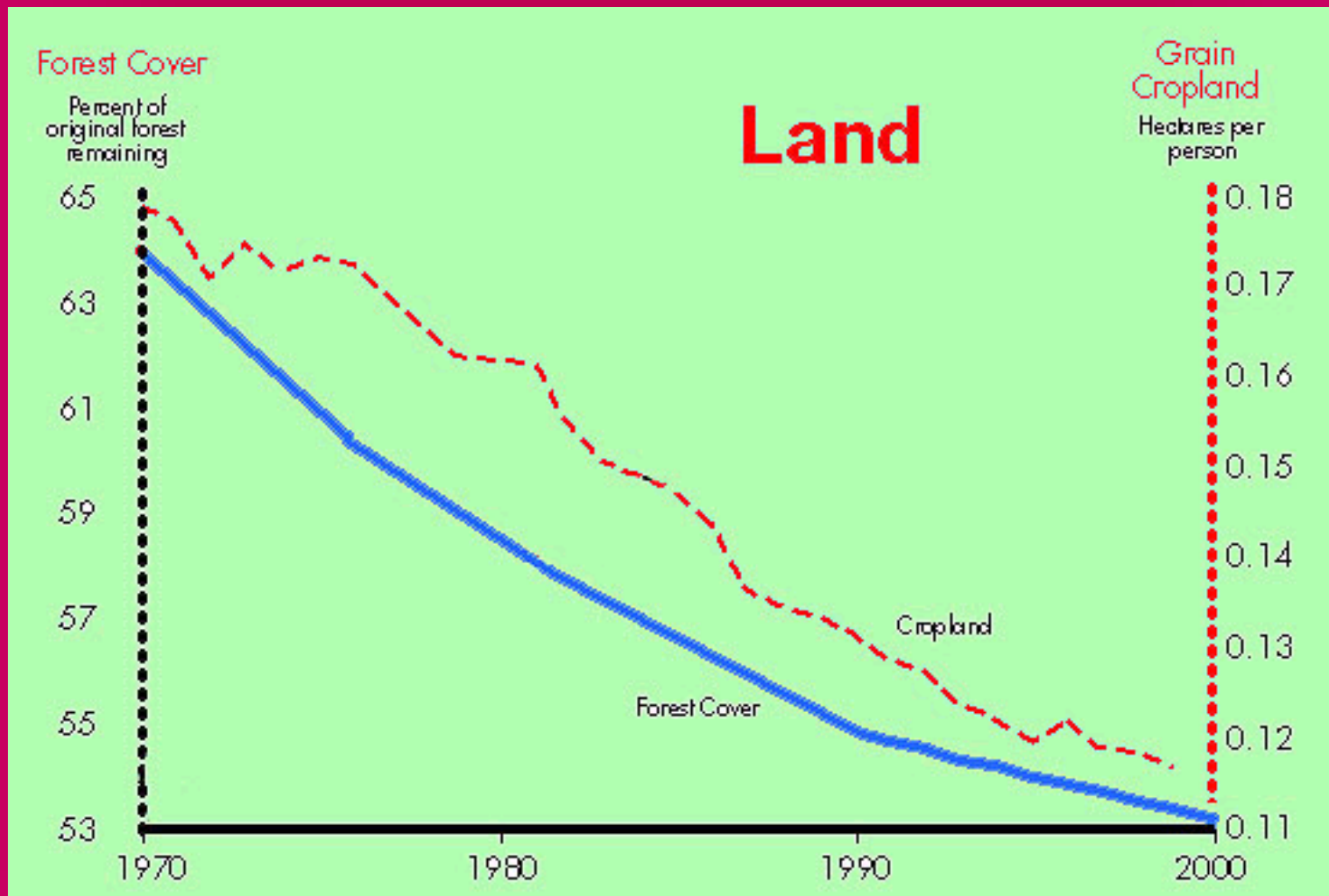
- Can invest clients' monies in accordance with their moral and ethical beliefs
- SRI initiative is supported by economic rationale



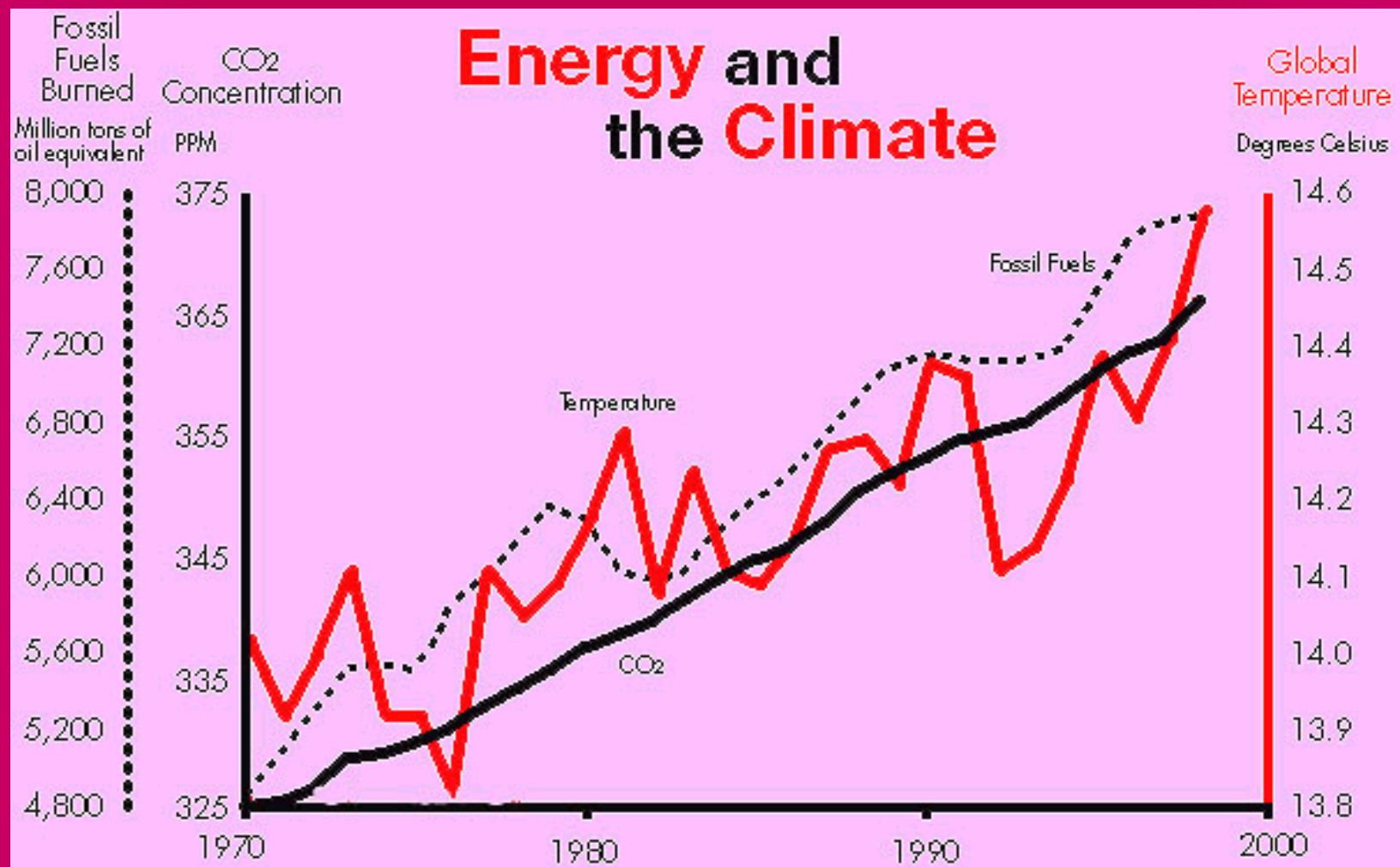
# Example 1 - Running out of Oil



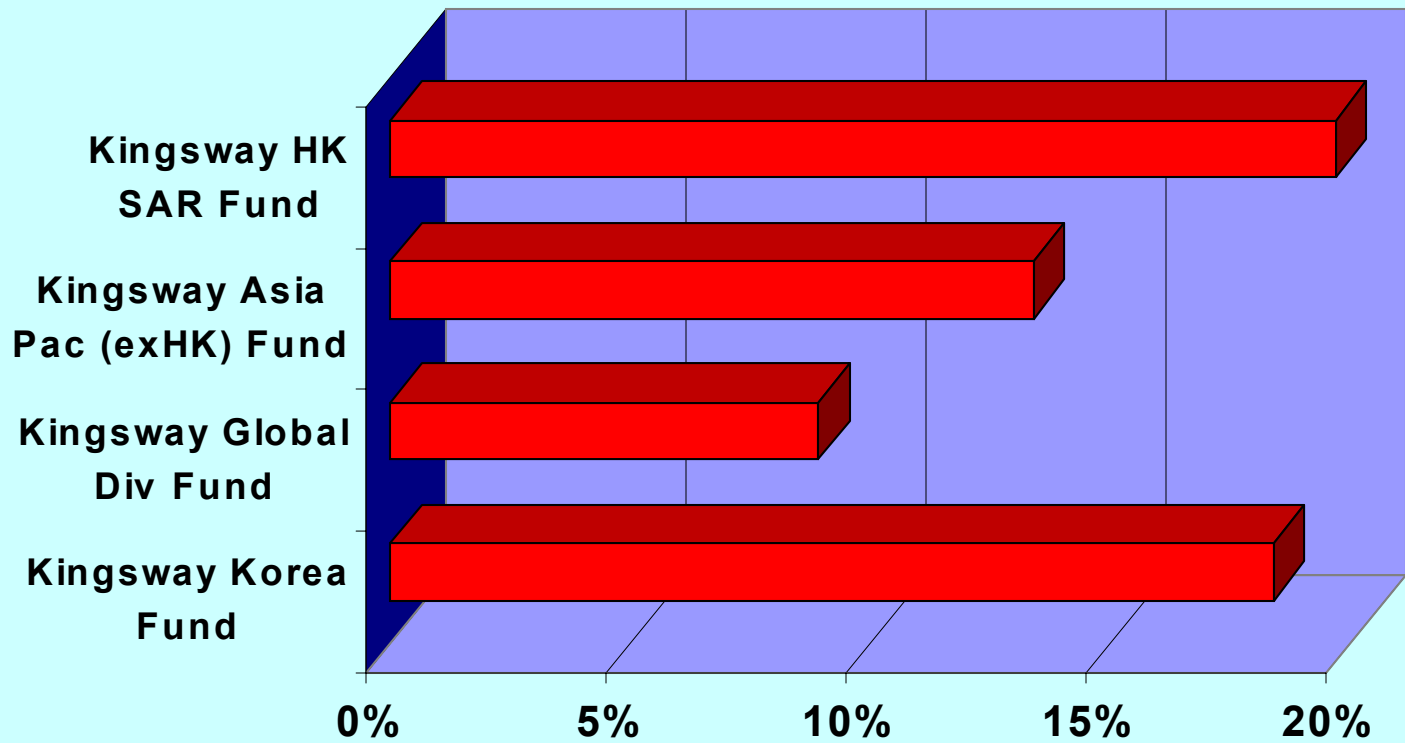
## Example 2 - Running out of Trees



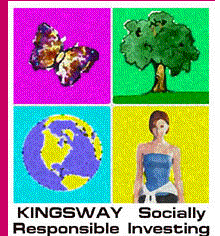
## Example 3 - Global Warming



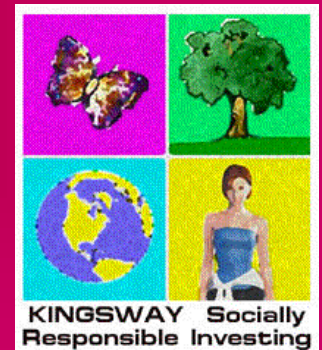
Data as of September 30th 2001



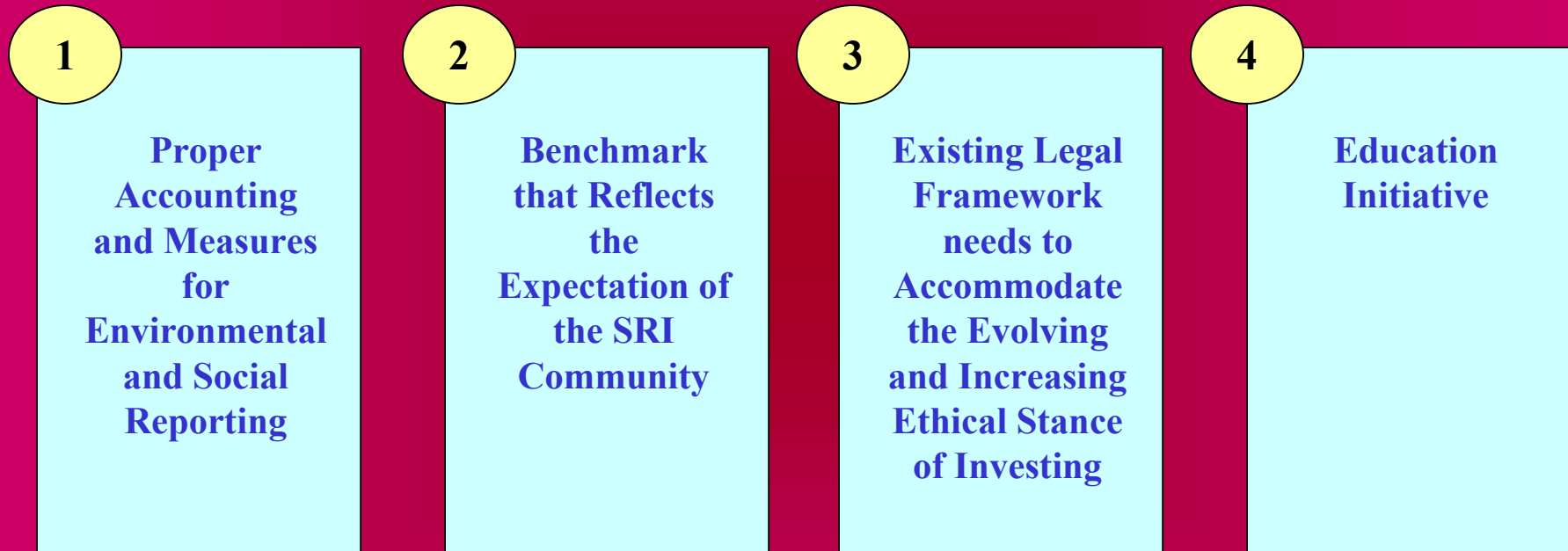
**Performance of Kingsway MPF Funds  
relative to Benchmarks this Year**



**Need to adopt a multi-dimensional approach  
interconnected with a common goal for change**

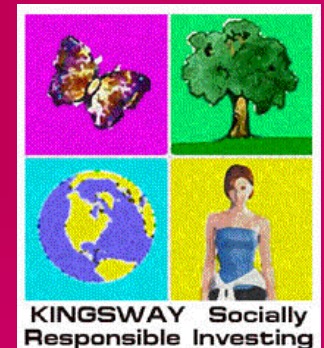


# Four Steps Processes Towards a Multi-dimensional Approach



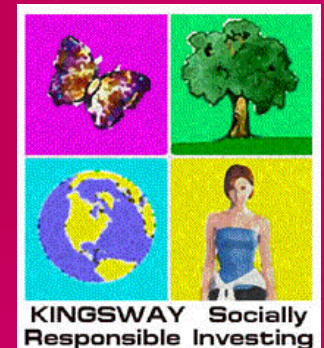
## PROPER ACCOUNTING & MEASURE

- Asians need to participate and contribute to the debate on this measure



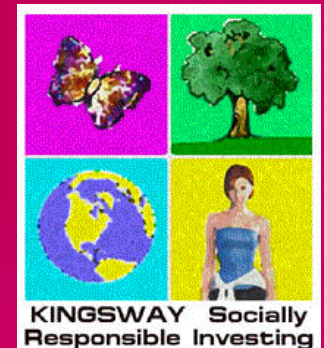
## BENCHMARK

- Should be geared towards specific performance criteria and away from blanket exclusions



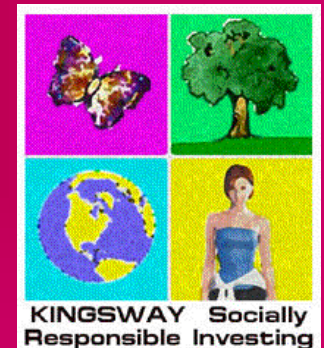
## LEGAL FRAMEWORK

- UK & Australian rules on disclosure need to be adopted
- Legal requirements need to be changed to accommodate conscience based investing

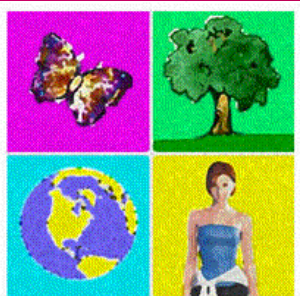


## EDUCATION

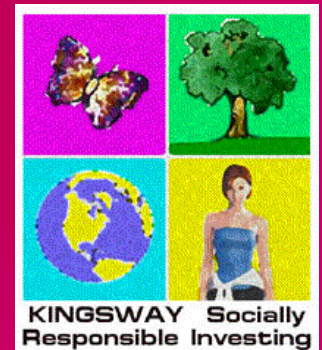
- Government, regulatory bodies, institutions and associations have large responsibilities to grow a sense of social responsibility into companies and investors



# Investment universe need to be large enough



Work together for the creation of a sustainable tomorrow



*the END - Thank You*

