

**MEDIA RELEASE**

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**NEW REPORT: RESPONSIBLE INVESTMENTS GROWING, OUTPERFORMING AND  
GIVING INVESTORS WHAT THEY WANT**

**Just released:** Australia's most comprehensive report into the responsible investment sector has found the market is undergoing a period of huge growth, with total funds under management in Australia and New Zealand in broad responsible investments increasing by 13% to \$153 billion<sup>1</sup>.

The 13<sup>th</sup> Responsible Investment Association Australasia's (RIAA) *2014 Benchmark Report* has also shown core responsible investment Australian equities funds have outperformed the ASX300 index and the average Australian equities fund over the last one, three, five and ten years.

For the first time in a decade the report also shows an increase in everyday public investors demanding to see their money invested responsibly<sup>2</sup>.

"Between the long-term delivered value, out-performing mainstream funds and increased demand for responsible investments, this report is again putting to bed the myth that responsible investments are the underperforming and undervalued younger brother," said Simon O'Connor, CEO, RIAA

Many Australians took a hit in their personal savings during the global financial crisis and are looking for future-proofed investing. This report is great news for Australians investing with a focus for financial security, as responsible investments have outperformed average fund returns in all categories<sup>3</sup> over the last five and ten years."

The Benchmark report has also found:

- **Investments in core responsible investment** – ethical, socially responsible, impact investments, community finance and sustainability themed investments – have grown by 51% year on year to just over \$25 billion in assets under management
- **Fund managers in Australia managing over \$1 billion** in core responsible assets have grown from one manager last year to seven fund managers, with two more knocking at the billion dollar door

Data from the report was gathered from a survey of more than 70 asset managers, super funds, financial advisers, banks and community investment managers, in addition to data from Morningstar, Mercer and RIAA's own data and research.

"The context of this report also shows interesting times ahead for the sector at-large, with many major investors currently divesting from tobacco, assessing their exposure to fossil fuels<sup>4</sup>, and at the same time there is a trend towards increased consumer interest and scrutiny on the sector<sup>5</sup>," commented O'Connor.

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<sup>1</sup> Up from \$135 billion last year

<sup>2</sup> As measured by core responsible investments, this has increased to above 2% of TAUM for the first time in 10 years (2013: 2.3%; 2012: 1.6%)

<sup>3</sup> Australian shares, international shares and balanced growth funds

<sup>4</sup> See here: [theinstoreport.com.au/articles/super-funds-call-it-quits](http://theinstoreport.com.au/articles/super-funds-call-it-quits) and here: [fossilfree.com.au/bendigo\\_news\\_divestment](http://fossilfree.com.au/bendigo_news_divestment)

<sup>5</sup> See here for more: [businessspectator.com.au/article/2014/5/20/policy-politics/chipping-away-big-four-divestment](http://businessspectator.com.au/article/2014/5/20/policy-politics/chipping-away-big-four-divestment) and here: [theage.com.au/victoria/customers-switch-banks-in-day-of-divestment-20140503-zr3wj.html](http://theage.com.au/victoria/customers-switch-banks-in-day-of-divestment-20140503-zr3wj.html)

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“We expect this to be a trend that increases and continues to shape the industry in the coming years.”

The report also shows the responsible investment sector is one of huge diversity, whereby a plethora of responsible investment approaches are being used.

“Increasingly investors are using a combination of approaches to get the best investment outcomes and indeed, we now have fund managers and asset owners who apply Environmental, Social and Governance integration, screen companies, use sustainability themed investments and are making impact investments whilst also generating strong financial results,” commented O’Connor

“Overall, it is an incredibly exciting time for the industry and investors alike if you want to see your life savings built on strong positive investments and not cost the planet. As this report highlights yet again, you can invest responsibly and achieve strong financial returns.” concluded O’Connor.

For a full copy of the report: [responsibleinvestment.org/riaa-research](https://responsibleinvestment.org/riaa-research)

#### **TOP FIVE TIPS FOR AUSTRALIANS/ NEW ZEALANDERS LOOKING TO INVEST RESPONSIBLY<sup>6</sup>:**

1. Everyone’s ethics and values are different so it is important to first decide what issues are most important to you. Are there areas you wouldn’t want to see your money invested in? Or do you prefer to support the most sustainable companies in each industry? There are lots of ways to invest in line with your values.
2. Where is your money currently invested? Ask your super fund how they ensure your money is invested responsibly. It's important to let them know that you care how they manage your money.
3. Do your research. There are now lots of responsible and ethical investment funds, super funds and banking options available. There's bound to be one that meets your needs. You'll find many listed on RIAA's website: [responsibleinvestment.org/investment-centre/](https://responsibleinvestment.org/investment-centre/) where you will also find details of trusted, certified, financial advisers to find out more about the responsible options that best suit you.
4. Super is the second biggest investment you'll ever make after buying your own home. Spend the time, read the product statements and be sure you understand the fees. Your fund manager, super fund or adviser can talk you through any elements you are unsure of.
5. From talk to walk: If you're not happy with your investments, super or bank, it's time to move to a more responsible option.

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<sup>6</sup> **Important information:** This content has been prepared without taking account of the objectives, financial situation or needs of any particular individual. It does not constitute formal advice. For this reason, any individual should, before acting, consider the appropriateness of the information, having regard to the individual's objectives, financial situation and needs and, if necessary, seek appropriate professional advice.

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**About RIAA:**

RIAA is the industry body representing responsible investors throughout Australasia. RIAA aims to promote responsible investment in order to accelerate its uptake and deepen its impact. RIAA acts as a hub for the responsible investment industry, supporting its members by amplifying issues, advocating on their behalf and delivering solutions with the goal of promoting stable markets, maximising financial returns and creating positive environmental, social, governance and ethical outcomes.

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

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