

Association for Sustainable & Responsible Investment In Asia



Responsible Investment—Bringing Investment into the Real World

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Making Investment Responsible and Sustainable

- **Responsible fiduciaries** understand that institutional investors “have a duty to act in the best long-term interests of our beneficiaries”—PRI
- Long-term investors focused on **sustainable returns** take **all material variables** such as environmental, social, and governance variables into account in assessing financial assets

Responsible Equity Investment Strategies

- **Long Term Focus:** A majority of a company's value is determined by its long-run performance. Investment results for long-only equity strategies are maximized by taking a long-term investment horizon
- **Integrated Sustainability Research:** Sustainability issues can impact a company's ability to generate returns and therefore must be fully integrated with fundamental equity analysis for superior long-term investment results
- **High Conviction Investing:** A concentrated approach allows maximum leverage of an intense research effort. We make investments only when we have high levels of conviction

Generation Investment Management

Asia Now?

- 110+ responsible investment funds in Asia
 - Japan has well established ESG funds
 - Shariah funds dominate in Malaysia
- New sustainable private equity and absolute return funds
 - Renewable energy and water funds
- Pension authorities are moving
 - Korea's national pension fund has finalized its first responsible investment mandate

Drivers for ESG Materiality

- Regional demand and regulatory trends signal higher natural resource prices
- Asia's consumer culture will drive a wedge between producer and consumer concerns
- New financial market tools will create opportunities for pro-active corporate leaders
- ESG risk will accumulate in countries and sectors which lag