

# MEDIA RELEASE

Information embargoed for release until 6.30pm, Monday 23 September 2019 (NZST)

## Strong appetite for investments that deliver social and environmental impact

Impact investing is set to grow exponentially in Aotearoa New Zealand over coming years with strong interest from all types of investors including those not yet active in the field, according to a landmark study launched today.

99 investors – accounting for more than \$83.5 billion of New Zealand’s assets under management – participated in New Zealand’s inaugural impact investment survey conducted by the Responsible Investment Association Australasia (RIAA) in partnership with The University of Auckland.

Respondents included investors already active in impact investing as well as those not yet active in the field, and comprised investment managers, impact investment fund managers, trusts, foundations, not for profit organisations, individuals, family offices and diversified financial institutions.

*Impact Investor Insights Aotearoa New Zealand 2019*, sponsored by AMP Capital, reveals that investors anticipate allocating a total of \$5.9 billion to impact investing in the medium term. This would represent a six-fold increase in the capital currently deployed in impact investments, with \$889 million of respondents’ capital currently earmarked as impact investments.

“This Report makes an important contribution to understanding how the demand for impact investing is shaping in New Zealand. It provides new insights into investors’ awareness and interest in impact investing, as well as the future prospects and challenges facing the growing field,” said Simon O’Connor, CEO of RIAA.

“We are pleased to see the high interest and demand for impact investments from all investor groups, spanning diverse asset classes and areas of impact. Importantly, the report also examines the relationship between the Māori economy and impact investment, and shines a light on some emerging Māori impact investment initiatives.”

“If we can create more impact investment opportunities, provide greater performance data, and address the other barriers to growth, we’ll see the enormous potential of the finance sector to direct its capital towards solving some of New Zealand’s most important social and environmental challenges.”

Nearly three quarters of active impact investors expect competitive or above market rates of return, and the vast majority report that their financial expectations are being met or exceeded. Mission alignment is the primary motivating factor for allocating funds to impact investments amongst active impact investors.

“We are seeing that investors have a preference for private equity, venture capital and real asset investment opportunities. Environment and conservation; clean energy; and health (including medical research), are the most popular impact areas for investors” said O’Connor.

“This report serves as a call to action for those that have an interest in seeing the impact investment market grow in New Zealand; namely those that wish to see our investment practices contribute directly to improved social and environmental wellbeing. We’re primed for rapid growth if we can demonstrate the leadership required”, said Dr Jamie Newth, lead author of the report and Lecturer from the Faculty of Business and Economics at The University of Auckland.

“Quality data such as this, which captures market demand and activity is critical for the development of impact investing, both in highlighting the early work being done by pioneers as well as encouraging those not yet active to participate. We are certainly seeing the growing interest in this area of investment in our conversations with clients” said Rebekah Swan, ESG Investment Specialist at AMP Capital.

**For a copy of the report or interview with Simon O’Connor, Dr Jamie Newth or Rebekah Swan, contact Carly Hammond: [carlyh@responsibleinvestment.org](mailto:carlyh@responsibleinvestment.org), +61430448442.**