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The Financial Performance of Ethical Investment Trusts: An Australian Perspective

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Abstract

This study examines whether differences in financial performance exist for investment trusts which base their portfolio selection primarily on an ethical screen, compared to indexes which incorporate a broader spectrum of investments. Results indicate that on a risk-adjusted basis there is an insignificant difference in the financial performance of these trusts against three common market benchmarks. However as to the extent of the directional effect, there does exist slightly superior

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indicate superior returns are more likely to occur over a longer term.

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