

Internet Appendix

for

**“Why Do Investors Hold Socially Responsible
Mutual Funds?”**

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This Internet Appendix provides additional information and analyses. Section I provides an English translation of the full set of instructions used in the experiments, Section II contains the invitation letter for the online survey and experiment sent to the investors, Section III shows a screenshot of the product selector of the mutual fund provider, and Section IV provides additional robustness analyses of the results reported in the article.

Content:

Section I: Instructions Used in Online Experiments	2
Section II: Invitation Letter for the Online Survey and Experiments	16
Section III. Screenshot of the Mutual Fund Provider's Website	17
Section IV: Additional Analysis	18
References	27

I. Instructions Used in Online Experiments

(Translated from Dutch)

Below horizontal lines indicate screen transitions in the online experiment.

Risk preferences elicitation (this title was not part of the instructions)

You are participating in a choice experiment in which you will make financial decisions. In the experiment there are no right or wrong decisions and you are free to decide in any way you like.

In the tables below you will find two options on each line. You can choose between:

-Option A: a fixed amount that you will receive 'with certainty'

-Option B: an 'all or nothing' lottery in which you have a 50% chance of winning €300 and a 50% chance of winning nothing.

The tables that you find below just serve as examples; you do not have to make any decisions on this page yet.

In each row you should choose either option A or option B.

Each row can be the row relevant for your payment. Therefore, consider your decisions for each row carefully.

	Option A	Option B
Row 1:	€0 with certainty	50% chance to win €300 and 50% chance to win €0
Row 2:	€10 with certainty	50% chance to win €300 and 50% chance to win €0
Row 3:	€20 with certainty	50% chance to win €300 and 50% chance to win €0
Row 4:	€30 with certainty	50% chance to win €300 and 50% chance to win €0
Row 5:	€40 with certainty	50% chance to win €300 and 50% chance to win €0
Row 6:	€50 with certainty	50% chance to win €300 and 50% chance to win €0
Row 7:	€60 with certainty	50% chance to win €300 and 50% chance to win €0
Row 8:	€70 with certainty	50% chance to win €300 and 50% chance to win €0
Row 9:	€80 with certainty	50% chance to win €300 and 50% chance to win €0
Row 10:	€90 with certainty	50% chance to win €300 and 50% chance to win €0
Row 11:	€100 with certainty	50% chance to win €300 and 50% chance to win €0
Row 12:	€110 with certainty	50% chance to win €300 and 50% chance to win €0
Row 13:	€120 with certainty	50% chance to win €300 and 50% chance to win €0
Row 14:	€130 with certainty	50% chance to win €300 and 50% chance to win €0
Row 15:	€140 with certainty	50% chance to win €300 and 50% chance to win €0
Row 16:	€150 with certainty	50% chance to win €300 and 50% chance to win €0
Row 17:	€160 with certainty	50% chance to win €300 and 50% chance to win €0
Row 18:	€170 with certainty	50% chance to win €300 and 50% chance to win €0
Row 19:	€180 with certainty	50% chance to win €300 and 50% chance to win €0
Row 20:	€190 with certainty	50% chance to win €300 and 50% chance to win €0

Examples

1. Imagine that in row 8 you choose Option B. In that case you will receive €300 with a 50% chance and €0 with a 50% chance.
2. Imagine that in row 12 you choose Option A. In that case you will receive €110 with certainty.

Experiment

In each row of the following table you will find two options. For each row you should choose between Option A and Option B. If at the end of the experiment you are selected for a payout, one of the 20 rows below will be randomly selected to determine your earnings. If you selected Option B for this row, whether you will receive €0 or €300 will be determined with a 50% probability.

	Option A	Option B
Row 1:	€0 with certainty	50% chance to win €300 and 50% chance to win €0
Row 2:	€10 with certainty	50% chance to win €300 and 50% chance to win €0
Row 3:	€20 with certainty	50% chance to win €300 and 50% chance to win €0
Row 4:	€30 with certainty	50% chance to win €300 and 50% chance to win €0
Row 5:	€40 with certainty	50% chance to win €300 and 50% chance to win €0
Row 6:	€50 with certainty	50% chance to win €300 and 50% chance to win €0
Row 7:	€60 with certainty	50% chance to win €300 and 50% chance to win €0
Row 8:	€70 with certainty	50% chance to win €300 and 50% chance to win €0
Row 9:	€80 with certainty	50% chance to win €300 and 50% chance to win €0
Row 10:	€90 with certainty	50% chance to win €300 and 50% chance to win €0
Row 11:	€100 with certainty	50% chance to win €300 and 50% chance to win €0
Row 12:	€110 with certainty	50% chance to win €300 and 50% chance to win €0
Row 13:	€120 with certainty	50% chance to win €300 and 50% chance to win €0
Row 14:	€130 with certainty	50% chance to win €300 and 50% chance to win €0
Row 15:	€140 with certainty	50% chance to win €300 and 50% chance to win €0
Row 16:	€150 with certainty	50% chance to win €300 and 50% chance to win €0
Row 17:	€160 with certainty	50% chance to win €300 and 50% chance to win €0
Row 18:	€170 with certainty	50% chance to win €300 and 50% chance to win €0
Row 19:	€180 with certainty	50% chance to win €300 and 50% chance to win €0
Row 20:	€190 with certainty	50% chance to win €300 and 50% chance to win €0

1. What are the reasons for the choices that you made?

2. Did you consider the interest rate (for example, the interest on savings) while making your decisions?

- Yes
- No
- Don't know

3. Did you consider the amount of your personal financial wealth while making your decisions?

- Yes
- No
- Don't know

4. I consider this choice experiment easy to understand

Totally disagree 1 2 3 4 5 6 7 Totally agree

5. I consider this experiment to be interesting

Totally disagree 1 2 3 4 5 6 7 Totally agree

Trust Game: Instructions for first mover (this title was not part of the instructions)

Explanation

You are anonymously and randomly linked to **ANOTHER INDIVIDUAL INVESTOR AT <NAME OF THE BANK>**. You and this other investor will remain anonymous during and after the experiment. The other person will receive instructions that are similar to the instructions you will receive, but this person has a different role. Just like you, s/he will receive starting capital of €50. You can send nothing, part, or all of this €50 to the person you are linked to. This person will subsequently **receive three times the amount that you send**.

Subsequently, this person can decide to return nothing, part, or the entire amount that s/he received from you. S/He cannot return more than received, that is, s/he will always retain the starting capital. Note: The amount that this person will return to you will not be increased by any amount.

Your income is the sum of:

1. The amount of euro that you did not send to the other participant (€50 – the amount sent).
2. The amount that the other participant returned to you.

In a formula: €50 – the amount that you send to the other participant + the amount that the other participant returns to you.

The income of the other participant is the sum of:

1. €50.
2. 3x the amount that you send.
3. Minus the amount that s/he returns.

In a formula: €50 + (3x the amount that you send) – the amount that s/he returns.

In the table below, you can see what the outcomes are for each amount that you can send to the other person.

The other can max. return	You Retain	The other receives	The other holds in total	The other can max. return
0 euro	50 euro	0 euro	50 euro	0 euro
5 euro	45 euro	15 euro	65 euro	15 euro
10 euro	40 euro	30 euro	80 euro	30 euro
15 euro	35 euro	45 euro	95 euro	45 euro
20 euro	30 euro	60 euro	110 euro	60 euro
25 euro	25 euro	75 euro	125 euro	75 euro
30 euro	20 euro	90 euro	140 euro	90 euro
35 euro	15 euro	105 euro	155 euro	105 euro
40 euro	10 euro	120 euro	170 euro	120 euro
45 euro	5 euro	135 euro	185 euro	135 euro
50 euro	0 euro	150 euro	200 euro	150 euro

Examples

For clarification purposes, the following three random examples present possible situations that you may encounter during the experiment.

Example 1

You send €0 to the other player. The other participant receives €0 and cannot send you anything back. You and the other participant thus each retain €50. Both your income and that of the other participant are therefore equal to €50.

Example 2

You send €50 to the other participant and thus retain €0. The other participant to whom you have been linked receives 3 times the amount that you send and thus receives €150, which implies that s/he holds €200 in total. Imagine that the other participant decides to return €100 to you. Both your income and that of the other participant are equal to €100.

Your income will be:

€50 – the amount that you send + the amount that the other participant returns:
 $50 - 50 + 100 = €100$.

The income of the other player will be:

€50 + (3 x the amount that you send) – amount that they return:
 $50 + (3 \times 50) - 100 = €100$

Example 3

You send €30 to the other player and thus retain €20. The other participant to whom you have been linked receives 3 times the amount that you send and thus receives €90, which implies that s/he holds €140 in total. Imagine that the other participant decides to return €10 to you. Your income will then be €30 and the other participant will earn €130.

Your income will be:

€50 – the amount that you send + the amount that the other participant returns:
 $50 - 30 + 10 = €30$.

The income of the other player will be:

€50 + (3 x the amount that you send) – amount that they return:
 $50 + (3 \times 30) - 10 = €130$.

Practice Questions

You will now see several practice questions. These questions are based on random examples and are meant to help develop a better understanding of the consequences of your decisions. In the experiment itself, all calculations will be made by the computer.

For our scientific research it is important that you answer these questions as accurately as possible.

Your income equals: €50 – the amount that you send + the amount that the other participant returns. The income of the other participant will equal: €50 + (3 x the amount that you send) – amount that they return.

Situation 1

Imagine that you send 0 euro to the other person.

1a. What will be your income?

... euro

1b. What will be the income of the other person?

... euro

Your income equals: €50 – the amount that you send + the amount that the other participant returns. The income of the other participant will equal: €50 + (3 x the amount that you send) – amount that they return.

Situation 2

Imagine that you send 40 euro to the other person and s/he decides to return 50 euro.

2a. What will be your income?

... euro

2b. What will be the income of the other player?

... euro

Now the experiment will start.

Your decision

In the table below, you can see what the outcomes are for each amount that you can send to the other person. You are linked to **ANOTHER INDIVIDUAL INVESTOR AT <NAME OF THE BANK>**.

The other can max. return	You Retain	The other receives	The other holds in total	The other can max. return
0 euro	50 euro	0 euro	50 euro	0 euro
5 euro	45 euro	15 euro	65 euro	15 euro
10 euro	40 euro	30 euro	80 euro	30 euro
15 euro	35 euro	45 euro	95 euro	45 euro
20 euro	30 euro	60 euro	110 euro	60 euro
25 euro	25 euro	75 euro	125 euro	75 euro
30 euro	20 euro	90 euro	140 euro	90 euro
35 euro	15 euro	105 euro	155 euro	105 euro
40 euro	10 euro	120 euro	170 euro	120 euro
45 euro	5 euro	135 euro	185 euro	135 euro
50 euro	0 euro	150 euro	200 euro	150 euro

How much money do you send to the other person?

Pulldown menu: €0 - €5 - €10 - €15 - €20 - €25 - €30 - €35 - €40 - €45 - €50

What are the reasons for the choices that you made?

Did you consider the amount of your personal financial wealth while making your decisions?

- Yes
 - No
 - Don't know
-

We would like to ask you to provide **an estimation** of the amount the **other person will return**. You can earn an additional €5 by doing so. According to you, please indicate, given the amount you send, what the minimum and maximum amount will be the other person will return to you. In other words, we ask you to indicate a range of values for the amount that the other person will return, according to you.

We would like to ask you to indicate the amount that the other person will return, according to you. For example, if you sent €30, then the other receives $3 \times 30 = €90$. In that case, s/he can return anything between €0 and €90.

Instead of giving a range, you could also choose an exact amount for your prediction. You should then give the same value for the minimum and maximum amount. If your exact estimation is the amount that the other returns, you will earn the maximum of 5 euro. If your exact estimation is

incorrect, or if the true amount lies outside the range that you indicated, you will earn nothing. If the true amount lies within the range that you predicted, the amount that you earn will be decreasing proportionally in the size of the range. If you selected the maximum interval possible (i.e., if the minimum amount equals €0 and the maximum amount equal €90), you will earn nothing.

It is important for you to know that it is in **your best financial interest** to make the most accurate estimate of what the other participant will return.

The other participant receives 3x the amount that you have sent (i.e., $3x\text{€}\langle\text{SENT}\rangle$) and thus holds in total $\text{€}\langle 3 \times \text{SENT}\rangle$ + the starting capital of €50. Therefore, they may return between €0 and $\text{€}\langle 3 \times \text{SENT}\rangle$ to you.

How much do you think that the other participant to whom you have been linked will return?

Minimum: ... euro Maximum: ... euro

We would now like to ask you to give an interval for the amount that you expect the other participant will return to you.

You will not be paid for this, but we nonetheless ask you to make an accurate and honest estimation.

Imagine that the other participant receives 3x the amount that you send (thus $3x\text{€}\langle\text{SENT}\rangle$) and you therefore hold in total $\text{€}\langle 3 \times \text{SENT}\rangle$ + the starting capital of €50. Therefore, they may return between €0 and $\text{€}\langle 3 \times \text{SENT}\rangle$ to you.

How much do you think that the average individual investor at <Name of the Bank> would return?

Minimum: ... euro Maximum: ... euro

How much do you think that the average socially responsible investor at <Name of the Bank> would return?

Minimum: ... euro Maximum: ... euro

How much do you think that the average individual investor at <Name of the Bank>, who invests more than €100,000, would return?

Minimum: ... euro Maximum: ... euro

How much do you think that the average Dutchman would return?

Minimum: ... euro Maximum: ... euro

How much do you think that an average Dutch university student would return?

Minimum: ... euro Maximum: ... euro

Why do you expect that socially responsible investors would return more or less than average investors?

Why do you expect that individual investors who invest more than €100,000 would return more or less than average investors?

According to your estimation, what percentage of investors at <Name of the Bank> holds one or more socially responsible investment funds in their portfolio?

I consider this choice experiment easy to understand

Totally disagree 1 2 3 4 5 6 7 Totally agree

I consider this experiment to be interesting

Totally disagree 1 2 3 4 5 6 7 Totally agree

In the following questions you will be asked for your impression of the average socially responsible investor.

Compared to the average investor, a socially responsible investor will be:

More cooperative	1 2 3 4 5 6 7	Less cooperative
Richer	1 2 3 4 5 6 7	Poorer
More often a woman	1 2 3 4 5 6 7	More often a man
Older	1 2 3 4 5 6 7	Younger
More trustworthy	1 2 3 4 5 6 7	Less trustworthy
More risk averse	1 2 3 4 5 6 7	Less risk averse

Trust Game: Instructions for second mover (this title was not part of the instructions)

Explanation

You are anonymously and randomly linked to **ANOTHER INDIVIDUAL INVESTOR AT <NAME OF THE BANK>**. You and the person that you are linked to will remain anonymous during and after the experiment. The other person will receive instructions that are similar to the instructions you will receive, but this person has a different role. Just like you, s/he will receive starting capital of €50.

The person to whom you have been linked can send you nothing, part, or all of his/her €50. You will subsequently receive three times the amount that this person sends to you. You can subsequently decide to return nothing, part, or all of the money that you received. You cannot return more to the other person than you received, that is, you will always retain the starting capital.

Note: The money that you return will not be multiplied.

Your income will be the sum of:

1. €50.
 2. 3x the amount that the other participant sends.
 3. Minus the amount that you return.
- In a formula: $€50 + (3x \text{ the amount that the other participant sends}) - \text{the amount that you return.}$

The income of the other participant is the sum of:

1. The euro amount that the other participant did not send ($€50 - \text{the amount sent}$).
2. The amount that you return to the other participant.

In a formula: €50 – the amount that the other participant sends + the amount that you return to the other participant.

Examples

For clarification purposes, the following three random examples present possible situations that you may encounter during the experiment.

Example 1:

The other participant sends you €0. You receive €0 and you therefore can return nothing. You and the other participant retain each €50. Both your income and that of the other participant are therefore equal to €50.

Example 2:

The other participant sends you €50 and s/he therefore retains €0. You receive 3 times the amount that s/he sends, and thus you receive €150, which implies that you hold €200 in total. Imagine that you decide to return €100 to the other participant. Both your income and that of the other participant are equal to €100.

Your income will be:

€50 + (3x the amount that they send) – the amount that you return:
 $50 + (3 \times 50) - 100 = €100.$

The income of the other participant will be:

€50 – amount that they send + amount that you return:
 $50 - 50 + 100 = €100.$

Example 3:

The other participant sends you €30 and therefore retains €20. You receive 3 times the amount that the other person sends, and thus you receive €90, which implies that you hold €140 in total. Imagine that you decide to return €10 to the other participant. Your income will then be €130 and the other participant will earn €30.

Your income will be:

€50 + (3x the amount that they send) – the amount that you return:
 $50 + (3 \times 30) - 10 = €130.$

The income of the other participant will be:

€50 – amount that they send + amount that you return.
 $50 - 30 + 10 = €30.$

Practice Questions

You will now see several practice questions. These questions are based on random examples and are meant to help develop a better understanding of the consequences of your decisions. In the experiment itself, all calculations will be made by the computer.

For our scientific research it is important that you answer these questions as accurately as possible.

Your income will equal: $€50 + (3x \text{ the amount sent}) - \text{the amount that you return}$.
The income of the other participant will equal: $€50 - \text{amount that they send} + \text{amount that you return}$.

Situation 1

Imagine that the other participant sends 0 euro.

1a. What will be your income?

... euro

1b. What will be the income of the other participant?

... euro

Your income equals: $€50 + (3x \text{ the amount sent}) - \text{the amount that you return}$.
The income of the other participant will equal: $€50 - \text{amount that they send} + \text{amount that you return}$.

Situation 2

Imagine, the other person sends you 40 euro and you decide to return 50 euro.

2a. What will be your income?

... euro

2b. What will be the income of the other person?

... euro

Now the experiment will start.

Your decision

For technical reasons you will have to make your decision without knowing how much money the person to whom you have been linked has actually sent you. Therefore, for each possible amount that the other person could send you, we would like to ask you to indicate how much you would like to return. However, only the decision that is relevant for the amount that has actually been sent is decisive for your income and the income of the person to whom you have been linked. You have been linked to **ANOTHER INDIVIDUAL INVESTOR AT <NAME OF THE BANK>**.

When you make a decision, it is important that you realize that each amount could be the actual amount.

We now present you 11 possible amounts that the other person could send you.

Your income will equal: €50 + (3x the amount sent) – the amount that you return.

The income of the other participant will equal: €50 – the amount sent + the amount that you return.

For each possibility, please indicate how much you would like to return. Please provide your decision in the last column.

The other sends:	The other retains:	I receive:	I will hold in total:	I return:
0 euro	50 euro	0 euro	50 euro	... euro
5 euro	45 euro	15 euro	65 euro	... euro
10 euro	40 euro	30 euro	80 euro	... euro
15 euro	35 euro	45 euro	95 euro	... euro
20 euro	30 euro	60 euro	110 euro	... euro
25 euro	25 euro	75 euro	125 euro	... euro
30 euro	20 euro	90 euro	140 euro	... euro
35 euro	15 euro	105 euro	155 euro	... euro
40 euro	10 euro	120 euro	170 euro	... euro
45 euro	5 euro	135 euro	185 euro	... euro
50 euro	0 euro	150 euro	200 euro	... euro

If you click on ‘Next’, your decision will be final; you will not be able to return to this page.

What are the reasons for the choices that you made?

Did you consider the amount of your personal financial wealth while making your decisions?

- Yes
- No
- Don’t know

We would like to ask you to provide **an estimation** of the amount that the **other participant has sent to you**. You can earn up to an additional €5. In particular, we would like you to indicate the minimum and maximum amount the other participant may send. In other words, we ask you to indicate a range of values for the amount that the other person will send according to you. Instead of giving a range, you could also choose an exact amount for your prediction. You should then give the same value for the minimum and maximum amounts. If your exact estimation of the amount that has been sent is correct, you will earn the maximum of 5 euro.

If exact estimation is incorrect, or if the true amount lies outside the range that you indicated, you will earn nothing. If the true amount lies within the range that you predicted, the amount that you earn will be decreasing proportionally with the size of the range. If you select the maximum interval

possible (i.e. if the minimum amount equals €0 and the maximum amount equal €50), you will earn nothing.

It is important for you to know that it is in **your best financial interest** to make the most accurate estimate of what the other participant will return.

How much do you think that the other participant to whom you have been linked will send to you?

Minimum: ... euro Maximum: ... euro

We would like to ask you to give an interval for the amount that you expect that other participant will return to you.

You will not be paid for this, but we nonetheless ask you to make an accurate and honest estimation.

Imagine that the other participant has starting capital of €50 and thus can send between 0 euro and 50 euro.

How much do you think that the average individual investor at <Name of the bank> would send?

Minimum: ... euro Maximum: ... euro

How much do you think that the average socially responsible investor at <Name of the bank> would send?

Minimum: ... euro Maximum: ... euro

How much do you think that the average individual investor at <Name of the bank> who invests more than €100.000 would send?

Minimum: ... euro Maximum: ... euro

How much do you think that the average Dutchman would send?

Minimum: ... euro Maximum: ... euro

How much do you think that the average Dutch university student would send?

Minimum: ... euro Maximum: ... euro

Why do you expect that socially responsible investors would send more or less than average investors?

Why do you expect that individual investors who invest more than €100,000 would send more or less than average investors?

According to your estimation, what percentage of investors at <Name of the bank> holds one or more socially responsible investment funds in the portfolio?

I consider this choice experiment easy to understand

Totally disagree 1 2 3 4 5 6 7 Totally agree

I consider this experiment to be interesting

Totally disagree 1 2 3 4 5 6 7 Totally agree

In the following questions you will be asked for your impression of the average socially responsible investor.

Compared to the average investor, I think a socially responsible investor will be:

More cooperative	1 2 3 4 5 6 7	Less cooperative
Richer	1 2 3 4 5 6 7	Poorer
More often a woman	1 2 3 4 5 6 7	More often a man
Older	1 2 3 4 5 6 7	Younger
More trustworthy	1 2 3 4 5 6 7	Less trustworthy
More risk averse	1 2 3 4 5 6 7	Less risk averse

II. Invitation Letter for the Online Survey and Experiments

(Translated from Dutch)

Dear Madam / Sir,

<Name of the bank> has been approached by **Maastricht University** to conduct joint research on how consumers make financial decisions. We would highly appreciate it if you would take the time to give your opinion on several forms of investments. Your participation **will help generate important insights** for both <name of the bank> and science.

Your response will be treated with **strict confidentiality**. Your personal data in combination with your answers will be used exclusively for research purposes. You will not be approached for commercial promotions based on this research.

The research also contains several **choice experiments**, which provides an opportunity for you to earn a financial payout. Whether you will earn a payout, and how much, depends on your decisions, the decisions of other participants, and luck.

To participate, you can click on the link below. This is a **secured link** that ensures your privacy. Participation in the survey takes about 20 minutes and in the choice experiments about 25 minutes. You can choose to participate in both parts or only in the survey, which takes only 20 minutes.

We would like to ask that the survey and experiment are completed by the person in your household who most often makes investment decisions.

<LINK TO SURVEY HERE>

On behalf of the researchers from Maastricht University and <name of the bank>, we thank you for your participation.

Yours sincerely,

SIGNATURE BY HEAD OF <name of the bank>

III. Screenshot of the Mutual Fund Provider's Website

Period: december 2012 | [Edit columns](#) | [Reset columns](#) | Download as [XLS](#)

Name	Category	Performance 3y	Risk
Quant Emerging Debt Local Currency I USD	Bonds	-	●●●●●
Quant Emerging Markets Equities I USD	Equity-worldwide	-	●●●●●
Robeco	Equity-worldwide	8,24	●●●●●
Rolinco N.V.	Equity-worldwide	5,47	●●●●●
Rorento N.V.	Bonds	6,69	●●●
Safe Mix	Balanced funds	3,84	●●●
Sage Equity Opportunities Bonds Nov05/15 (EUR)	Hedge funds	-	
SAM Biofuel Certificate	Sustainable equity	-	
SAM Smart Energy Fund B CHF	Sustainable equity	-	●●●●●
SAM Smart Energy Fund B EUR	Sustainable equity	-	●●●●●
SAM Smart Energy Fund B USD	Sustainable equity	-	●●●●●
SAM Smart Energy Fund C CHF	Sustainable equity	-	
SAM Smart Energy Fund C EUR	Sustainable equity	-	
SAM Smart Energy Fund C USD	Sustainable equity	-	

Past performance is not an indicator for the future and does not guarantee the future performance. The performance does not take account of the commissions and costs incurred on the issue and redemption of units.

Product Selector: 254 of 254 products

Name:

Code:

Category:

Registered in:

Performance:

Period:

Risk:

Cookies enabled

Figure IA1. Website of the mutual fund provider. Investors buy funds via the product selector on the provider's website. The product selector presents the investment category and information regarding performance, fees, investment policies, etc.

IV. Additional Analysis

Table IAI

Effect of Dropping the Female Dummy and Investment Knowledge Variable on Covariates of Social Signaling

For convenience of comparison, specifications (Table VI, 2) and (Table VI, 3) replicate specifications (2) and (3) of Table VI in the main text. Specifications (1) and (2) replicate specification (2) of Table VI, after dropping *Investment knowledge* and *Female*, respectively. Specifications (3) and (4) do the same for specification (3) in Table VI. For definitions of the other variables see Tables VI and AIII in the main text. Robust standard errors are reported in parentheses. *, **, *** indicate significance at the 10%, 5%, 1% level, respectively.

	Signaling (Table VI, 2)	Signaling (1)	Signaling (2)	Signaling (Table VI, 3)	Signaling (3)	Signaling (4)
Strong social preferences				-0.3907*** (0.1037)	-0.3630*** (0.1140)	-0.3853*** (0.1044)
<i>Portfolio characteristics</i>						
Average holding period	-0.0020 (0.0024)	-0.0026 (0.0025)	-0.0020 (0.0024)	-0.0034 (0.0037)	-0.0054 (0.0041)	-0.0029 (0.0037)
Log total portfolio value	-0.0356 (0.0244)	-0.0130 (0.0267)	-0.0413* (0.0242)	-0.0229 (0.0399)	-0.0461 (0.0443)	-0.0244 (0.0398)
Log number of transactions	0.0103 (0.0248)	-0.0094 (0.0273)	0.0174 (0.0247)	-0.0482 (0.0437)	-0.0632 (0.0474)	-0.0396 (0.0436)
<i>Individual characteristics</i>						
Investment knowledge	0.4712*** (0.0228)		0.4893*** (0.0223)	0.4956*** (0.0378)		0.5116*** (0.0367)
University degree	-0.1367** (0.0616)	-0.0193 (0.0683)	-0.1437** (0.0619)	-0.0129 (0.1045)	0.1773 (0.1161)	-0.0164 (0.1046)
Risk preferences	-0.0011 (0.0008)	-0.0003 (0.0008)	-0.0009 (0.0008)	0.0002 (0.0013)	0.0008 (0.0014)	0.0003 (0.0013)
Female	-0.3191*** (0.0749)	-0.6516*** (0.0827)		-0.2895** (0.1377)	-0.6359*** (0.1455)	
Age	-0.0060** (0.0030)	-0.0096*** (0.0033)	-0.0047 (0.0030)	-0.0029 (0.0050)	-0.0064 (0.0055)	-0.0018 (0.0050)
Low income	0.0218 (0.0763)	0.0066 (0.0847)	-0.0003 (0.0763)	-0.1095 (0.1344)	-0.1068 (0.1463)	-0.1325 (0.1343)
High income	0.0693 (0.0824)	0.1273 (0.0932)	0.0650 (0.0825)	-0.1217 (0.1354)	-0.1025 (0.1623)	-0.1321 (0.1348)
Untold income	0.0422 (0.0902)	0.1721* (0.0986)	0.0242 (0.0900)	-0.1211 (0.1444)	0.0632 (0.1642)	-0.1325 (0.1436)
Constant	2.0682*** (0.2868)	3.9121*** (0.3034)	1.8990*** (0.2839)	1.8998*** (0.5004)	4.3350*** (0.5044)	1.7143*** (0.4893)
Observations	1,991	1,991	1,992	679	679	679
Adjusted-R ²	0.2110	0.0308	0.2055	0.2234	0.0366	0.2195

Table I.AII.**Investments in SRI, an International Perspective**

The table presents total SRI investments in various countries. Sources: EUROSIF (2014), SIF (2014).

Country	SRI investments 2013 (in million euros)
Austria	26,983
Belgium	226,026
Finland	131,540
France	1,728,880
Germany	897,945
Italy	551,931
Netherlands	1,244,576
Norway	798,682
Poland	1,060
Spain	93,202
Sweden	648,965
Switzerland	1,562,027
UK	1,973,148
U.S. (in € 2014)	4,943,051

Table IAIII**Attitudes towards Protecting the Environment versus Economic Growth**

The table presents the percentage of affirmative answers in various countries to the two statements “*Protecting the environment should be given priority, even if it causes slower economic growth*” (column “Protecting environment”) and “*Economic growth and creating jobs should be the top priority, even if the environment suffers to some extent*” (column “Economic growth”). The questions were formulated in such a manner that respondents had to select the statement that came closest to their own beliefs. Individuals who did not answer are excluded. Source: World Values Survey Association (2016)

Country	Protecting environment	Economic growth	Obs.
Netherlands	45.2%	54.8%	1.902
Germany	55.0%	45.0%	2.046
Russia	58.2%	41.8%	2.500
Spain	37.8%	62.2%	1.189
U.S.	38.2%	62.8%	2.232

Table IAIV**Environmental Identity**

The table presents the percentages of respondents in various countries who identify with the statement “*Looking after the environment is important to me; to care for nature and save life resources*” to different degrees. Individuals who did not answer are excluded. Source: World Values Survey Association (2016)

Country	Like me	Somewhat like me	A little like me	Not like me	Not at all like me	Obs.
Netherlands	33.6%	28.0%	26.6%	9.6%	2.2%	1.902
Germany	35.9%	29.3%	21.6%	10.6%	2.5%	2.046
Russia	49.4%	30.7%	19.9%	0.0%	0.0%	2.500
Spain	60.7%	27.0%	9.1%	2.9%	0.3%	1.189
U.S.	39.0%	27.1%	22.6%	8.1%	3.2%	2.232

Table IAV**Charitable Giving of Households in Europe**

The table reports details on the size of households' charitable giving in various European countries in 2013. ⁽¹⁾ A lower bound estimation. ⁽²⁾ Pertains to a year other than 2013. ⁽³⁾ Lower bound estimation and pertains to a year other than 2013. Source: ERNOP (2013).

Country	Total charitable giving (in million euro)	Per capita charitable giving (in euro)	Charitable giving as % of GDP
Austria	360	43	0.1%
Belgium ⁽³⁾	402	36	0.1%
Czech Republic ⁽²⁾	407	39	0.3%
Denmark ⁽²⁾	795	142	0.3%
Finland ⁽¹⁾	152	28	0.1%
France	3400	52	0.2%
Germany	6300	78	0.2%
Hungary ⁽¹⁾	91	9	0.1%
Ireland ⁽²⁾	378	82	0.2%
Italy ⁽²⁾	7.200	120	0.4%
Netherlands	1,944	116	0.3%
Norway ⁽²⁾	503	99	0.1%
Slovakia	96	18	0.1%
Spain ⁽³⁾	1,014	22	0.1%
Sweden ⁽¹⁾	545	57	0.1%
Switzerland ⁽²⁾	1,381	170	0.3%
UK ⁽²⁾	16,380	256	0.8%

Table IAVI

Inclusion of Investors Who Have Held an SRI Equity Fund Between 2006 and the Time the Survey Was Taken

This table reports results of regressions equivalent to those in Table III (specification (1)) and Table IV (specification (3)) in the main text. Here, all investors who have held an SRI equity fund in the period between 2006 and the time the survey was taken are included. Specifications (1) and (2) present coefficients of probit regressions. The dependent variable is *SRI equity*, which takes the value of one if an investor holds an SRI equity fund in the month investors participated in the experiment and survey or if an investor has held an SRI equity fund in the period since 2006 and zero otherwise. For definitions of the other variables, see Tables III, IV, and AIII in the main text. Robust standard errors are reported in parentheses. *, **, *** indicate significance at the 10%, 5%, 1% level, respectively.

	Probit has or had SRI equity (1)	Probit has or had SRI equity (2)
<i>Social motives</i>		
Social preferences	0.0731*** (0.0261)	
Signaling	0.0174 (0.0124)	
Strong social preferences		0.1209** (0.0477)
Weak social preferences & strong signaling		0.0660 (0.0470)
<i>Fiancial motives</i>		
Sharpe Ratio	0.0350* (0.0195)	0.0360* (0.0193)
Lower expected returns on SRI	-0.0470 (0.0371)	-0.0434 (0.0371)
Higher expected returns on SRI	-0.0810** (0.0409)	-0.0809** (0.0411)
Lower perceived risk on SRI	-0.0077 (0.0359)	-0.0038 (0.0360)
Higher perceived risk on SRI	0.0695 (0.0549)	0.0657 (0.0547)
<i>Portfolio characteristics</i>		
Average holding period	0.0018 (0.0012)	0.0018 (0.0012)
Log total portfolio value	0.0617*** (0.0145)	0.0595*** (0.0144)
Log number of transactions	0.0364*** (0.0136)	0.0371*** (0.0135)
<i>Individual characteristics</i>		
Investment knowledge	0.0204 (0.0139)	0.0216 (0.0132)
University degree	0.0506	0.0450

	(0.0353)	(0.0354)
Risk preferences	-0.0004	-0.0004
	(0.0004)	(0.0004)
Female	0.0345	0.0271
	(0.0500)	(0.0492)
Age	-0.0009	-0.0012
	(0.0016)	(0.0016)
Low income	0.0348	0.0333
	(0.0440)	(0.0441)
High income	-0.0519	-0.0531
	(0.0428)	(0.0427)
Untold income	-0.0200	-0.0217
	(0.0469)	(0.0466)
Observations	625	625

Table IAVII

The Effect of Strong and Weak Social Preferences and Signaling with Strong Social Preferences Split between Strong and Weak Signaling

This table reports results of regressions similar to specifications (3) and (4) in Table IV in the main text. Here investors with strong social preferences are split into the sub-groups with strong and weak signaling. The dependent variable is *SRI equity*, which takes the value of one if an investor holds an SRI equity fund in the month investors participated in the experiment and survey and zero otherwise. For definitions of the other variables, see Tables IV and AIII in the main text. Robust standard errors are reported in parentheses. *, **, *** indicate significance at the 10%, 5%, 1% level, respectively.

	Probit	OLS
	has SRI equity	% in SRI equity
	(1)	(2)
<i>Social motives</i>		
Strong social preferences * strong signaling	0.1172** (0.0582)	-0.0993 (0.0848)
Strong social preferences * weak signaling	0.1164* (0.0598)	-0.1329 (0.0900)
Weak social preferences * strong signaling	0.0687 (0.0438)	-0.1601** (0.0784)
<i>Financial motives</i>		
Sharpe Ratio	0.0042 (0.0212)	0.0504 (0.0557)
Lower expected returns on SRI	-0.0557* (0.0324)	-0.0723 (0.0461)
Higher expected returns on SRI	-0.0432 (0.0371)	-0.0369 (0.0651)
Lower perceived risk on SRI	-0.0372 (0.0303)	-0.0224 (0.0500)
Higher perceived risk on SRI	0.0042 (0.0444)	0.0578 (0.0659)
<i>Portfolio characteristics</i>		
Average holding period	0.0023** (0.0010)	-0.0022 (0.0019)
		-
Log total portfolio value	0.0371*** (0.0127)	0.0553*** (0.0189)
Log number of transactions	0.0256** (0.0112)	0.0085 (0.0250)
<i>Individual characteristics</i>		

Investment knowledge	0.0062 (0.0117)	-0.0346* (0.0179)
University degree	0.0504 (0.0316)	0.0421 (0.0553)
Risk preferences	-0.0001 (0.0004)	0.0013** (0.0006)
Female	-0.0011 (0.0415)	-0.0249 (0.0539)
Age	-0.0027* (0.0014)	0.0006 (0.0022)
Low income	0.0224 (0.0389)	0.0120 (0.0604)
High income	-0.0284 (0.0382)	0.0224 (0.0646)
Untold income	-0.0088 (0.0413)	-0.0028 (0.0630)
Constant		0.9093*** (0.2591)
Observations	625	121
R ²		0.2230

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