

# Implementing Responsible Investment

A United Nations Investor Roundtable

## Current issues for pension fund investments in EM

- 1. Growth is essential to meet financial needs**  
*EM can deliver growth (demographics)*
- 2. World economy is based on globalization and regional economic blocks**  
*EM are beneficiaries of these broad trends (re-structuring)*
- 3. Can pension funds meet financial needs without a sustainable investment view?**  
*No, risk will be higher without a S.I. view (under-served markets, poverty, resources, trust, peace)*

Fundo Ethical



ABN AMRO Asset Management

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## New tools for ensuring long-term stable returns

### 1. Disclosure on ES&CG material issues

Listed companies, global investors, SRI research firms, sellside, regulatory agencies. Lack of track records. Cost of research.

### 2. Sometimes, not easy to have a large peer-group to apply best-in-class approach

Comparison to similar companies or to global companies. Lack of investment opportunities. Presence in benchmarks.

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3. **Listed vs Unlisted;**  
**Multinationals vs Locals;**  
**Local regulations vs Global Standards;**  
**Top down vs Bottom up;**  
**Country-specific impact on financial return from different sustainability aspects;**  
**Industry vs Country;**  
**Risk perception vs Knowledge of EM;**  
**Regulatory problems (protection to investors, currency crisis, political crisis, macro stability);**  
**SRI guidelines specific for EM security analysis.**