



MUTUAL FUNDS—A DESCRIPTION

A growing number of socially responsible mutual funds are integrating community investments into their portfolios. These funds are an attractive investment for many people because they are diversified, actively managed by financial professionals, and screened for social and environmental concerns by experts. Some socially responsible mutual funds have between one and ten percent of their managed assets in communities.

Who can invest?

Individuals of all income levels invest in socially responsible mutual funds. Ask for a prospectus from the company before you invest to see if the mutual fund meets your financial, social, and environmental goals.

How much money do I need?

Minimum investment requirements in mutual funds can be as low as \$100, but will more likely be \$250-\$2,000. These minimums are often waived or lowered with a commitment to invest a certain amount each month or when investing in a retirement plan.

What kind of returns can I expect?

Socially responsible mutual funds provide competitive returns.

What are the risks?

Since mutual funds invest directly in stocks and bonds, they are not insured, and financial returns fluctuate with the stock market. They are actively managed by financial professionals to maximize returns. As with all mutual fund investments, your principal is at risk. Read a prospectus before making an investment to ensure a given fund meets your financial and social goals.

Do I need a financial planner to invest?

You do not need a financial planner to invest in socially responsible mutual funds, although you may choose to consult one.

What if I can't afford the minimum amount?

Consider moving your checking and/or savings account into a community development bank or credit union. If you are looking for other ways to use your money to make an impact on communities, consider donating a small amount to a community development loan fund.

—*Justin Conway*, Social Investment Forum Foundation and Co-op America