

MEDIA RELEASE

RESPONSIBLE INVESTMENT ON THE RISE AGAIN TO 50% OF THE INVESTMENT INDUSTRY

11 August 2015: Responsible investment assets form an ever greater portion of the country's investment industry reaching \$630 billion of assets and showing no signs of slowing down.

Launched today, the new report from the Responsible Investment Association Australasia (RIAA), the most comprehensive review of the responsible investment sector in Australia (now in its 14th year), found more money is being directed into responsible investment portfolios by superannuation funds, fund managers and advisers to underpin strong investment returns, and deliver a healthier environment and society.

The 2015 Responsible Investment Benchmark Report found, "Growing consumer confidence in responsible and ethical investments plus the finance sector taking ever-stronger positions on issues such as tobacco and fossil fuels are driving the strong uptake of responsible investing," said Simon O'Connor Chief Executive of RIAA.

"Consumers in ever greater numbers are awakening to the fact that you can invest prudently and profitably without compromising your values which is resulting in the growing retail interest in responsible investment."

"For institutional investors, whilst rising consumer interest is playing a part in driving take up of responsible investment, this is being helped by environmental, social, governance and ethical factors proving themselves to be ever more important drivers of investment outcomes – with numerous recent ASX listed companies losing shareholder value from mismanaging ESG factors."

- The rise in interest is being acutely felt in retail responsible and ethical investments that are continuing to grow strongly, up 24% on last year to more than \$32 billion – having doubled in only 2 years.
- At the institutional end of the market, Australia's largest asset managers are increasingly integrating responsible investment strategies, with \$598 billion in assets managed under ESG integration strategies.

Pleasingly, alongside this growing demand, the report concludes persuasively that responsible funds are not only about doing good, but are also performing very strongly, with the report finding that responsible Australian Equities Funds and the Responsible Balanced Funds both outperformed their relevant benchmarks over 1, 3, 5 and 10 years.

With responsible funds producing returns that outperform over the short, medium and long term – adding evidence to the mounting global consensus - those who believe investing with your values means lower returns have their heads in the sand.

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“There is currently a convergence of factors that are resulting in a very compelling case to invest responsibly, from consumers demanding investments that do no harm through to the evidence that investment value is inextricably tied to ESG factors.”

“Off the back of these two factors, we’ve seen significant focus in particular around investor responses to climate risk and fossil fuels, an increase in funds excluding entire sectors from portfolios, as well as the emergence of impact investing attracting strong interest as another way to generate financial returns alongside social impact,” commented O’Connor.

“The notion that Australians are disengaged from their superannuation has started its terminal decline and we anticipate that this will only result in greater interest in these issues. Those investors who are taking account of environmental, social and ethical issues in addition to financial issues are well positioned to capture this wave of growing demand”.

Full copy of the report can be found here:

<<http://responsibleinvestment.org/resources/benchmark-report/> >

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About RIAA:

The RIAA is the industry body representing responsible investors throughout Australasia with 150 members managing \$500 billion in assets under management. RIAA works to shift more capital into sustainable assets and enterprises and shape responsible financial markets to underpin strong investment returns and a healthier economy, society and environment.

[Our members](#) represent a cross section of the investment industry including super funds, asset managers, asset consultants, research houses, brokers, financial advisers, community banks and trusts. RIAA’s membership consists of over 150 investment organisations managing over \$500 billion in assets under management.

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