NEW ZEALAND RESPONSIBLE INVESTMENT ON THE RISE AGAIN TO OVER $63 BILLION

14 August 2015: Responsible investment assets in New Zealand continue their strong growth reaching $63.5 billion following a 10% increase in 2014.

Launched today, the new report from the Responsible Investment Association Australasia (RIAA), the most comprehensive review of the responsible investment sector in New Zealand (now in its 14th year, but the first year as a stand alone NZ report), found more money is being invested under responsible investment portfolios through superannuation funds, fund managers, advisers and kiwisaver accounts to underpin strong investment returns, and deliver a healthier environment and society.

The 2015 Responsible Investment Benchmark Report New Zealand\(^1\) found, “Growing consumer confidence in responsible and ethical investments plus the finance sector taking ever-stronger positions on their management of environmental and social issues are both factors driving the growth of responsible investing,” said Simon O’Connor Chief Executive of RIAA.

“2014 has seen a rising interest in how the retirement savings of New Zealanders are invested. 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 examples globally of 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 19% on last year to more than $3.2 billion. This is made up of church groups, community trusts, and a number of retail ethical funds and kiwisaver accounts.

A significant portion of the New Zealand responsible investment industry remains accounted for by the NZ Superannuation Fund and the Accident Compensation Corporation, representing 86% of the total responsibly managed assets.

Also released this week was a companion report for the Australian responsible investment sector. The report concludes persuasively that responsible funds are not only about doing good, but are also performing very strongly. The report found that responsible Australian Equities Funds and the Responsible Balanced Funds both outperformed their relevant benchmarks over 1, 3, 5 and 10 years.

- CONTINUES -

\(^1\) The Australian companion report was launched in Melbourne on Tuesday 11th August

With thanks to our sponsors:
“These performance assessments find, once again, that the myth that responsible investment underperforms is baseless. The Australian performance figures are relevant for all markets in this region, and add evidence to a mounting global consensus,” said O’Connor.

“Those who believe investing with your values means lower returns have their heads in the sand.”

“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” commented O’Connor.

“With early signs that New Zealanders are increasingly interested in the way their retirement savings are invested - shown by rising demand and increasing focus from not for profits and activist groups - 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”.


-ENDS-

For all media enquiries contact:
Nina Stott | The Bravery on +61 417 037 497 or nina@thebraveryishere.com

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.