

# RESPONSIBLE INVESTMENT FUNDS SHOW STELLAR PERFORMANCE IN ALL CATEGORIES

6 DECEMBER 2011

## HIGHLIGHTS

- ➔ Responsible investment funds have outperformed their benchmarks in **every** one of the 12 categories covered in this report – over one, three, five and seven years and across Australian shares, international shares and balanced funds.
- ➔ Australian asset managers with AUM of \$595 billion are now signatories of the United Nations-backed Principles for Responsible Investment. Morningstar's Total Assets Under Management (TAUM) was \$936 billion at June 2011.
- ➔ There were four environmental shareholder resolutions raised during the year, in contrast to just one in the previous decade.
- ➔ 22% of all investment strategies in Australia rated by Mercer have achieved "above average" competency in responsible investment practices.
- ➔ Australian property funds have topped the Global Real Estate Sustainability Benchmark for a second time running. The report states, "Australian property companies are the clear environmental leaders of the globe."
- ➔ Highlights from the clean technology sector include the launch in 2013 of the largest wind farm in the southern hemisphere.
- ➔ 46 research reports covering a range of environmental, social and governance topics were documented this year, the most prolific producers being Deutsche Bank, JP Morgan and Macquarie Bank.
- ➔ Community finance assets increased 19% from last year's figure.

## THE BIG PICTURE

The Responsible Investment Annual 2011 was released last night at an event featuring the Australian of the Year, Macquarie Bank executive, Simon McKeon.

This is the 11<sup>th</sup> RI Annual published by the Responsible Investment Association Australasia.

The report is the only benchmark study on the size, growth and performance of responsible investment in Australia and New Zealand.

The composite picture emerging from this year's report shows that responsible investment is now regarded as best practice by the majority of Australia's investment houses and super funds.

Company research, voting, resolutions, engagement, collaboration and integrated analysis are all on the increase covering areas such as governance, human capital management, climate change and water scarcity.

Australia is now the fourth largest investment market in the world and in many ways is a global leader in responsible investment. Commitment here has deepened among super funds and investment houses as concerns about market stability have grown.

"In practice, responsible investment is about finding better information about what is really driving company value and shareholder performance in the 21<sup>st</sup> century.



“While tangible assets still play an essential role in industry, the average company in the modern economy is now more reliant upon intangible assets to create value: supply chain management, resource efficiency, product innovation, community reputation and ability to access new markets to name a few. These intangible value drivers now make up the majority of asset value, yet they are often not well documented, fall largely outside standard accounting practices and are rarely priced into financial models” says Louise O’Halloran, Executive Director of the Responsible Investment Association. “Responsible investment seeks to overcome these market failures and create new and progressive ways to integrate critical value drivers into investment decision-making”.

A copy of the *Responsible Investment Annual 2011* can be downloaded at [www.responsibleinvestment.org](http://www.responsibleinvestment.org)

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## NOTES TO THE EDITORS

If you would like an interview with Louise O’Halloran or request images\* please contact:

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\* RIAA members will receive a series of colourful, moving slides of the key facts and figures from the 2011 RI Annual to help communicate the real facts about responsible investment to stakeholders.

## ABOUT THE RESPONSIBLE INVESTMENT ANNUAL 2011

The *Responsible Investment Annual 2011* is published by the Responsible Investment Association Australasia, and has been made possible with the generous support of Australian Ethical Investment & Superannuation, Advance Asset Management and BT Financial Group, Perpetual and Solaris Investment Management.

Research for the report was conducted by CAER – Corporate Analysis. Enhanced Responsibility. The New Zealand report was prepared by Dr Rodger Spiller of Money Matters. Data was provided by Morningstar, Mercer, GRESB (the Global Real Estate Sustainability Benchmark) and ACT (Australian CleanTech).

The *Responsible Investment Annual* is the 11th annual Benchmark Report commissioned by RIAA and the first report based on research carried out by CAER.

This year for the first time, the *Annual* includes highlight of the Global Real Estate Sustainability Benchmark, focussing on Australia’s exceptional performance in sustainable property. Also, for the third year the Annual covers emerging trends and benchmark figures on clean technology investment in Australia.

## ABOUT RIAA

The Responsible Investment Association Australasia (RIAA) is the leading professional membership organisation for responsible investment in Australia and New Zealand. RIAA’s members include fund managers, super funds, financial advisers, dealer groups, researchers, information providers and asset consultants who incorporate environmental, social and governance factors into their investment and research processes.

As the industry peak body for responsible investment, RIAA’s purpose is to provide education, training and professional development to promote stable markets and create positive environmental, social, and governance outcomes.

For more information, visit [www.responsibleinvestment.org](http://www.responsibleinvestment.org).

## CONTACT

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