

MEDIA RELEASE

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MORE MONEY GOING TO, AND BEING EARNED FROM, RESPONSIBLE INVESTING

27 July 2016: A significant sum of New Zealand's capital is now being invested responsibly - totalling \$NZ 78.7 billion - with early signs showing consumer demand is increasingly following this rise that has resulted in billions shifting from mainstream to responsible funds.

The new report launched today by the [Responsible Investment Association Australasia](#) (RIAA), shows this strong up take of responsible investment, from the largest institutions through to boutique funds and KiwiSaver products, is not only benefiting New Zealanders by underpinning strong investment strategies that deliver strong returns, but also contributing to a better environmental and social outlook for New Zealand.

"In observing the significant and consistent growth in responsible investment we can say without a doubt that this isn't just a passing trend, but an evolution of the entire sector that is now being driven strongly by the acknowledgement that investments perform better when they are investing in more sustainable companies and assets," said Simon O'Connor Chief Executive of RIAA.

"Years of demonstrated long-term investment benefits to investors, who consider environmental, social and governance (ESG) factors, have quietly shifted a significant portion of the investment industry to invest responsibly. Now, the early signs are that consumer demand is taking off with implications for all parts of the finance sector across advisers, banks, KiwiSaver providers and beyond," said O'Connor.

In further good news from the sector, investors who have embraced the evolution have reaped the rewards with responsible investment outperforming and returning greater benefits than their mainstream peers over the last one, three, five and 10 years, as reported in the companion Australian report.

"This strong performance highlights the opportunities to invest ethically and responsibly. You can invest with confidence, aligning your money with your morals, and it's not just a 'well-intentioned' philanthropic approach, it is generating great returns for savvy investors," continued O'Connor.

The 2016 New Zealand Responsible Investment Benchmark Report also found:

- Total assets managed under responsible investment strategies has grown by 28% in the last year to reach \$78.7 billion
- This is led strongly by the large crown financial institutions of NZ Superannuation Fund and the Accident Compensation Commission, along with some leading fund managers and community trusts implementing a 'broad' responsible investment strategy of ESG integration, reaching \$77.1 billion
- 'Core' responsible investment - that part of the market most closely representing an ethical and socially responsible investment (SRI) approach, and including retail offerings – grew strongly by 17% to reach \$1.6 billion in assets under management
- This part of the market – although starting from a small base - best reflects consumer demand for responsible and ethical investment and has shown some strong flows of funds in the last year into those providing ethical or socially responsible retail products, including KiwiSaver products

With this continuing growth, responsible investing is becoming much more sophisticated in its approach, with greater numbers of investors using multiple responsible investment strategies, with negative screens ever more common, alongside ESG integration, active corporate engagement and voting, as well as sustainability themed funds, an approach seen globally and strongly represented by some of NZ's largest investors.

"As we can see from the report, responsible and ethical investment is now a mainstream part of the financial sector and ever more clearly the benchmark of good investment practice." concluded O'Connor. Full copy of the report can be found here: www.responsibleinvestment.org/resources/benchmark-report/

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Notes to Editors:

- The annual Responsible Investment Benchmark report produced by RIAA and researched by EY, is the most comprehensive review of the responsible investment sector in Australia and New Zealand
- The report is now in it's 15th year
- The research was undertaken by EY, based on research and data from 18 investment organisations combined with data provided by Morningstar and the UN Principles for Responsible Investment.
- The Australian companion report was launched in Sydney on the 13th July

About RIAA:

The RIAA is the industry body representing responsible investors throughout Australasia with 165 members managing over \$1 trillion in assets under management globally. 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, impact investors, financial advisers, dealer groups, banks and community trusts.

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