Sustainable Reality:

Understanding the Performance of Sustainable Investment Strategies

A growing number of investors are exploring sustainable investing. In 2012, $1 out of every $9 of US assets under professional management was invested in some form of sustainable investment, primarily in public equities. In 2014 that number increased to $1 out of every $6 – to a total of $6.57 trillion now invested sustainably.[1]

With this growth, investors increasingly ask what tradeoffs, if any, there are to sustainable investing. Some investors believe sustainable investments underperform, or have higher risk than their traditional counterparts.

We set out to explore whether this view is accurate.

Key Findings

- Investing in sustainability has usually met, and often exceeded, the performance of comparable traditional investments. This is on both an absolute and a risk-adjusted basis, across asset classes and over time, based on our review of US-based Mutual Funds and Separately Managed Accounts (SMAs).
- Sustainable equity Mutual Funds had equal or higher median returns and equal or lower volatility than traditional funds for 64% of the periods examined.
- There is a positive relationship between corporate investment in sustainability and stock price and operational performance, based on a review of existing studies.
- Long-term annual returns of one index comprising firms scoring highly on environmental, social and governance criteria exceeded the S&P 500 by 45 basis points since its inception in 1990.[2]
- Manager selection is crucial for sustainable and traditional investments alike.

Executive Summary

This study set out to analyze potential performance and risk differences between sustainable and traditional investments.

We reviewed a range of studies on sustainable investment performance and examined performance data for 10,228 open-end mutual funds and 2,874 Separately Managed Accounts (SMAs) based in the United States and denominated in US dollars. In the scope of our review, we ultimately found that **investing in sustainability has usually met, and often exceeded, the performance of comparable traditional investments. This is on both an absolute and a risk-adjusted basis, across asset classes and over time**.

More specifically, when investors are deciding whether to pursue a sustainable investing strategy, they should consider the following:

- **Sustainable Equity Mutual Funds** had equal or higher median returns and equal or lower median volatility for 64% of the periods examined over the last 7 years, compared to their traditional counterparts. (Figure 2).
- **Sustainable SMAs** had equal or higher median returns for 36% of the periods examined and equal or lower median volatility for 72% of the periods examined, over the last 7 years, compared to their traditional counterparts. On a risk-adjusted basis, sustainable SMAs performed closely inline with their traditional counterparts (Figure 5).
- **Sustainable Mutual Funds and SMAs** had a tighter return and volatility dispersion than their traditional peers (Figures 3, 4, 6).
- **Individual Firms** that actively pursue improvements in environmental, social and governance metrics also tend to have *lower costs of capital* and higher *operational* and *stock price performance*.[3]
- A 2011 Harvard study found, that given a $1 investment in 1993 in a value-weighted portfolio of high sustainability versus low sustainability firms, the high sustainability portfolio would have grown to $22.60 by 2010, while the low sustainability portfolio would have only reached $15.40, a difference of over 46%.[4]
- **Benchmark** performance of the MSCI KLD 400 Social Index, which includes firms meeting high Environmental, Social and Governance (ESG) standards, has outperformed the S&P 500 on an annualized basis by 45 basis points since its inception (10.14%, compared to 9.69% for the S&P 500; July 1990 - Dec. 2014).[5]

Ultimately, investors should remember that *manager selection is crucial*; there is a high dispersion of returns and volatility across the spectrum of sustainable and traditional investment strategies alike.

Methodology

To develop a clearer picture of the relative performance of sustainable investments to their traditional peers, our review focused on three broad areas:

- **Individual Firm Performance.** We reviewed a body of studies and meta studies that assessed the impact of sustainability on financial and market performance of individual firms.
- **Benchmark Performance.** We examined how the MSCI 400 KLD Social Index[6], an index of firms selected for their relative strength in sustainability metrics, performed against broader industry benchmarks.
- **Investment Fund Performance.** We used publicly-available data from Morningstar to assess open-end mutual fund performance, and data from Informa PSN to assess SMA performance. Performance was comparatively assessed using total returns for mutual funds and gross returns for SMAs, based on the availability of data. Risk was assessed using volatility (standard deviation). Our review used 7 years of calendar and trailing data, across both equity and fixed income. 10 year data could not be fairly assessed and was excluded due to a low number of sustainable funds in existence at the time. To reduce the potential for error, we compared sustainable and traditional investment performance between peers within the same Morningstar category or Informa asset class. We only included asset classes where there were *at least 4 sustainable funds or SMAs* with continuously available data over the last 7 years.

We wanted to review the performance of sustainable investments from these three perspectives; to arrive at a synthesized view that would be beneficial for asset owners and managers, institutional and retail investors and corporate management.

Defining Sustainability

We define sustainability as a commitment to economic well-being for both the present and the future, balancing society's needs today with the demands of tomorrow. Sustainability encompasses behaviors, processes, tools and technologies that can be perpetuated and replicated in ways that achieve economic, social or environmental benefits. We see sustainable investing as the practice of mobilizing capital to businesses that engage in these behaviors and practices.

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Sustainable Investments and Individual Firms

The Intuition of Top and Bottom-Line Impacts of Sustainability

Sustainability can have a positive effect on firms that pursue it, in both stock price and operating performance. For example, firms that reduce waste and utilize natural resources more efficiently may see increased profitability through reduced costs and increased efficiency. Through a shift in focus, one large technology firm saved $422 million and reduced electricity use by 5.8 billion kWh over a 12-year period.[7]

Another possibility is that firms that score high on employee engagement might have lower turnover, and higher employee motivation, leading to higher human resource cost efficiency. This has been shown through a number of studies as well. Across 14 countries, companies on "The Best Companies to Work For" consistently achieved outsized, positive returns relative to their industry peers.[8]

It is important to note that specific outcomes from sustainable investments cited by large firms are often positive in nature, which some may construe as suffering from a reporting bias. Sustainable investments with suboptimal outcomes may not be reported as frequently or transparently as those that are successful. Despite this risk, the active investments by firms, in advance of regulatory or other external pressures, is surely a sign of a broader shift in strategic direction. A 2014 study by Ceres found that 60 percent of Fortune 100 companies voluntarily set clean energy and greenhouse gas reduction targets, saving an aggregate of $1.1 billion annually from 30,000 projects.[9]

Research on Sustainability and Performance

Academic research that explores the relationship between investments in sustainability and overall firm and market performance also points to a positive relationship.[10] This is often true even as far back as the 1990s, when the first socially responsible equity indices were launched.

The literature does not suggest that all investments in sustainability produce positive returns. The key, according to one McKinsey study, is that leading firms pursue investments in sustainability that aim to also have a material financial impact.[11]

A broad 2014 meta study by Oxford University reviewed 190 of the highest quality academic studies conducted on the relationship between sustainability and firm performance. Overall, the study made a strong case for business investment in sustainability, drawing the following key conclusions from the body of studies they reviewed[12]:

- 90% showed that sound sustainability standards lowered the cost of capital.
- 80% showed a positive relationship between stock performance and good sustainability practices.
- 88% indicated that operational performance of firms was improved by robust Environmental, Social and Governance practices.

While correlation does not equal causation, firms that pursue sustainability strategies that result in improved corporate governance, resource utilization or employee engagement often outperform their peers.[13] In addition, firms that are focused on sustainability are also more likely to better manage environmental, financial and reputational risks[14], which is more likely to lead to lower volatility of cash flows.[15]

A 2011 study conducted by George Serafeim and Robert Eccles at Harvard Business School also found that financial markets value firms that incorporate sustainability practices into their operations. They compared stock performance of 180 large US firms, using a matched sample that classified 90 as high sustainability and 90 as low sustainability. High sustainability firms were those that actively incorporated material environmental, social and governance criteria into decision-making at the firm level, while low sustainability firms did not.

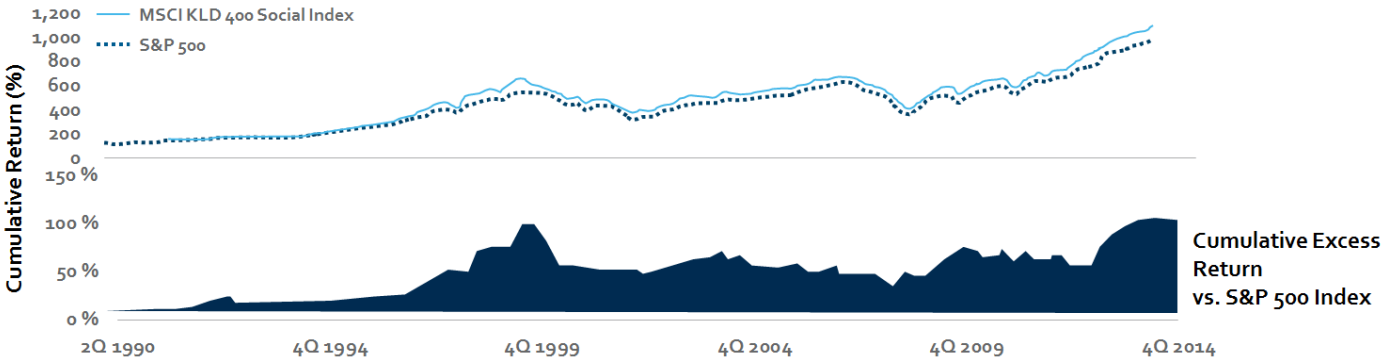
The study found that high sustainability firms *significantly* outperformed their counterparts. Given a $1 investment in 1993 in a value-weighted portfolio of high sustainability versus low sustainability firms, the high sustainability portfolio would have grown to $22.60 by 2010, while the low sustainability portfolio would have only reached $15.40, a difference of over 46%.[16]

Sustainable Investments and Benchmarks

While existing research highlights how sustainability can positively impact a firm's profitability and stock performance, how do highly-rated sustainable firms perform relative to industry benchmarks?

As seen in Figure 1, the index also outperformed the S&P 500 on an annualized basis since its inception in 1990, with the MSCI KLD 400 achieving an annualized return of 10.14%[19], compared to 9.69% for the S&P 500 – a difference of 45 basis points.

Figure 1 – Index Performance – MSCI KLD 400 vs. S&P 500 (July 1990 – Dec. 2014) – USD[17]



	Annualized Return (%)	Standard Deviation (%)	Sharpe Ratio	Beta vs. S&P 500 Index	Annualized Excess Return vs. S&P 500 (%)	Cumulative Excess Return vs. S&P 500 (%)	Alpha vs. S&P 500 Index (%)	Tracking Error vs. S&P 500 Index (%)
MSCI KLD 400 Social Index	10.14	16.80	0.42	1.03	0.45	102.36	0.19	2.68
S&P 500 Index	9.69	16.09	0.41	1.00	0.00	0.00	0.00	0.00

Source: Zephyr Analytics

Past performance is not a guarantee of future results. Indices are unmanaged and not available for direct investment.

One robust measure of sustainable investment performance is the MSCI KLD 400 Social Index. The broad-based index only includes firms that meet very high Environmental, Social and Governance ratings relative to their peers. It also excludes certain sectors, such as alcohol, gambling, tobacco, weapons and adult entertainment.

Over the period of available performance data, the MSCI 400 Social Index performed largely in line with MSCI USA, its traditional counterpart.[18] Interestingly, the sector exclusions used in the benchmark did not have a negative impact on performance, which might be expected due to lower diversification.

While this difference is small, it adds up to a cumulative excess return of 102.36% between 1990 and 2014.

It may also indicate a positive relationship between firms that invest heavily in sustainability and broader market performance.

Sustainable Mutual Fund and SMA Performance

We compared the performance of sustainable open-end mutual funds and sustainable Separately Managed Accounts (SMAs) to their traditional counterparts. Our focus was on those employing an *active* sustainable investment strategy. Ultimately, our aim was to determine if there was a meaningful difference in performance for funds or SMAs employing an active sustainable strategy versus those that did not.

Methodology – Assessing Performance

To limit outliers from skewing our results, we avoided using averages as a baseline for returns or volatility. We instead focused on how well represented sustainable funds, though small in total number, were in the top two quartiles of returns and risk for their peer group. Based on availability of data, total returns were used for mutual funds, and gross returns were used for SMAs. Risk was compared using volatility (standard deviation).

We concluded that sustainable funds met or exceeded their peer group in performance if:

- **Returns**. 50% or more sustainable funds appeared in the top half of returns for their peer group.
- **Volatility**. 50% or more sustainable funds appeared in the bottom half of volatility (standard deviation) for their peer group.

Returns and volatility were compared on both a calendar year (2007 – 2014) and trailing basis (3, 5 and 7 year). 1 year trailing data was excluded, since it was the same as the 2014 calendar year data. 10 year data could not be fairly assessed and was excluded due to a low number of sustainable funds in existence at the time.

Methodology – Selecting Sustainable Funds and SMAs

Sustainable funds and SMAs were identified from metadata in Morningstar and Informa PSN, and comparisons were done between funds in the same asset class. To limit the impact of currency differences and market structure, we limited our review to funds that were domiciled in the United States and allowed only US dollar investments.

- **Mutual Funds**. Our dataset from Morningstar included 10,228 open-end mutual funds. Of these, 118 equity funds and 31 fixed income funds were tagged in Morningstar as employing a "Socially Conscious" active investment strategy. We compared these sustainable funds to peers in the same asset class, based on Morningstar category.

- **SMAs**. We had access to data for 2,874 SMAs (equity only) from Informa PSA. Of these, we considered 102 as sustainable, based on those having either an "Important" or "Very Important" account mandate for socially responsible investments. We also compared sustainable SMAs to peers in the same asset class, as defined by Informa PSN.

To ensure that our conclusions were meaningful, given the relatively small number of sustainable funds and SMAs, we limited our review to asset classes that had *at least 4 sustainable funds with continuously available data over the last 7 years*. This resulted in the exclusion of many equity and fixed income asset classes across the available set of mutual funds and SMAs.

Equity Mutual Fund Performance

Overall, sustainable equity funds performed favorably compared to their traditional counterparts. Based on Figure 2, **sustainable funds met or exceeded median returns of traditional funds for 64% (42/66) of the periods examined. They also met or fell below median volatility of traditional funds for 64% (42/66) of the periods examined.**

Looking at equity fund comparisons in Figure 2, the data shows:

- **Large Value** was the only asset class where sustainable funds were not consistently overrepresented in the top two quartiles of returns. Across **all other asset classes**, *50% or more sustainable funds were represented in the top two quartiles of returns for their peer group for the majority of periods* under consideration.
- **Excluding Mid Cap Blend**, volatility comparisons yielded a similar trend; *50% or more sustainable funds were represented in the bottom two quartiles of volatility for their peer group for the majority of periods* under consideration. Sustainable **Mid Cap Blend** funds only had favorable volatility outcomes in 3 out of 11 periods.

Grouping all equity funds under review, Figure 3 highlights that **sustainable equity mutual funds had a tighter return and volatility dispersion** than traditional equity mutual funds. Sustainable funds also skewed toward lower volatility, with the **majority of sustainable funds having lower volatility than the median of the traditional funds.**

Figure 2 – Sustainable vs. Traditional Mutual Fund Performance[20]

Asset Class (Morningstar Category)	Historical Period										
	2014 1/1/2014 - 12/31/2014	2013 1/1/2013 - 12/31/2013	2012 1/1/2012 - 12/31/2012	2011 1/1/2011 - 12/31/2011	2010 1/1/2010 - 12/31/2010	2009 1/1/2009 - 12/31/2009	2008 1/1/2008 - 12/31/2008	2007 1/1/2007 - 12/31/2007	3 yr Trail 1/1/2012 - 12/31/2014	5 yr Trail 1/1/2010 - 12/31/2014	7 yr Trail 1/1/2008 - 12/31/2014
Equity											
Large Value - 1337 funds; 7 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	57%	71%	71%	50%	33%	33%	17%	0%	57%	33%	33%
Volatility - % Sustainable Funds below Peer 50th Percentile	57%	71%	57%	50%	67%	17%	33%	40%	71%	67%	17%
Large Blend - 1622 funds; 21 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	57%	71%	43%	65%	63%	63%	50%	38%	48%	74%	67%
Volatility - % Sustainable Funds below Peer 50th Percentile	38%	52%	57%	55%	47%	42%	56%	50%	48%	47%	56%
Large Growth - 1760 funds; 19 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	53%	37%	53%	59%	53%	35%	76%	31%	35%	41%	59%
Volatility - % Sustainable Funds below Peer 50th Percentile	58%	79%	59%	59%	65%	47%	53%	81%	71%	59%	65%
Mid-Cap Blend - 375 funds; 7 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	29%	71%	86%	57%	14%	71%	57%	0%	71%	86%	57%
Volatility - % Sustainable Funds below Peer 50th Percentile	57%	43%	29%	43%	29%	29%	14%	60%	57%	43%	43%
Mid-Cap Growth - 766 funds; 9 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	67%	25%	63%	86%	43%	14%	50%	17%	25%	57%	50%
Volatility - % Sustainable Funds below Peer 50th Percentile	44%	50%	50%	43%	43%	100%	67%	50%	63%	43%	83%
Small Blend - 778 funds; 8 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	63%	63%	50%	57%	71%	43%	50%	33%	63%	86%	67%
Volatility - % Sustainable Funds below Peer 50th Percentile	63%	38%	75%	43%	100%	71%	83%	67%	50%	57%	67%
Fixed Income											
Short-Term Bond - 541 funds; 5 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	60%	40%	100%	60%	60%	100%	20%	100%	100%	80%	60%
Volatility - % Sustainable Funds below Peer 50th Percentile	20%	20%	0%	20%	40%	40%	20%	25%	20%	20%	0%
Intermed-Term Bond - 1066 funds; 12 sustainable											
Returns - % Sustainable Funds exceeding Peer 50th Percentile	25%	27%	30%	50%	33%	22%	75%	75%	50%	22%	38%
Volatility - % Sustainable Funds below Peer 50th Percentile	75%	64%	40%	50%	67%	78%	63%	63%	70%	56%	75%

Notes

1 year trailing excluded - same as calendar year 2014

10 year trailing excluded due to low number of sustainable funds in existence

50% or more Sustainable Funds in Top 2 Quartiles* of Peer Group

Less than 50% of Sustainable Funds in Top 2 Quartiles* of Peer Group

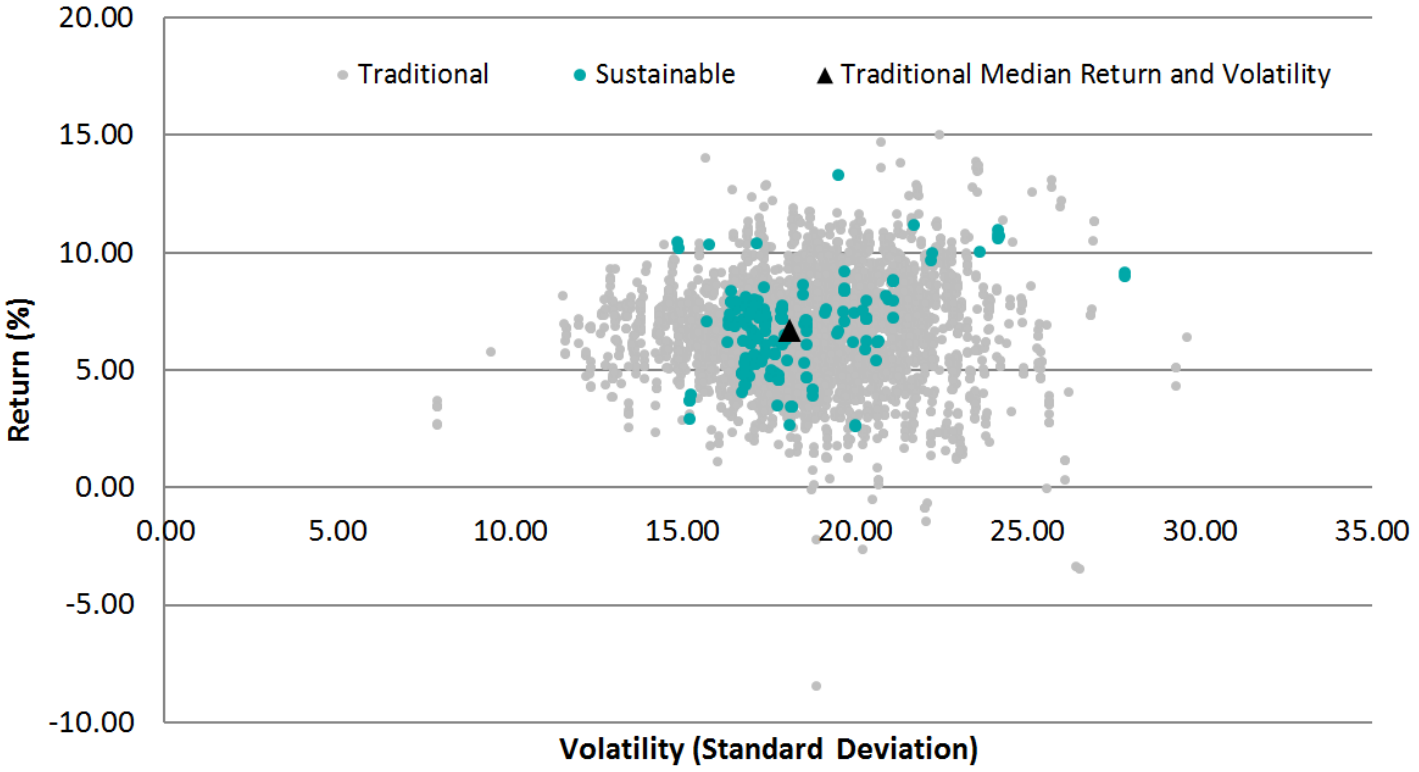
* *Above* 50th percentile returns, *below* 50th percentile volatility (vs. peer group)

Source: Morningstar

Past performance is not a guarantee of future results.

Figure 3 – Sustainable vs. Traditional Risk vs. Return (7 Year Trailing)[21]

Equity Mutual Funds (Large Value/Blend/Growth, Mid Blend/Growth, Small Blend)



Source: Morningstar

Past performance is not a guarantee of future results.

Fixed Income Mutual Fund Performance

The number of sustainable fixed income funds was considerably smaller, which resulted in the exclusion of most asset classes.

Of the two asset classes considered, **sustainable fixed income fund performance was relatively inline with traditional funds**.

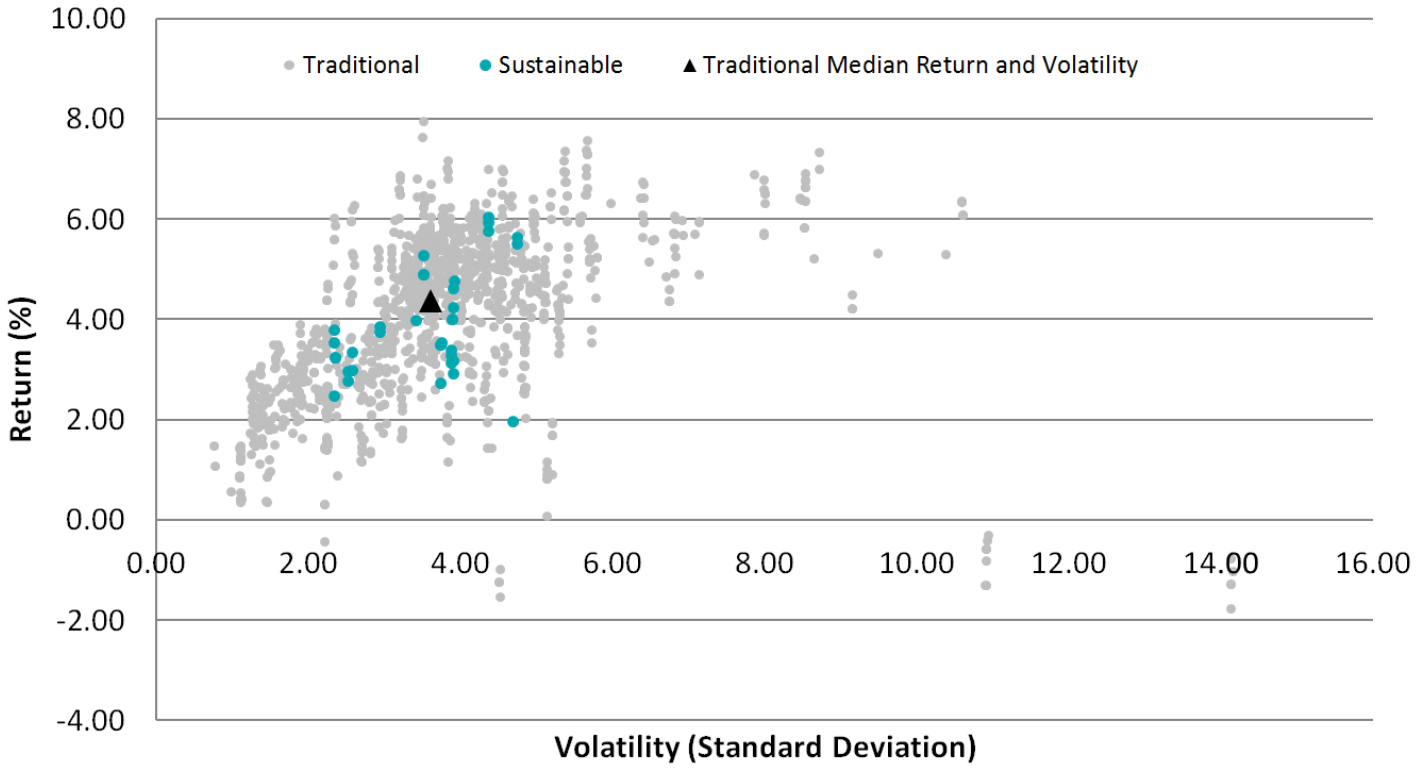
Looking at fixed income fund comparisons in Figure 2, the data shows:

- **Short-term** fixed income funds were very highly represented in the top two quartiles of returns for their peer group across time. In terms of volatility, however, they did not have favorable performance relative to peers for any of the 11 periods under consideration.
- **Intermediate-term** fixed income funds exhibited the exact opposite trend as short-term funds. Comparing peer returns, they performed favorably in only 4 out of 11 periods. At the same time, they exhibited consistently low volatility – with high representation compared to peers for 10 out of 11 periods.

Figure 4 also highlights that there was generally **greater dispersion across traditional fixed income funds compared to sustainable funds**. In addition, a large number of traditional fixed income funds took on higher volatility without providing commensurate returns. This was less the case with sustainable fixed income funds.

Figure 4 – Sustainable vs. Traditional Risk vs. Return (7 Year Trailing)[22]

Fixed Income Mutual Funds (Short-term, Intermediate-Term)



Source: Morningstar

Past performance is not a guarantee of future results.

Sustainable SMA Performance

Overall, sustainable SMAs performed favorably compared to their traditional counterparts with respect to volatility, with **equal or lower volatility for 72% (24/33) of the periods examined**. Sustainable SMAs performed less favorably with respect to returns, **meeting or exceeding traditional median returns for 36% (12/33) of the periods examined**. **On a risk-adjusted basis, sustainable SMAs performed inline with their traditional counterparts** (Figure 5).

Looking at SMA comparisons in Figure 5, the data shows:

- **Large Cap.** Compared to their peer group, sustainable SMAs only had a higher than 50% representation in the top two quartiles for 4 out of 11 periods. In terms of volatility, sustainable SMAs were represented in the bottom two quartiles of volatility for their peer group for the majority of periods under consideration.
- **Mid Cap.** Sustainable SMAs were overrepresented in the top two quartiles of returns compared to their peer group for 6 out of 11 periods. In terms of volatility, sustainable SMAs were highly represented in the bottom two quartiles for 7 out of 11 periods.
- **Small Cap.** Sustainable SMAs were consistently underrepresented in the top two quartiles of returns compared to their peer group, with only 2 out of 11 periods of favorable performance. In terms of volatility, however, sustainable SMAs were overrepresented for 9 out of 11 periods, and closely inline for the remaining 2 periods.

Figure 6 highlights that traditional SMAs had a slightly higher return dispersion, but a significantly higher volatility dispersion, suggesting that sustainable SMAs exhibited favorable risk-adjusted performance over time.

Figure 5 – Sustainable vs. Traditional SMA Performance[23]

Asset Class	Historical Period										
	2014 1/1/2014 - 12/31/2014	2013 1/1/2013 - 12/31/2013	2012 1/1/2012 - 12/31/2012	2011 1/1/2011 - 12/31/2011	2010 1/1/2010 - 12/31/2010	2009 1/1/2009 - 12/31/2009	2008 1/1/2008 - 12/31/2008	2007 1/1/2007 - 12/31/2007	3 yr Trail 1/1/2012 - 12/31/2014	5 yr Trail 1/1/2010 - 12/31/2014	7 yr Trail 1/1/2008 - 12/31/2014
Large Cap - 1547 SMAs; 77 sustainable											
Returns - % Sustainable SMAs exceeding Peer 50th Percentile	40%	47%	43%	34%	50%	59%	56%	55%	38%	47%	46%
Volatility - % Sustainable SMAs below Peer 50th Percentile	55%	65%	51%	46%	46%	64%	41%	50%	53%	55%	60%
Mid Cap - 554 SMAs; 11 sustainable											
Returns - % Sustainable SMAs exceeding Peer 50th Percentile	25%	27%	36%	64%	50%	60%	50%	60%	25%	43%	57%
Volatility - % Sustainable SMAs below Peer 50th Percentile	25%	55%	55%	55%	40%	60%	60%	30%	50%	29%	71%
Small Cap - 773 SMAs; 12 sustainable											
Returns - % Sustainable SMAs exceeding Peer 50th Percentile	20%	9%	9%	45%	36%	27%	73%	55%	0%	11%	0%
Volatility - % Sustainable SMAs below Peer 50th Percentile	70%	73%	82%	64%	45%	64%	45%	64%	67%	56%	56%

Notes

1 year trailing excluded - same as calendar year 2014

10 year trailing excluded due to low number of sustainable SMAs in existence

50% or more Sustainable SMAs in Top 2 Quartiles* of Peer Group

Less than 50% of Sustainable SMAs in Top 2 Quartiles* of Peer Group

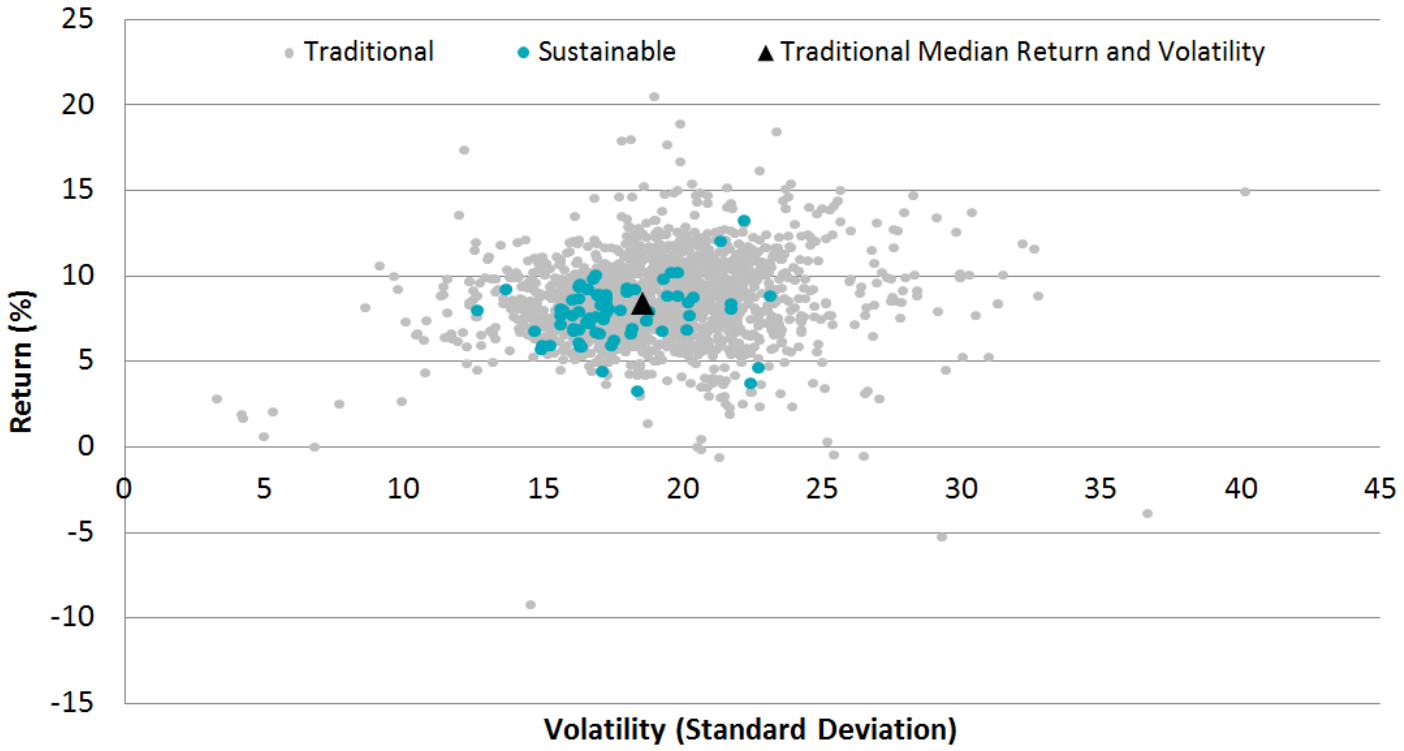
* *Above* 50th percentile returns, *below* 50th percentile volatility (vs. peer group)

Source: Informa PSN

Past performance is not a guarantee of future results.

Figure 6 – Sustainable vs. Traditional Risk vs. Return (7 Year Trailing) [24]

SMAs (Large, Mid, Small Cap)



Source: Informa PSN

Past performance is not a guarantee of future results.

What Is the Bottom Line for Investors?

A number of drivers, including increasing natural resource scarcity, regulatory pressures, shareholder expectations and board accountability, among others, are likely contributing to some of the positive firm- and investment-level effects we observed. More studies are needed to conclusively determine what the underlying drivers are.

The academic research we reviewed on the performance of sustainable firms and investments, both versus peers and benchmarks, underscores how firms that consistently factor sustainability into their business strategy can fare better; with positive effects both on a firm's profitability and stock price performance.

Reviewing 7 years of performance data for 10,228 open-end mutual funds, we also observed that sustainable funds tend to exhibit slightly higher returns and lower volatility than their traditional counterparts, barring a few exceptions. A similar review of 2,874 SMAs invested in public equities indicate that sustainable SMAs lag slightly in returns, but have uniformly lower volatility. On a risk-adjusted basis, sustainable SMAs perform inline with their traditional peers.

While it is important to understand these observed trends, we believe investors should remember that *manager selection is crucial*; there is a high dispersion of returns and volatility across the spectrum of sustainable and traditional investment strategies alike.

Ultimately, our comparison indicates that investing to create a positive impact does not necessarily require making a tradeoff in investment performance; on the contrary, sustainable investments often exhibit favorable return and risk characteristics compared to their traditional peers. We expect that, over time, the fundamental drivers of these performance differences will only grow in importance to investors, both as a way to address important global challenges *and* to improve investment performance.

To learn more about the Institute for Sustainable Investing, please visit www.ms.com/sustainableinvesting

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Disclosures

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Equity securities' prices may fluctuate in response to specific situations for each company, industry, market conditions and general economic environment. Companies paying dividends can reduce or cut payouts at any time.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer.

Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Investment returns will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Investors should carefully consider the investment objectives and risks as well as charges and expenses of a mutual fund before investing. To obtain a prospectus, contact your Financial Advisor or visit the fund company's website. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.

