

A Mainstream Investment Strategist Comes Home to Socially Responsible Investment

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SocialFunds.com, March, 2005

Adam Seitchik views his move from Deutsche Asset Management, where his team managed \$60 billion in assets, to Trillium Asset Management, which manages around \$1 billion, as upward mobility.

What does it mean for an investment strategist to move from a large mainstream global firm to a small socially responsible investment (SRI) firm? In the case of Adam Seitchik, who left London as chief global strategist for Deutsche Asset Management and last year became chief investment strategist at Trillium Asset Management, it means he is coming home, in more than one sense.

In the geographic sense, Dr. Seitchik is returning to Boston. It is in Beantown that he earned his doctorate in economics from Boston University, taught economics at Wellesley College, worked as an analyst and portfolio manager at Wellington Management, and served as director of strategic research for John Hancock's Investment and Pension Group.

But the transition from the investment mainstream to SRI also represents a different sort of homecoming.

"There were things I loved about working for large global investment houses, particularly getting to see the world, living abroad, and interacting with people from so many different countries," Dr. Seitchik told SocialFunds.com. "But from the very beginning the work didn't connect with my values, and I always spoke of what I was going to do when I got to do what I really wanted to do."

"This is it: SRI explicitly seeks to meet a combination of financial, social, and environmental objectives, so there is a seamless connection between my work and what I am trying to achieve as a human being," he continued.

The shift to SRI, which he may eventually have experienced had he stayed in Europe, has not come without challenges.

"The biggest challenge of SRI is to always remember to be positive about what we do, never defensive," he said. "The Europeans are figuring out that SRI should be mainstream, and a narrow-minded obsession with quarterly profit results should go the way of the dinosaur."

"So our challenge is to realize that we are on the right side of history, and our opportunity is to make it so," he added.

Trillium's more intimate atmosphere represents a fertile environment for promoting such progress.

"When I started talking to Trillium, I responded very positively to the independence, humanity and scale of the place," he said. "Trillium is a leader in challenging corporations to behave responsibly, but even so there is a delightful humility and kindness in the organization."

"It seemed to me that my skills and background coming from large investment management organizations would be synergistic with Trillium's deep experience in SRI," Dr. Seitchik added.

Dr. Seitchik is spreading his experience broadly across the organization, chairing Trillium's asset allocation committee in addition to performing portfolio management, equity research, and quantitative support of investment processes.

"I'm spending a lot of time on investment process in 2005," said Dr. Seitchik. "Trillium is a strong and successful asset management firm, so mostly we are really tinkering around the edges."

"There is a significant transition happening in the investment cycle, from the early stage of economic recovery-- when interest rates are low and corporate profits are recovering--to a more mature phase with rising interest rates and positive but slowing profit growth," he explained. "In this latter stage of the economic cycle larger, more stable companies tend to outperform, so on the margin we are starting to tilt our portfolios in this direction."

After helping fine-tune Trillium's investment processes, Dr. Seitchik intends to set his sights on the bigger picture. "I would like to see us do more marketing to institutional investors that have not traditionally been big buyers of SRI," he said. "Universities and progressive endowments would benefit from having at least a portion of their portfolios invested in a way that is consistent with their mission and their values."

The move to SRI is clearly consistent with Dr. Seitchik's personal values, which are rooted in social justice.

"My father was a doctor and ran a number of clinics for poor women in San Antonio," Dr. Seitchik said. "My parents always stood for progressive causes and put their money and time toward their beliefs."

"Most of us need to work for a living, but to feel like one works for something other than money is a great blessing and a wonderful opportunity," he concluded.