responsible investment

07

A BENCHMARK REPORT ON
AUSTRALIA AND NEW ZEALAND
BY THE RESPONSIBLE INVESTMENT
ASSOCIATION AUSTRALASIA
OCTOBER 2007

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Responsible Investment 2007 has been made possible with the generous support of our project partners:

This is now the third year that Bananacoast Credit Union (BCU) has sponsored this important benchmark report.

As a community credit union, we “give-back” to the local communities in which we operate thereby contributing to their social and economic sustainability. By sponsoring this study we hope to play a small part in the Responsible Investment movement in Australasia by assisting to raise the profile of SRI and increase the take-up of ethical investments.

BCU is a community owned credit union with 21 branches in Northern NSW / SE Qld and was established in 1970 by banana growers looking for an alternative to the banks. Being owned equally by our customers, credit unions represent the truest form of community banking.

We continue to adhere to the strong ethical principles set by our founders and follow a policy of responsible lending. Over the years we have won a number of industry awards for our innovative savings and loans products, demonstrating that it is possible to balance financial success with ethical business practices.

Ray Battle
Chief Executive Officer

Responsible Investment is part of Deutsche Bank’s broader commitment to sustainability and responsibility. It is demonstrated by our ongoing involvement in initiatives such as: United Nations Finance Initiative (since 1992), United Nations Global Compact (since 2000), World Business Council of Sustainable Development (since 2000), Global Reporting Initiative (since 2003), Econsense – Forum for Sustainable development (since 2000).

In Australia, via its Private Wealth Management business, Deutsche Bank has developed an expertise in advising not-for-profit, charitable and religious organisations who typically desire a strong sustainability theme in their portfolios.

Responsible Investment provides a powerful vehicle for leading global investment houses to encourage socially, environmentally, economically and operationally sustainable business practices. Deutsche Bank welcomes the opportunity to be involved with the Responsible Investment Association Australasia and is proud to support the production of Responsible Investment 2007.

Tom Meagher
Vice President, Adviser
Private Wealth Management

Ever since Dexia Asset Management first commenced Sustainable Responsible Investment some 12 years ago, we have been committed to not only providing leading SRI products but also to the promotion of the benefits of SRI throughout the broader community.

The recent acceptance of initiatives such as the Principles for Responsible Investment (PRI) and the Enhanced Analytics Initiative (EAI) coupled with the work of organisations such as RIAA are proving invaluable in promoting the mainstream acceptance of extra-financial analysis throughout Australia. It is therefore with great pleasure that we are able to support the Responsible Investment 2007 as it underscores the significant impact – and relevance – responsible investments are having on shaping not only the investment community but the world in which we live.

Dexia Asset Management is represented in Australia by Ausbil Dexia Limited, one of the country's leading investment specialists.

Andrew Hay
Investment Specialist, Global

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Executive Summary

Responsible Investment 2007 is the 7th annual Benchmark Report commissioned by the Responsible Investment Association Australasia (RIAA). Its main aim is to update figures for the 2006-07 financial year for the various forms of responsible investment and to present analysis of its level of growth, showing comparisons with the total managed investment market and the latest reported overseas figures.

Once again the results clearly show that responsible investment is growing strongly in Australia and New Zealand. Most segments are experiencing this high growth and the sector continues to grow at more than twice the rate of growth than the total managed investment market.

The main growth drivers this year are: strong sharemarket returns, new investor inflows to existing and new investment products and ongoing growth in the level of superannuation assets.

This year's study has been enhanced by further categorisation of responsible investment segments in accordance with the methodology developed by the European Social Investment Forum and Canada's Social Investment Organisation. Briefly, this means that responsible investment has been split into core and broad components. Put simply, core responsible investment includes specifically tailored managed funds, direct share portfolios managed by financial advisers, and also micro-finance, micro-credit and green loan products offered by banks. On the other hand, broad responsible investment is the emerging practice by mainstream institutional investors to integrate environmental, social and governance (ESG) issues into their day to day financial analysis, stock selection, company engagement and voting processes.

Also, managed portfolios have been classified in accordance with their approach to investment screening: ethical exclusions, positive screening, best-of-sector, thematic investments and norms-based investing.

RESULTS IN BRIEF

Core responsible investment (including managed portfolios, community finance, green loans and ethical portfolios of charities and clients of financial advisers) grew 43% in 2006-07 from $13.52 billion to $19.39 billion.

Managed responsible investment portfolios also grew 43% during the 2007 financial year from $11.98 billion to $17.10 billion, an increase of $5.12 billion. Total investment management of all types of managed portfolios grew 20% in that same period.

Factors contributing to this growth were as follows: positive investment performance $2,096m; net flows to existing managed portfolios $2,248m and inflows into new funds and mandates $779m.

The contribution from investment performance reflects a 14% overall return on the average of all responsible investment funds for the year.

The fastest growing and largest fund manager was AMP Capital Investors, whose responsible investment assets under management grew from $1,550m to $2,894m.

In the last 3 years, from 2004 to 2007, managed responsible investment portfolios have grown from $4.5 billion to $17.1 billion, an increase of 380%.

Analysis of the average return of responsible investment managed funds in the Australian Shares, Overseas Shares and Balanced Growth categories indicates that they are currently outperforming the average mainstream fund, over all time periods up to 5 years. This is a similar picture to the last two years.

Of over 100 financial advisers that have clients in direct investment based responsible investment portfolios, 40 have responded to our survey, representing portfolios which total $916m, up 32% from $694m in 2006.

A total of 13 community finance providers were identified who had total assets of $682m in 2007, an increase of 34% on last year's figure of $510m. This includes a small but growing pool of microcredit loan funds.

The survey identified 23 major charities and charitable trusts with screened direct responsible investment portfolios of $635m in 2007, up 115% from $295m in 2005.

For the first time this year the study identified a total figure for broad responsible investment amounting to $52.8 billion.

This includes ESG integration as well as corporate engagement and shareholder activism.

The assets of fund managers that have adopted ESG integration alone is $2.7 billion. This does not include institutional investors that are taking steps towards this, as indicated by their adoption of the United Nations Principles for Responsible Investment.

Corporate engagement accounted for $50.1 billion, up 483% on the level of assets advised by engagement services in 2006 of $8.6 billion. This is due almost exclusively to the restructure and launch of Regnan in June.

In 2007 there were no specific shareholder resolutions that related to an issue of environmental or social responsibility. This is the second consecutive year this has occurred and it stands in contrast with further growth in shareholder activism in the USA.

In New Zealand responsible investment assets are estimated be NZ$15 billion, a massive increase on the 2006 figure of $37.2m. This is largely attributable to new investment into the New Zealand Superannuation Fund ($13.3 billion). Another factor was the adoption of a responsible investment policy by the ASB Community Trust ($1.1 billion).

The research for this survey was again conducted by Corporate Monitor for RIAA. The New Zealand report was again provided by Dr Rodger Spiller.

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What is Responsible Investment?

Responsible investment is an umbrella term to describe an investment process which takes environmental, social, ethical or governance considerations into account. This process stands in addition to, or is incorporated into the usual fundamental investment selection and management process. This involves one or more of the following practices being included in the research, selection and monitoring of an investment security or portfolio.

NEGATIVE SCREENING OF COMPANIES OR SECTORS

A practice which excludes investment in companies that operate in certain industries; for example tobacco, armaments, alcohol, uranium and gambling or those involved in animal testing. Negative screening is most closely aligned with ethical investment, which caters to investors wishing to align their values with their investment decisions.

ANALYSIS OF COMPANIES FOR THEIR ESG PERFORMANCE

Conducting extensive research into a number of environmental, social or governance (ESG) issues affecting companies eligible for the portfolio. Research techniques may include:

- Incidents reported in the media
- Research reports provided by stockbrokers
- Specialist, issues-based research on corporate conduct provided by non-government-organisations
- One on one interviews with the target companies
- Questionnaires filled out by the companies
- Analysis of company sustainability reports
- Rating companies against international benchmarks such as the United Nations Declaration on Human Rights.

POSITIVE INVESTMENT IN SUSTAINABLE INDUSTRIES

Actively seeking out companies whose products and services have a positive affect on society and the environment. This may include water and waste management, renewable energy and energy efficiency, sustainable agriculture, mass transport, sustainable property, education, aged care and health care.

INVESTING IN THE MOST SUSTAINABLE COMPANIES IN ALL SECTORS (BEST-OF-SECTOR)

The concept of sustainable development and sustainable investment implies that *all* industries should adopt higher standards of ESG practice in order to meet the expectations of society and to achieve sustainable and profitable business goals. This process involves identifying leaders that are taking their industry toward a sustainable future. The approach is based on the premise that companies with strong sustainability credentials are generally better managed companies, and therefore better investments.

ENGAGEMENT WITH COMPANIES ON ESG ISSUES

Here a specialist is appointed to contact companies to build the business case for better management of ESG matters. Sometimes they will collaborate on common issues with other funds from Australia or across the world which can increase the likelihood of a positive outcome from the engagement process.

SHAREHOLDER ACTIVISM - RAISING RESOLUTIONS ON ENVIRONMENTAL AND SOCIAL ISSUES

Voting rights are a powerful mechanism to achieve improved corporate social responsibility. While it will always be difficult to achieve a majority vote for resolutions based on environmental or social issues, a positive vote of about 15% or more is often enough to capture the attention of a corporate board and to affect change. Funds which are active owners will exercise their right to vote and their right to raise resolutions in order to achieve better management outcomes. In the United States resolutions concerning environmental and social issues are increasing every year, reflecting a worldwide trend.

Project Description

The overall aim of this project is to provide credible data on the size and growth of the Australian responsible investment market and to compare this with trends in Australia's financial market and responsible investment internationally.

The project is intended to establish the size and, where possible, growth of the following responsible investment categories:

Core responsible investment: core responsible investment includes specifically tailored managed funds, direct share portfolios managed by financial advisers, and also micro-finance, micro-credit and green loan products offered by banks.

Broad responsible investment: ESG integration, corporate engagement and shareholder activism.

Results obtained from the current project are compared with those obtained in the benchmarking study in 2006.

The process of categorising the Australian responsible investment market into core and broad components follows the methodology developed for similar studies by the European Social Investment Forum (Eurosif) and Canada's Social Investment Organisation.

Following the Eurosif approach, managed responsible investment portfolios have now been classified in accordance with their approach to investment screening: ethical exclusions, positive screening, best-of-sector, thematic investment and norms-based investing.

Methodology

Apart from changes in categorisation to follow overseas developments, this study employed the same methodology as was used in the RIAA Benchmark Report 2006.

Data was gathered from a range of sources. Managed funds data was kindly provided by managed funds industry research specialists Morningstar and Rainmaker Information Services, while a large proportion of the data was also provided direct to Corporate Monitor.

Information on total investment management and the average performance of certain managed fund categories were provided by Morningstar.

Data on the other segments was collected by Corporate Monitor. Initial requests for data were made by email and then followed up by telephone, where necessary

It is important to note that for many areas of responsible investment data there is no requirement for disclosure and some investment custodians may be reluctant to supply information. This may be for reasons of privacy or commercial confidentiality. The figures for categories outside of managed responsible investment portfolios should be considered conservative for this reason.

All requests for information occurred in the period July through September 2007, but figures are as at 30 June 2007, unless otherwise stated.

All calculations of performance, growth levels, market share etc were performed by Corporate Monitor.

As stated above, the responsible investment market is also split into core responsible investment and broad responsible investment using the distinctions developed by Eurosif and the Canadian Social Investment Organisaton.

CORE RESPONSIBLE INVESTMENT

Core responsible investment includes specifically tailored managed funds, direct share portfolios managed by financial advisers, and also community finance such as micro-finance, micro-credit and green loan products offered by banks.

Managed Responsible Investment Portfolios

This is defined as the placement of money in managed funds, separately managed share portfolios, or discrete investment mandates screened to reflect environmental, social, labour relations, governance or ethical considerations.

Data was collected on the net assets of professionally managed portfolios that define themselves as ethical, sustainable or socially responsible. This includes investments directly into public offer managed funds (for both retail and wholesale investors), superannuation funds, directly managed accounts, institutional mandates and other portfolio based investments.

Where a fund manager operates multiple funds that invest into one investment pool, then any double counting of investments was removed.

Managed responsible investment portfolios have also been further categorised into:

- Portfolios screened with a range of ethical exclusions
- Those that also have an element of positive screening
- Best-of-sector portfolios
- Thematic investment that involves exposure to a single sustainable investment asset class (e.g. clean technology or sustainable property portfolios)
- Portfolios based on norms-based screening (e.g. The UN Global Compact). In Australia there are some examples of norms-based screening that forms part of a broader positive screen or best-of-sector approach. In New Zealand there are two significant cases of norms-based screening in its own right.

Direct Investment Portfolios Managed by Financial Advisers

Some financial advisers provide specialised service to investors who want to use an ethical investment approach. From over 100 advisers that have registered an interest in ethical investment we obtained data from approximately 40 advisers and firms on the amount under their advice that takes ESG issues into account in direct investment portfolios (including shares and other portfolio investments). This does not include the value of their clients' holdings in managed responsible investment portfolios.

Charities and Charitable Trusts

Using prior year data we identified charities that had share portfolios of $500,000 or more based on their latest financial statements. We then surveyed this group to ask them if these investments were held under an ethical investment policy. A total of 24 responded that a formal ethical investment policy applied to this investment portfolio.

Superannuation Funds

Superannuation funds are now providing their members with a choice of funds, including the option of a responsible investment super fund. These options generally then invest in one of the managed responsible investment portfolios and are counted in the total for that category.

Some superannuation funds have also adopted responsible investing as part of their mainstream investment process. For the purposes of this study, if that investment has gone into an established responsible investment fund, then it is ignored so as to avoid double counting. Where the investment has gone to an external source, such as an overseas responsible investment mandate, it is listed as a managed responsible investment portfolio under the heading of the superannuation fund itself.

Community Finance

This involves pooling deposits in order to make loans to disadvantaged individuals, to not-for-profit organisations or for loans to fund actions that help the environment or society.

For this study we surveyed organisations known to be dedicated to community finance activities. This includes Approved Deposit Institutions that predominantly accept deposits from and make loans to lower income groups and not-for-profit organisations. In this case we included the value of total assets.

In addition a number of microfinance based loan portfolios (small loans made to disadvantaged groups) and other responsible lending activities were also included in this category.

Another segment in this category includes deposits in accounts designated to benefit some environmental or social purpose.

BROAD RESPONSIBLE INVESTMENT

Broad responsible investment includes:

- The relevant assets under management of fund managers that have integrated environment, social and governance factors (ESG) into their mainstream investment process
- The assets of fund managers or institutional investments that have adopted a formal ESG corporate engagement specialist
- Shareholder activism – the value of shareholdings that have supported a shareholder resolution on an environmental or social issue.

ESG Integration

The trend towards mainstream acceptance of ESG related investment factors is significant. The details of a range of initiatives that signify the extent of this trend are outlined in this study. They include the United Nations Principles of Responsible Investment, Carbon Disclosure Project, Enhanced Analytics Initiative and the Investor Group for Climate Change. All allow fund managers and institutional investors to become signatories to a program of improved corporate ESG performance. Details of each initiative are outlined under the section on Broad Responsible Investment.

However, as ESG integration is in its formative years, most of these signatories are yet to reach the point where they have adapted their investment process to include this research in the stock selection and portfolio construction process.

The ESG integration segment only counts the relevant assets under management of fund managers that have reached this stage of development. Of course it excludes assets in responsible investment portfolios as these are already counted within their own category.

Corporate Engagement on ESG

Engagement services undertake ESG research which they then use as the basis for a two-way dialogue with companies to advocate improved governance of ESG risks. This service is then taken up by fund managers and institutional investors. The study counts as a responsible investment the total value of shareholdings in companies which are the subject of the engagement process. This equates to client holdings in the Top 200 Australian Stock Exchange listed companies.
There are also many ad hoc instances of this form of engagement undertaken by a range of institutional investors. But due to their private nature, we were unable to include these in the survey.

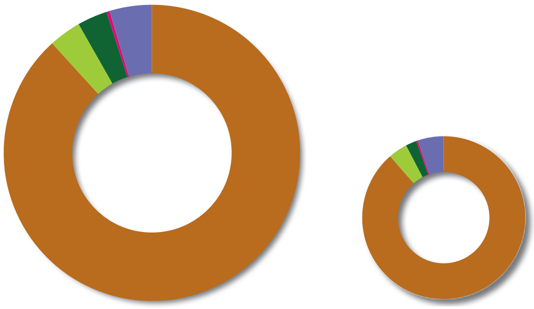
Shareholder Activism

Using regular media coverage of incidents of shareholder activism, we considered a range of shareholder complaints about corporate performance on environmental and social issues. We also sought advice from corporate governance specialists on the incidence of any shareholder activism. But again this year all such shareholder actions fell into the category of corporate governance - none fitted within the definition of shareholder activism used in this study; i.e. a shareholder resolution to agitate for a better environmental or social outcome.

Core Responsible Investment

While the components of core responsible investment have been quantified and discussed in prior year studies, this is the first year that they have been grouped into a segment of the responsible investment marketplace.

CORE RESPONSIBLE INVESTMENT IN 2007 $ M



	2007	2006	Change
Managed portfolios	17,102	11,980	43%
Community finance	682	510	34%
Charities and charitable trusts	635	295	115%
Green loans	64	44	46%
Ethical adviser portfolios	916	694	32%
Total	19,399	13,523	43%

MANAGED RESPONSIBLE INVESTMENT PORTFOLIOS

Managed responsible investment portfolios grew by 43% during the 2007 financial year from $11.98 billion to $17.10 billion, an increase of $5.12 billion.

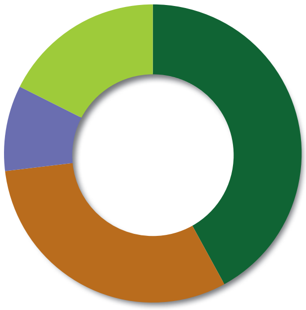
Total Investment Management in all types of managed portfolios grew 20% in that same period.

This is a lower level of growth in percentage terms than in 2006 (56%) but 19% higher in dollar terms than the $4.31 billion increase last year.

Before subtracting double counting of $900m, the published value of all responsible investment portfolios was exactly $18 billion. Double counting is due to investment from retail funds (offered by a fund manager or superannuation fund) which then invest in a wholesale fund or mandate of another.

Categorising this according to the type of screening in place for each portfolio, this $18 billion is made up of:

RESPONSIBLE INVESTMENT PORTFOLIOS BY SCREENING APPROACH



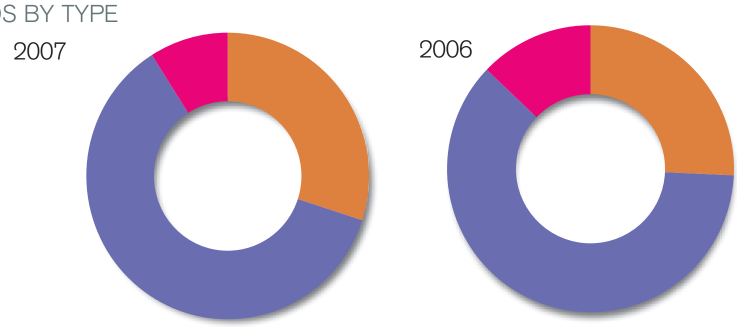
	$m	%
Ethical exclusions	7,565	42
Positive screening	5,597	31
Best-of-sector	1,671	9
Thematic investment	3,170	18
	18,003	

There are no recorded instances of norms-based investment screens in Australia. While some funds use the norms as part of their screen they also have a greater focus on either positive screens or best-in-class assessments.

As this is the first study in which the sector has been categorised according to a specific approach to screening, we have not identified a trend towards certain types of screens. That said, the current year's net funds flow towards each screen type is discussed below.

One interesting aspect of the prior years' data is the analysis of the type of managed portfolio and its contribution to the total responsible investment market.

RESPONSIBLE INVESTMENT PORTFOLIOS BY TYPE

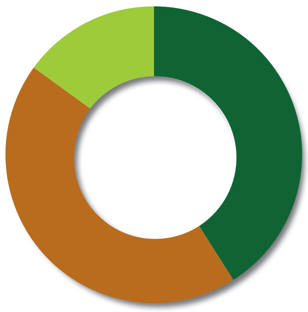


	$m	% of total 2007	% of total 2006
Net assets of retail managed funds and managed accounts	5,352	30	26
Net assets of wholesale managed funds, investment mandates and public superannuation funds	11,119	61	62
Market capitalisation of thematic investment funds	1,532	9	13
	18,003		

In last year's study wholesale managed funds (and mandates) plus new thematic investment funds accounted for much of the sector's growth. This year the retail sector has slightly increased its share of the responsible investment market.

The main factors contributing to the $5.12 billion in growth were:

RESPONSIBLE INVESTMENT PORTFOLIOS – GROWTH COMPONENTS



	$m	%
Positive investment performance	2,096	41
Net flows to existing managed portfolios	2,248	44
New funds and mandates	779	15
	5,123	

In understanding these results there are a number of other factors to note:

Contribution from Investment Performance

Most responsible investments invest predominantly in shares and so there is a close link between its growth and the fortunes of the sharemarket.

To this end, the combined impact of a worldwide bull market in equities and steady funds inflows has seen investment performance alone contribute 41% of growth in the year.

The estimated investment return of the entire sector for the year is 14%. This is determined by dividing the contribution from investment performance by the average of the net assets of the portfolios during the year.

This level of return is approximately 10% above the level of Australian inflation or economic growth. However it also is widely recognised that this level of investment return (across a range of investment strategies and asset classes) is not sustainable over the long-term.

New Funds and Mandates

While new investment portfolios made almost the same contribution to growth in dollar terms as last year, some interesting innovations and trends are evident.

Some fund managers that do not have responsible investment funds were appointed to manage a screened mandate on behalf of a superannuation fund or not-for-profit client.

Specialist funds designed to enable local government investors to invest in a screened capital protected fund also enjoyed support (e.g. ANZ Asprit and Westpac Principal Protected Ethical Notes).

And last, some limited offer thematic investment funds also made a contribution. (e.g. Credit Suisse PL100 - World Water Trust, Macquarie Clean Technology Fund, MFS Water Fund and Attunga Enviro Opportunities Fund).

Superannuation Funds and Responsible Investment

Superannuation funds were a significant investor in established funds as well as directing the establishment of new mandates.

Many superannuation funds have also become signatories to the UN Principles for Responsible Investment and other ESG integration initiatives. These are discussed in more detail below.

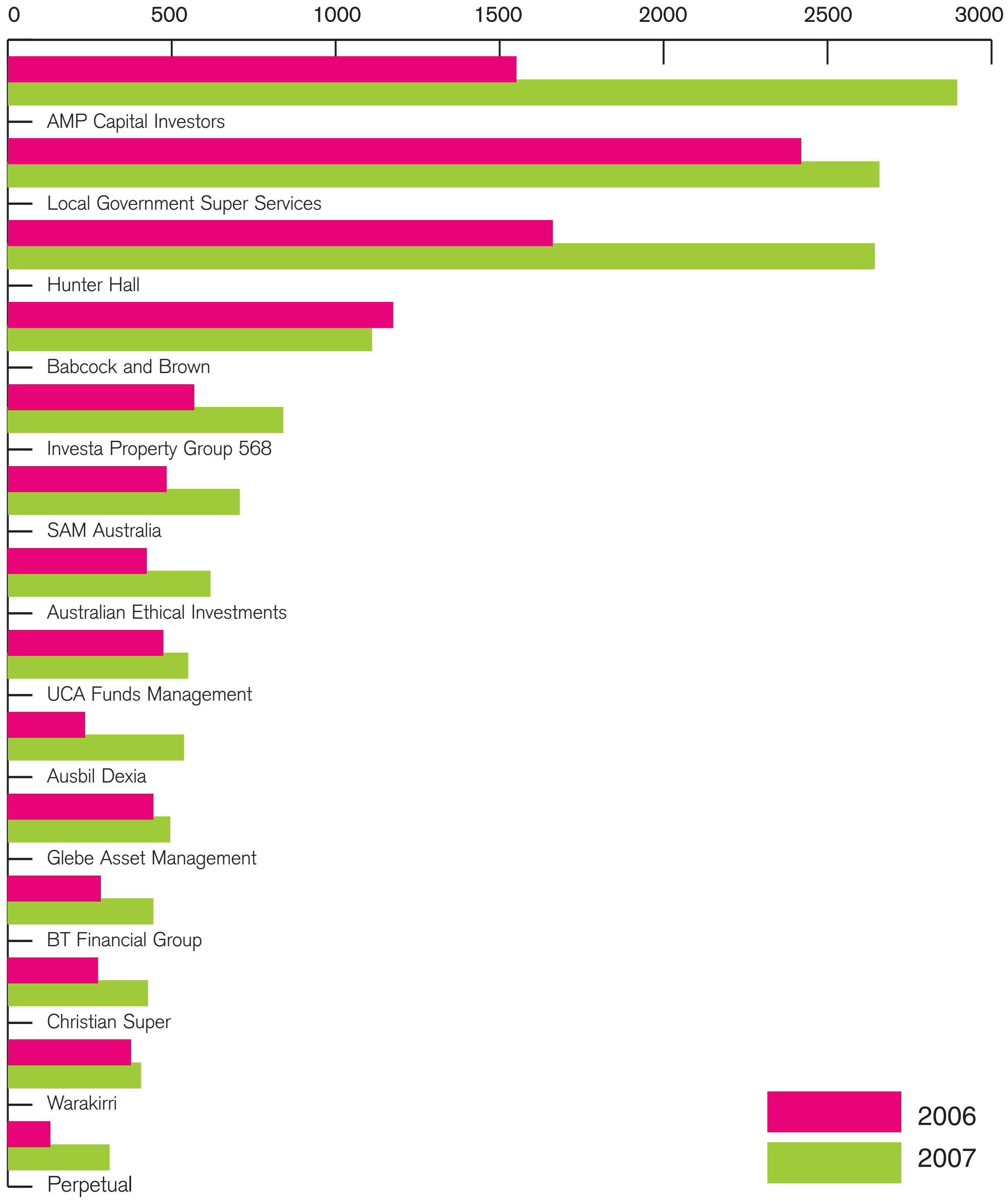
Responsible Investment Fund Managers

Fund managers and superannuation funds with responsible investment funds under management as at June 2007 are listed as follows: -

MANAGER $m	2005	2006	2007
AMP Capital Investors	439	1,550	2,894
Local Government Super Services	2,082	2,419	2,658
Hunter Hall	1,329	1,661	2,644
Babcock and Brown	100	1,175	1,111
Investa Property Group	372	568	840
SAM Australia	304	484	707
Australian Ethical Investments	355	424	617
UCA Funds Management	454	474	550
Ausbil Dexia	108	236	537
Glebe Asset Management	523	444	495
BT Financial Group	257	284	444
Christian Super	-	275	427
Warakirri	342	375	406
Perpetual	89	130	310
Generation Asset Management	-	140	291
Vic Super	175	185	247
Smallco Investment Manager	33	66	220
Suncorp Investment Management	-	101	209
Viridis Clean Energy Group	24	111	200
Credit Suisse	-	-	113
GS JB Were	28	52	107
Myer Family Office	55	68	104
Challenger Financial Services	54	71	102
ING Asset Management	53	71	89
ANZ Asprit	-	-	89
Perennial Value Management	47	57	79
Queensland Investment Corporation	-	-	78
James Fielding	52	111	72
Kaplan Funds Management	98	100	70
Brandywine Global Investment Management	-	-	69
BlackRock Investment Management (Australia)	-	-	63
IOOF Perennial	33	40	62
Macquarie Investment Management	-	-	61
UBS	40	44	58
Portfolio Partners	-	41	52
Attunga Capital	-	-	50
CVC Sustainable Investments	32	36	38
Fat Prophets	30	30	35
BIAM Australia	44	20	22
MFS	-	-	20
State Street Global Advisers	18	16	18
Maple Brown Abbott	20	20	16

Alpha Investment Managers	11	13	11
van Eyk	4	7	9
Tower	47	21	-
QIC	-	7	-
Cavilla	-	2	-
Putnam Investments Australia	5	7	-
Deutsche Asset Management	36	42	-

LARGEST RESPONSIBLE INVESTMENT MANAGERS > $300M IN 2007



The fastest growing of the larger, more established fund managers was AMP Capital Investors which launched its Sustainable Future Funds range in early 2001. Its high growth was largely attributable to the continued take-up of its Responsible Investment Leaders multi-manager funds and further growth in its flagship Sustainable Future Australian Share Fund.

Major retail manager Hunter Hall experienced renewed growth as its Australian Value Trust reversed a period of underperformance and fund outflows. Strong inflows and investment performance by its two overseas shares ethical funds helped the manager on this stronger growth path.

Another fund manager to experience significant growth was Ausbil Dexia which gained new overseas share mandates as its first responsible investment mandates in Australian shares.

Responsible Investment Mandates

There are several screened investment mandates managed by mainstream fund managers who do not offer a pooled responsible investment fund. These include:

Kaplan Funds Management
Deutsche Asset Management
Maple Brown Abbott
State Street Global Advisers
Alpha Investment Managers
Perennial Value Management
Schroders
Generation Asset Management
Queensland Investment Corporation
Brandywine Global Investment Management
BlackRock Investment Management (Australia)

Fund Rationalisation

Following a period of fund rationalisation last year there were no closures of responsible investment funds last year apart from continued restructuring of the Glebe Asset Management funds which commenced in 2006.

Responsible Investment Portfolios - Market Share

According to Morningstar's latest Market Share Report, Total Investment Management (i.e. all types of mainstream managed investment portfolios) in Australia comprised $916.5 billion in June 2007. Therefore, responsible investment portfolios in June 2007 of $17.10 billion are 1.87% of this total, up from 1.56% in 2006 and 1.15% in 2005. This indicates the cumulative effect of several years of above average growth for responsible investment, although it is still a very small segment.

Retail responsible investment funds are 1.0% of total retail funds under management (up from 0.8% in 2006) and wholesale responsible investment portfolios now comprise 1.8% of the Morningstar total for wholesale funds and discrete managed portfolios (up from 1.5% in 2006).

Overseas Comparisons

Other parts of the globe that conduct similar studies of responsible investing include the USA, Canada and Europe. However this Australasian report is the first study of 2007 data to be published. The biennial USA study was last released in 2005 and is due out at the end of 2007.

International comparisons between studies are difficult because of differences in data gathering methodology, the definitions of responsible investment and the level of investment disclosure. But we can say that our classification methodology is now more broadly in line with Canada and Europe.

USA

A 2005 study published by the US Social Investment Forum found that Socially Screened Mutual Funds accounted for US$179 billion in investments. According to the Investment Company Institute total mutual fund net assets in 2005 were US$8,905 billion. This suggests a responsible investment mutual funds market share of 2%, which remained unchanged from the 2003 study.

A broader measure of responsible investment used in the US study was a figure of US$2.29 trillion made up of screened portfolios, shareholder advocacy and community investing. This is calculated as 9.4% of all assets under professional management in the US, being $24.4 trillion in 2005. This figure includes large amounts in socially screened investments of religious organisations and education bodies.

CANADA

A 2006 study by the Social Investment Organisation in Canada calculated that assets invested according to socially responsible guidelines increased significantly, from an estimated $65.46 billion in 2004 to $503.61 billion, as of June 30, 2006. The vast majority of this increase is due to the recent adoption of responsible investment practices by several major pension funds, mostly in the public sector. This represents a significant increase in assets invested according to broad responsible investment strategies, of which there was very little activity as recently as 2004.

Canada's core responsible investments rose from $37.9 billion in 2004 to $57.4 billion in 2006, representing a 52% increase. Most of this growth is attributable to an increase in managed responsible investment portfolios which increased from $21.2 billion in 2004 to $36.5 billion in 2006.

Broad responsible investments (which include sustainable venture capital) grew from $27.6 billion in 2004 to $446.2 billion in 2006. Most of the increase is due to the addition of assets from large public pension funds, many of which have adopted responsible investment policies and practices in the last two years.

Combined, these components represent 19.6% of the Canadian managed investments market. Core responsible investment assets have a 2.2% share of the market.

EUROPE

Responsible investment has also been actively promoted in several European countries and the latest survey was released by the European Social Investment Forum (Eurosif) in September 2006 based on data to December 2005. This study presents a figure of € 105 billion for core responsible investment, which is up 71% since its last study as at December 2002.

The study also identified € 266 billion in pension fund portfolios subject to simple ethical exclusions, such as tobacco or weapons screens, which represents 6% of the total European pension funds market. This was included in the broad responsible investment category. Overall, Eurosif estimates that the broad European responsible investment market is valued at up to € 1 trillion and comprises 10-15% of the total European funds under management. This represents 36% growth since their last study in December 31, 2002.

The study adds that responsible investment is growing in many European countries and is particularly booming in Spain and Austria.

Longer term trends

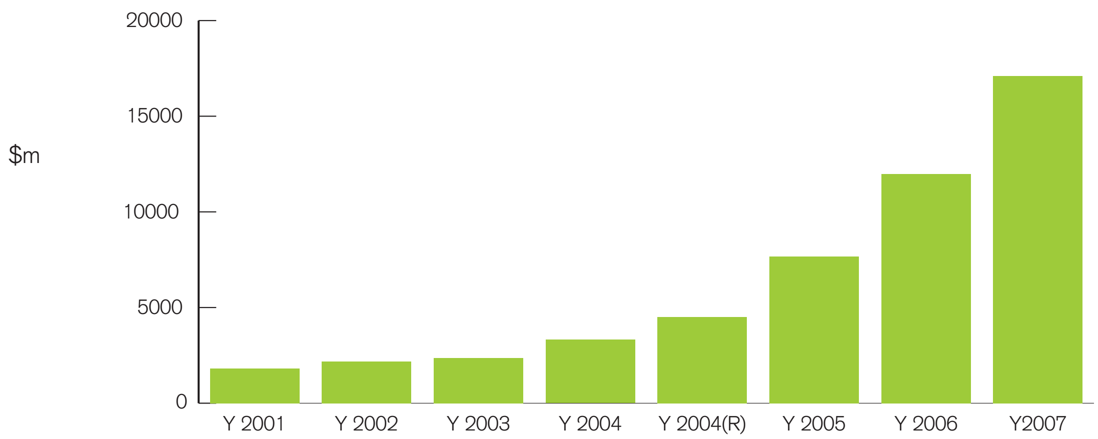
Over the seven year period that the Australian responsible investment market has been benchmarked, the growth is now as follows:

RESPONSIBLE INVESTMENT MANAGED PORTFOLIOS – LONG-TERM GROWTH

Year	00	01	02	03	04	04(R)	05	06	07
$m	325	1,818	2,175	2,355	3,315	4,500	7,670	11,985	17,102
Market Share %						0.7	1.15	1.54	1.87
%Δ Year		459	20	8	41	91	70	56	43
%Δ Cum.		459	569	625	920	1,285	2,260	3,587	5,162
%Δ Total Investment Management (all managed investments)							9.2	15.5	20.0

(R) = Restated in the 2005 study

LONG-TERM GROWTH TRENDS IN
RESPONSIBLE INVESTMENT MANAGED PORTFOLIOS



This table shows that since 2001, when a number of mainstream fund managers like AMP, Perpetual and Westpac (now BT Financial Group) entered the sector, responsible investment portfolios have grown by a factor of more than eight times during that six year period.

A further major growth driver, investment by major superannuation funds and not-for-profit investors, has supported a quadrupling of the sector since 2004.

Investment Performance

Analysis of the performance to June 2007 of publicly offered responsible investment managed portfolios included in this study has found that the average responsible investor in Australia is getting better returns for periods from one through five years than the overall average return in each major investment category.

The average return is based on asset-weighted return contributed by each responsible investment fund within its category. Mainstream indices are calculated by Morningstar using similar methodology.

In 2006-07 most Australian share funds continued to post strong returns, yet responsible investments fared better. The average responsible investment Australian share fund only just underperformed its benchmark, the S&P/ASX 300 Index, while the average mainstream fund fell another 1.8% short of the mark.

When looking at three year returns, the average responsible investment fund performance fared better than both similar mainstream funds and the market benchmark index. A similar picture is evident over a five year period.

Overseas responsible investment funds did better again – showing vast outperformance over all time periods measured. This is largely due to the dominance of that category by the larger and high performing Hunter Hall funds.

The limited number of ethical balanced funds also comfortably outperformed mainstream funds all time periods measured.

RESPONSIBLE INVESTMENT VS MAINSTREAM SHARE FUNDS

Returns to June 2007 (net of management fees) % pa

		1 year	3 years	5 years
Australian Share Funds	Average Resp. Invest. Fund (19)	29.10	26.92	20.40
	Average Mainstream Fund	27.41	25.56	18.39
	S&P/ASX 300 Acc(AUD)	29.21	26.40	19.32
Overseas Share Funds	Average Resp. Invest. Fund (8)	20.17	19.73	15.76
	Average Mainstream Fund	10.77	10.99	6.26
	MSCI World ex Australia Index	7.77	8.93	4.68
Balanced Growth Funds	Average Resp. Invest. Fund (7)	18.78	16.61	12.85
	Average Mainstream Fund	15.76	15.29	11.54

Number of funds in each responsible investment category is shown in brackets.

COMMUNITY FINANCE

In this category a broad range of community finance organisations and deposit funds was surveyed. This includes microfinance loan schemes and organisations dedicated to providing financial services to disadvantaged communities and not-for-profit organisations.

Thirteen community finance providers had total assets of $682m in June 2007, an increase of 34% on last year's (restated) figure of $510m. These are:

COMMUNITY FINANCE PROVIDERS
ANZ Progress Loans
Bendigo Ethical Cash Manag. Account
BSL No Interest Loans Scheme
Community Sector Banking
Fitzroy and Carlton Credit Co-op
Foresters ANA
Macauley Credit Co-op
Maleny Credit Union
mecu Social Loans
Muslim Community Co-operative (Australia)
NAB Step up Loan & Concession Card Account
Traditional Credit Union
UCA Development Fund

Allowing for the fact that this segment has not enjoyed the uplift from investment markets that helped the growth of managed portfolios, it has nonetheless sustained a strong growth rate. This bears witness to the continued efforts of a handful of organisations (including two of the four major trading banks) to build further community finance and micro-credit infrastructure in Australia.

Larger credit unions like mecu, Bananacoast Community Credit Union, NSW Teachers Credit Union and South Australia's Savings and Loans are also progressing with the development of a formal corporate social responsibility (CSR) program to incorporate further initiatives in community financing and responsible investing policies.

Green loans

This year also saw growth in the amount lent via so-called "green loans" – those which finance environmentally friendly purchases and which also offer the borrower some form of tangible benefit for choosing this type of loan.

This year we identified six lenders providing this type of facility: -

GREEN LOAN ORGINATORS
Bendigo Bank
Maleny Credit Union
mecu
SA Savings & Loans
StateWest Credit Society
Westpac Bank

Green loan balances (from five of those lenders) were $64m at June 2007, up 46% on last year's loans of $44m.

As noted in last year's study, Westpac's Economical Living Package was launched in June 2006 and includes a discount offer for all its new home mortgage borrowers to purchase environmentally friendly products for their home. While this is a significant initiative it is not possible to identify the actual level of green home loans that result.

FINANCIAL ADVISER ETHICAL PORTFOLIOS

By using the methodology developed for prior studies we maintain a list of over 100 financial advisers with a declared interest in advice on ethical investment. Of that group, firms representing approximately 40 advisers or firms indicated that they advise on direct investment portfolios, which total $916m. This is up 32% from the 2006 figure of $694m.

Much of this increase can be attributed to the strong sharemarket returns as these portfolios are typically dominated by holdings of Australian shares.

The lower level of net growth from prior years may be evidence that some firms offering this service have reached a threshold of funds under advice which is limiting their growth prospects.

Growth was also tempered by the retirement of a few advisers and their clients being moved to other firms that do not formally provide this service.

This area suffers from under-reporting. Several advisers that are known to provide this type of service are unwilling to share what they regard as commercially sensitive information.

CHARITIES AND CHARITABLE TRUSTS

Again, by using the methodology for prior studies, we obtained responses from 23 major charities and charitable trusts with responsible investment portfolios of $635m in 2006, up 115% from $295m in 2005.

This high level of growth is partly due to a few charities with substantial investment portfolios entering the survey for the first time.

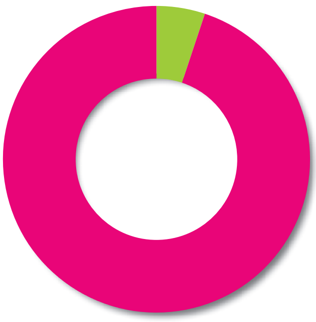
It should be noted that in some cases these charities use the services of a financial adviser who has also included the value of the charity's responsible investment portfolio in their assets under advice.

Other charities are using managed investment portfolios while stating that these investments are held directly.

Broad Responsible Investment

While the components of broad responsible investment have been quantified and discussed in prior studies, this is the first year that they have been identified as a distinct (albeit broader) segment of the responsible investment marketplace.

BROAD RESPONSIBLE INVESTMENT IN 2007



	$ billion
ESG integration	2.7
Corporate engagement	50.1
Shareholder activism	0
Total	52.8

ESG INTEGRATION

The trend for fund managers to incorporate environment, social and governance (ESG) factors into their investment process has gathered pace as evidenced by the take-up in Australian signatories to the United Nations Principles for Responsible Investment (PRI). These were launched in April 2006 to signify a commitment from investment institutions to develop their application of ESG factors across their investment portfolios (not just specialist responsible investment products).

Three of the four largest fund managers in Australia and New Zealand have also signed up: BT Financial Group, AMP Capital Investors and Colonial First State Global Asset Management. Added to this is the New Zealand Government run pension provident fund.

The 36 Australasian PRI signatories (compared with eight signatories as of June 2006) at the time of writing are as follows:

AUSTRALASIAN PRI SIGNATORIES

AMP Capital Investors
ARIA (Australian Reward Investment Alliance)
Australian Council of Super Investors (ACSI)
Australian Ethical Investment Ltd.
AustralianSuper
BT Financial Group
CARE Super
Catholic Superannuation Fund
CBUS Superannuation Scheme
Christian Super
Colonial First State Global Asset Management
Drapac
ESSSuper
Five Oceans Asset Management
Foresters ANA Mutual Society Ltd
Frontier Investment Consulting
Goldman Sachs JBWere Superannuation Scheme
Herschel Asset Management Limited
Hesta Super
Indian Ocean Rim Asset Management
Investa Property Group
JF Capital Partners Ltd
Local Government Superannuation Scheme
Local Super
LUCRF Super
Monash Sustainability Enterprises
New Zealand Superannuation Fund
Portfolio Partners Limited
RepuTex Group
Statewide Superannuation Trust
Sustainable Investment Research Institute Pty Ltd (SIRIS)
Trust Waikato NZ
UniSuper
VicSuper
Victorian Funds Management Corporation
Vision Super

In addition a number of global financial services businesses that have substantial interests in Australasia have signed the PRI. These include: Mercer Investment Consulting, Dexia Asset Management, AXA Investment Management, BNP Paribas and SAM Group.

The estimated total funds under management or advice of these signatories is US$360 billion. This accounts for approximately 4% of the US$10 trillion in total assets managed or advised by all signatories globally. This shows that Australia is “pulling its weight”, both in terms of assets signed up and implementation progress.

While the number of UN PRI signatories is substantial, the study identified only two that have actually integrated ESG factors into their mainstream investment process: Portfolio Partners and Five Oceans Asset Management, whose ESG researched assets under management at June 2007 was $1.8 billion.

The assets of mecu credit union are also included ($855.9m) as it has now implemented an ethical lending and investment policy across the organisation. However, its social loans and green loans have been subtracted as they are already above included in core responsible investment.

It should also be noted that some of the clients of engagement services are well on the path towards ESG integration. But if we were to include their assets in the category of ESG integration and broad responsible investment this would constitute double counting.

OTHER ESG INTEGRATION INITIATIVES

Carbon Disclosure Project

Another indication of the level of fund manager interest in ESG issues is provided by the Carbon Disclosure Project (CDP). This represents a process whereby institutional investors collectively sign a single global request for disclosure of information on their management of greenhouse gas emissions. On their behalf CDP seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies: 2,400 in 2007. The latest project (CDP5) has so far sent this request to companies included in the FT 500 or S&P 500 index on behalf of 315 institutions with assets under management of more than US$41 trillion.

CDP 5 SIGNATORIES REPRESENTED IN AUSTRALIA

Aberdeen Asset Managers
ABN AMRO.
AIG
AMP Capital Investors
Australia and New Zealand Banking Group
Australian Ethical Investment
Australian Reward Investment Alliance (ARIA)
Aviva
AXA Group
Barclays Group
BlackRock
BNP Paribas Asset Management
BT Financial Group
Catholic Super
Christian Super
Credit Agricole Asset Management
Credit Suisse
Daiwa Securities Group Inc.
Deutsche Asset Management
Dexia Asset Management
Five Oceans Asset Management
Generation Investment Management
Goldman Sachs & Co.
Guardians of New Zealand Superannuation
Hastings Funds Management
Henderson Global Investors
HESTA Super
HSBC
ING Investment Management
Local Government Superannuation Scheme
Morgan Stanley Investment Management
Munich Re Group
National Australia Bank Limited
Northern Trust
Old Mutual plc
Portfolio Partners
Rabobank
SAM Group
Savings & Loans Credit Union (S.A.)
Schroders
Société Générale
State Street Corporation
Swiss Reinsurance Company
UBS Global Asset Management
VicSuper

It is also worth noting that 18 of these 45 financial services and insurance businesses do not manage responsible investment portfolios in Australia. This can be seen as an indicator of pure mainstream investment interest in better disclosure on carbon and climate change-related issues.

Enhanced Analytics Initiative

Another collaborative initiative that has seen recent uptake in Australia is the Enhanced Analytics Initiative (EAI) - where institutional investors and fund managers encourage investment research that considers the impact of extra-financial issues on long-term company performance. This is achieved by allocating 5% of their share brokerage to ESG research.

There are three local signatories to EAI at the time of writing. They are superannuation funds: HESTA, UniSuper and VicSuper.

Investor Group on Climate Change

Another collaboration of investment managers in this field is a local initiative called the Investor Group on Climate Change Australia/New Zealand. Its stated purpose is to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions.

INVESTOR GROUP ON CLIMATE CHANGE MEMBERS

AMP Capital Investors
ARIA
Babcock & Brown Environmental Investments
BT Financial Group
Catholic Super
Cleantech Ventures
Colonial First State Global Asset Management
Eureka Funds Management
Five Oceans Asset Management
Goldman Sachs JBWere
The GPT Group
HESTA Super Fund
Industry Funds Management
Mercer Investment Consulting
Portfolio Partners
Rei Super
Starfish Ventures
Statewide
Suncorp Investment Management
VicSuper
Vision Super

These members speak for $375 billion in funds under management – making it an influential group on the local sustainability scene.

CORPORATE ENGAGEMENT

Australia enjoys the services of two specialists, Regnan (formerly the BT Governance Advisory Service) and the Responsible Engagement Overlay (distributed in Australia by State Street Global Advisers), who provide corporate engagement services on behalf of superannuation funds and institutional investors with total shareholdings of $50.1 billion. This is up 483% on the 2006 figure of $8.6 billion.

This massive growth is attributable almost entirely to the formation of Regnan (formerly the BT Governance Advisory Service) in June 2007. The restructure involved the creation of a new business model whereby the company's engagement clients also became shareholders. New shareholders who joined the business on this restructure contributed much of the growth in clients assets: Victorian Funds Management Corporation, Local Government Superannuation Services and HESTA.

SHAREHOLDER ACTIVISM

Again in 2007 there were no specific shareholder resolutions that related to an issue of environmental or social responsibility – marking another year devoid of shareholder resolutions of this type.

This contrasts with more positive developments in institutional shareholder advocacy on pure corporate governance issues such as director and executive remuneration or board composition. This has been facilitated by improved regulations and best practice guidelines on good governance as well as a requirement to present shareholders with a remuneration report which is subject to a non-binding vote at each company's Annual General Meeting.

There has also been a trend for institutional investors to seek professional advice on governance matters. Some, like AMP Capital Investors and BT Financial Group, provide a public report on their active ownership practices.

However, within these developments there have been no formal resolutions on environmental or social issues. Why? First, some environmental groups are still involved in a legal battle with forestry company Gunns over what it claims to be economic loss resulting from illegal interference with its trade and business. Other activist groups prefer to focus on engagement and political lobbying activities.

Last, while companies like James Hardie and AWB have been criticised during the year for the negative social impacts of their business activities there have been no specific shareholder actions mounted against them.

This rather benign environment for shareholder activism is somewhat perplexing when compared to the US. For example, The US Social Investment Forum has published a report showing a marked increase in the number of social and environmental shareholder resolutions aimed at US companies between 2006 and 2007. The data for the first half of 2007 suggests that this year will set a new record, having already seen 359 resolutions compared with 367 for the whole of 2006.

In Australia shareholder activism has typically been initiated by environment or labour groups who, having met the 100 shareholder threshold, have then taken their case to institutional investors to build support for their resolution. Contrast this with the US where actions are typically initiated by institutional investors and co-ordinated by groups like the Social Investment Forum or the Interfaith Center for Corporate Social Responsibility. So, even though the Federal Government is advancing reforms that will lift the requirement to call an Extraordinary General Meeting well above the 100 shareholder rule, the requirements for putting a shareholder resolution at an Annual General Meeting are unchanged. So, regulatory changes cannot be the reason that there are fewer resolutions being developed.

Overall, the main hope for Australia to see a higher level of shareholder activism is for superannuation funds and fund managers to adopt a coordinated approach similar to that which operates in the US and develop and promote their own resolutions.

Responsible Investment in New Zealand

by Dr Rodger Spiller

All amounts in the following section are expressed in $NZ

Last year RIAA reported a total estimate for responsible investment in New Zealand of NZ$37.2m. For the year ended 30 June 2007 we estimate this to be around $15 billion. This includes $13.3 billion invested in a sovereign fund, the New Zealand Superannuation Fund. The total excludes funds invested by New Zealanders in Australian and other international funds. Further information about most of the New Zealand responsible investment offerings is provided below along with an update on the New Zealand Superannuation Fund.

ASB COMMUNITY TRUST

ASB Community Trust is Australasia's biggest philanthropic trust and is a signatory to the UN Global Compact which calls on companies to uphold ten universal principles in the areas of human rights, labour, the environment and anti-corruption. The UN Global Compact provides a benchmark for monitoring the Trust's portfolio. External research provides the Trust with concise reports on how companies are dealing with high profile issues and gives the Trust context and background information. Allegations are assessed and breaches monitored with companies contacted for their response. The Trust encourages dialogue and discussion in a process of engagement. In the year ended 30 June 2007 the Fund held $1.1 billion. The ASB Community Trust joined the Responsible Investment Association in 2007.

ASTERON

Asteron launched New Zealand's first Socially Responsible Investment Trust in 2002, investing primarily in New Zealand listed companies and based on the principle of negative screening and engagement with companies in its predominantly New Zealand based equity portfolio. Asteron KiwiSaver Scheme was launched in July 2007 and at the time of writing is the only such scheme with a responsible investment fund available. It has attracted a significant level of interest from both the media and the public. Asteron is part of the Suncorp-Metway Limited group of companies which is listed on the Australian Stock Exchange. It uses the research services of Rodger Spiller & Associates and grew from $1.8 to $2.7 million in the year.

JUST DOLLAR$ TRUST

Just Dollar$ Trust was established in 1992 as a charitable trust providing small business loans to people and not-for-profits in the Canterbury region who are unable to access bank finance. Loans are to a maximum of $10,000. It provides a vehicle for funds donated and lent to be made available to approved ventures. Applicants must be unable to secure bank finance and must be on "low incomes". Just Dollar$ has $240,000 in investors funds (a similar amount to last year), and since 1993 has loaned just over $1 million to more than 300 people.

THE NELSON ENTERPRISE LOAN TRUST

The Nelson Enterprise Loan Trust, established in 1997, is a charitable trust operating a regionally-based, ethical investment loan fund that facilitates employment opportunities by making loans of up to $20,000 to small enterprises that are unable to obtain finance from mainstream sources. As at 30 June 2007 NELT has loans from investors totalling $358,000. Since 1997 it has made 107 loans totalling more than $804,000 with only one (for $5,000) failing.

PROMETHEUS

Prometheus began its operations in 1983 providing deposit and borrowing services. It lends to people and projects that make a positive contribution to society by incorporating social and environmental responsibility, sustainability and sound business practices. In the year ended 30 June 2007 it increased deposits from $10.5 million to $13.5 million. The amount of lending grew in excess of 45% to $10 million. Prometheus has introduced several new Term Accounts at higher interest rates. For the most part funds will be used to finance loans under the auspices of the Energy Efficiency and Conservation Authority (EECA) Solar Water Heating (SWH) finance assistance programme. This year Prometheus has again been chosen by EECA as their preferred finance provider which could result in upwards of $5 million of loans to SWH installations throughout New Zealand over this year. Funds in these accounts may also be used to finance loans for other renewable energy projects. These are mostly made up of household stand-alone renewable energy systems (including solar electric, wind and micro-hydro). Prometheus is also seeking to build awareness about loan availability for energy-efficiency and insulation retrofits, both household and commercial. Prometheus joined the Responsible Investment Association in 2006.

THE QUAKER INVESTMENT ETHICAL TRUST

The Quaker Investment Ethical Trust was established in 1989. Its primary object is to provide an ethical savings, investment and loan service in such a way as to reflect Quaker concerns. To date, most loans have gone to people who, because of their current circumstances, are unable to secure loans through traditional means. Not all were associated with Quakers. The money has been used for housing, small businesses and low income housing schemes. The Trust has over $1.3 million in deposits as at 30 June 2007.

NEW ZEALAND ANGLICAN CHURCH PENSION BOARD

The New Zealand Anglican Church Pension Board invests superannuation and welfare funds for The Anglican Church in Aotearoa, New Zealand and Polynesia, and also invests for some other church organisations. The Board has established an ethical investment policy, which guides the investment of all funds, both within New Zealand and offshore. Within New Zealand, the Board has direct investments in cash, bonds, mortgages, equities, and forestry amounting to $55 million.

THE NEW ZEALAND SUPERANNUATION FUND

The Board of Guardians has adopted a Responsible Investment Policy, Standards and Procedures (RI Policy) to enable the Guardians to manage the New Zealand Superannuation Fund in a manner consistent with their legal obligations. The RI Policy is the Guardians' key document for integrating environmental, social, and governance considerations into the investment process.

The Guardians consider responsible investment to be part of evolving best practice investment management and is committed to the UNPRI. This responsible investment policy has been developed to help the Guardians to manage the Fund in a manner consistent with:

- best practice portfolio management;
- maximising return without undue risk to the Fund as a whole; and
- avoiding prejudice to New Zealand's reputation as a responsible member of the world community.

The Guardians monitor their holdings in the Morgan Stanley Capital International Index universe against internationally agreed standards for responsible corporate behaviour, in particular, the UN Global Compact principles. This process enables them to identify companies which may be in breach of standards on human rights, environmental protection, anti-corruption or labour conditions.

If companies in the Fund are found to have corporate practices that breach the Guardians RI standards, the Guardians may consider engaging with the company, either directly, or in conjunction with other investors, and taking other shareholder action as appropriate. There may be circumstances where the Guardians consider excluding a particular investment or divesting the Fund's holding.

The Guardians support good Corporate Governance principles which include transparency, board alignment with shareholder interests, remuneration, business ethics, and voting rights. The appointment of a specialist proxy voting agency has enabled the Guardians to exercise their voting rights on international holdings consistently across the Fund's investment portfolios. The Guardians participated in the development of New Zealand Proxy Voting Guidelines which they have now adopted as their standard for the New Zealand market.

The New Zealand Superannuation Fund commenced investing in October 2003 with $2.4 billion. As at 31 May 2007 the fund size was $13.3 billion. The fund is expected to reach $48 billion in 10 years and $120 billion in 20 years. The New Zealand Superannuation Fund joined the Responsible Investment Association in 2006.

TRUST INVESTMENTS

Trust Investments is a specialist manager initiated by the Anglican Church. It caters to charitable trusts offering a range of conventional funds and a Sustainable New Zealand Share Fund weighed in favour of companies that meet certain sustainability criteria. In order to meet the sustainability criteria, it avoids investments in companies whose major business activities are: tobacco products, alcoholic beverages, pornography, gambling and armaments. In the year ended 30 June 2007 the Sustainable New Zealand Share Fund grew from $23.6 million to $27.1 million.

Responsible Investment Certification Program

CERTIFIED BY RIAA

The Responsible Investment Certification Program was created to help investors find and learn more about responsible investment products and services available in Australasia. The program provides assurance, independent verification and information for consumers about the way in which responsible investment products and services operate and is the only initiative of its kind in the world.

The Program provides training, education, marketing support, disclosure and guidance at all points in the investment cycle – for individual investors, financial advisers, dealer groups, fund managers and superannuation funds.

The Certification Symbol is a Registered Trade Mark created and managed by the Responsible Investment Association Australasia (RIAA). The Symbol is designed to encourage informed choice about responsible investment products and services.

Individuals and organisations certified under the program as at 30 September 2007 are as follows. Full details of licensees can be found on RIAA's website at www.responsibleinvestment.org

FUND MANAGERS
AMP Capital Investors
Ausbil Dexia
Australian Ethical Investment
BIAM Australia
BT Financial Group
Challenger
Fat Prophets Australia Fund
Foresters ANA Mutual Society
Hunter Hall International
Perennial Growth Management
Perpetual Investments
Sustainable Asset Management Group
Suncorp Investment Management
UCA Funds Management Victoria
Investa Property Group

SUPERANNUATION FUNDS
Christian Super
Combined Fund
JUST SUPER
Equipsuper
Sunsuper

FINANCIAL ADVISERS
Deepthi Abeyawardana, CUA Financial Consultants
Julianna Baird, Sentry Financial Services
Helen Breier, Collins House Financial Services
Michelle Brisbane, Ethical Investment Services
Janice Carpenter, Ethical Investment Services
Kristine Dierens, Professional Investment Services
Jonathan Dunne, Integrated Planning Service (NSW)
Louise Edkins, Ethical Investment Advisers
Linda Fraser, 4 more wealth for our clients
Lisa Greeve, Greeve & Associates
Sue Lary, Peninsula Financial Group
Brian Lynch, Kaleidoscope Financial Services
Karl Oram, Ethical Investment Advisers
Terry Pinnell, Ethical Investment Advisers
Richard Press, R Cubed
Steven Putt, Viridian Wealth Management
Shane Raar, Australian Christian Services
Susan Reynolds, Acumen Financial
Peter Rodgers, Direct Advisers
John Ross, MCP Financial
Bill Sharp, Financial Wisdom
Richard Shaw, Foye Financial Services
Anne-Marie Spagnolo, Ethical Investment Services
Rodger Spiller, Money Matters
Trevor Thomas, Ethinvest
Sophie Treloar, High Grove Securities
Robert Vicary, Vicary Securities
Terry Spencer, High Grove Securities

DEALER GROUPS
AMP Financial Planning
Ethical Investment Services
BDO Kendalls Financial Services (VIC)
High Grove Securities

riaa

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RESPONSIBLE INVESTMENT 2007

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