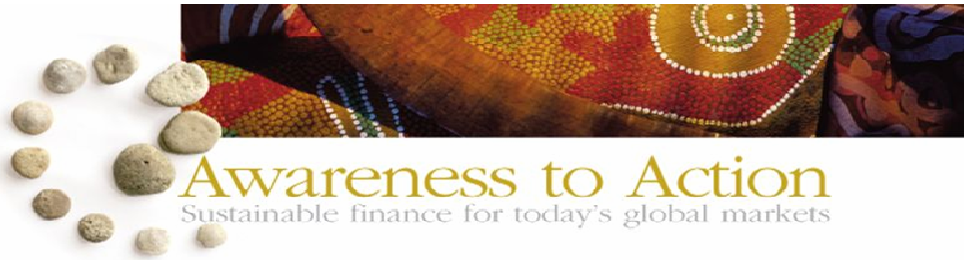


Session Summary

DAY 2 Thursday 25 October	
Session Details	Workshop 2.2.4 “Green Hedge Funds: A Sound Alternative?” 10:40am – 12:10pm
Speakers	<ul style="list-style-type: none"> • Belinda Hoff, The Institute for Responsible Investment, Boston College Center for Corporate Citizenship • Peter Castellanos, Managing Director, Clean Technology AustralAsia • Paul Hilton, Director, Advanced Equities Research, Calvert Group • Andrew Pidden, Principal Chief Investment Officer, Clean Resources Asia • Moderator: Erik Mather, Managing Director, Regnan
Notable Highlights	<ul style="list-style-type: none"> • Hypothetical question posed to the workshop: how should UNEP FI facilitate better linkages between hedge funds and ESG strategies, considering the approximately \$37 trillion invested? • There is a need for research into public equity in terms of ESG as currently no sound practical information is available on the products that are available • Hedge funds are one of the fastest growing classes of investment with 1000 new hedge funds being created every year
Green hedge funds make good cents	
<p>What would you rather risk, your finances or the future? This was the question brought to the floor at the “Green Hedge Funds: A Sound Alternative?” workshop on the second day of the UNEP FI Roundtable.</p> <p>Paul Hilton, Director, Advanced Equities Research, Calvert Group defined “green” as, “whatever provides the planet with means for long term sustainable growth that doesn’t jeopardise future generations”.</p> <p>The future is divided between those who believe in the economic impact of climate change and those who are still in denial. The businesses made of believers who are willing to evolve with the market will prosper and develop, while those in denial will ultimately suffer as their businesses shrink.</p> <p>Andrew Pidden, Principal Chief Investment Officer, Clean Resources Asia stated, “Hedge funds can be a successful strategy, if you know what you’re getting into when making your asset allocation, in helping you achieve your overall investment objectives”.</p>	

UNEP FI Global Roundtable
24-25 October 2007, Melbourne Park Function Centre



The divide between a short term and long term focus came to the forefront of discussion, with the panel agreeing that in terms of the Principles for Responsible Investment, companies should be looking at long term solutions for environmental problems, yet the lure of short term profit made it the more attractive option. There is a need to change the incentive structure so that long term investment is more attractive to investors. The panel suggested that it was possible to make short term investments that built towards the long term as part of a flexible portfolio.

Another area which investors would be wise to consider is the development on new, clean technology. While Peter Castellás, Managing Director, Clean Technology AustralAsia, admitted that this particular area involved a higher level of risk, he pointed out that these emerging technologies would ultimately be shaping our future.

Investors need to understand why economic, social and governance factors (ESG) add to the value and diversity of their portfolio.

The panel admitted that the investment industry is still in the early days of turning awareness into action. There is still a great need for research to be done on how to align investment strategies with the Principles for Responsible Investment.

When asked what investors should be doing as they look to the future, Mr. Pidden stated, “the biggest driver of the future economy is going to be environmental constraint.” He went on to advise, “invest in how you think the future is going to evolve”.

Mr. Pidden offered reassurance to investors contemplating ESG strategies, stating that, “there is enough action in this area of the global economy that it is a good place to be.”