



BY JOE INNACE

SPECIALIZING IN SUSTAINABILITY AND SOCIAL IMPACT INVESTING

Pioneering ESG Portfolios

Since the late 1990s, market index providers have offered up indices to investors wishing to integrate environmental (E), social (S), and economic & governance (G) factors -- collectively known as ESG -- into their core investments. Such vehicles have done well in recent years, outperforming several traditional indices, according to S&P Global.

Jeffrey Ball, CFP®, CSRIC® has remained ahead of the ESG curve. Now Senior Vice President-Financial Advisor, and Senior Portfolio Manager-Portfolio Focus at RBC Wealth Management in Red Bank, New Jersey, Ball's interest in ESG investing dates back to 1988. That's when he became

an investment advisor.

"I was immediately interested in companies that had a positive social impact," he told *Advisors Magazine* in a recent interview. "When I researched this topic in the late 1980s, the only resource I found was a single investment newsletter with a small circulation," Ball recalled.

"The only investment that I remember being highlighted was the stock of a hippie ice cream company in Vermont; I couldn't build portfolios around that."

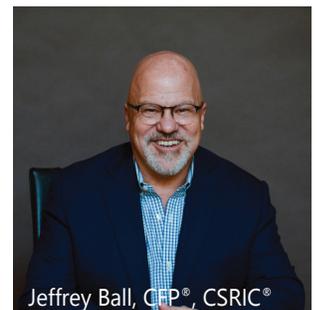
Ball notes that most historians of responsible investing point to the boycott of apartheid in South Africa in the 1980s. And he remembers Wall Street research analysts and brokerage firms at that time being focused on hard data – such as book values, debt ratios and technical trends.

"They had very little interest in warm and fuzzy considerations of corporate culture and social impact," Ball said. "In spite of that, there has been a small but vibrant subset of investors and institutions who have been concerned about social issues, ethical issues, and responsible investing for decades."

With strategic vision and dedication to responsible stewardship, our management team is helping reshape the way you might think about a full-service securities firm. [Meet Jeff Ball](#)



Wealth Management



Jeffrey Ball, CFP®, CSRIC®

Fittingly, his first job was as a high school social studies teacher. In that position, Ball was sharply focused on social problems that he hoped his students would address as they related to their own lives. He left teaching to become an investment advisor about 32 years ago, but maintained a keen interest in social problems and a concern for global issues.

Starting out at Merrill Lynch in the late 1980s, Ball quickly discovered that he could not direct investments for his clients into socially responsible stocks or mutual funds. There was too little research and very few identifiable investments available to retail investors, as well as very few institutional investors with that focus.

"Much of the early interest in socially responsible investing came from the investment committees of trusts and foundations which were mission-driven, and they wanted their portfolios to match their values," Ball said.

Nowadays, clients seek out Ball because they want ESG investing. Such a level of client interest and concern motivates him to share plenty of knowledge and information.

"There are many ways you can invest that may reflect and support your values," Ball explained. "Some investors may want to avoid stocks of companies that produce alcohol or cigarettes, while other investors focus on companies that have a very specific positive social impact."

Environmental issues

often equate to managing the carbon footprint of a company. Social issues focus on ethnic and gender diversity at all levels of a corporation. And governance scores reflect a company's responsiveness to feedback.

"Clients want to know that their investment selection is based on the most comprehensive research available," Ball said, adding: "Looking at ESG scores simply gives investors more information to consider when evaluating stocks and bonds."

It's only in the last 10 years or so that institutional investors have developed sophisticated metrics for comparing corporate behaviors that had never been measured before.

"A company's carbon footprint was measurable for many years before we had any way to compare ethnic and gender diversity or corporate responsiveness in quantitative ways," Ball said. "Just one or two years ago research on corporate responsibility was only available with expensive institutional research subscriptions," he added.

Corporate sustainability

is effectively the bucket that contains all ESG elements. And while the phrase has become a cliché, it reflects the noble ideal of meeting the needs of the present without compromising the ability of future generations to meet theirs. "Corporate sustainability has three main pillars: economic, environmental, and social," according to Investopedia. "These three pillars are informally referred to as people, planet and profits."

Sustainability ratings for thousands of mutual funds are now offered by Morningstar. Yahoo Finance publishes ESG scores for more than 1,000 publicly traded companies.

"The data flow, along with the variety of available investments is very new," Ball said. "It was dramatically different just two years ago."

And corporations also now recognize the value of being more forthcoming with data than ever before. Today, companies have a strong incentive to talk a good game on sustainability, diversity, openness, and accountability.

"Corporate image-making is big business," Ball emphasized. "It is up to us as investors, and the research firms that provide us with information, to judge the sincerity and depth of a corporation's commitment to the social good."

He noted that there are now sustainable investing vehicles in every asset class and every investment category, and he said it's nearing the point where it may no longer be necessary to separate corporate social responsibility from stock and bond analysis – because most Wall Street firms are now studying and evaluating these issues as relevant and important.

For more information on Jeff Ball, visit:

rbwealthmanagement.com/jeffreyball

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