

Australians among the most active ESG investors globally

Australian investors currently have \$30 billion dollars invested in products that are specifically created as an ESG (environmental, social and governance) offering, which has grown by 37% in the 12 months to December 2018. Alongside this, balanced ESG superannuation options outperformed other balanced options in the 12 months to April 2019.

Australia currently has 141 signed and active ESG investment providers that have products aligning with the United Nations Principles for Responsible Investment (UNPRI), making Australia the fourth most active country for ESG investment awareness.

One quarter of Australia's ESG investment providers are superannuation funds and almost half of Australia's superannuation savings are overseen by funds and investment managers that follow ESG investment principles.

These insights are revealed by Rainmaker Information, which publishes the superannuation information portal SelectingSuper.com.au.

The latest analysis further indicates that ESG superannuation investment options are among some of the better performing options across one, three, five and ten years.

AustralianSuper's 'Socially Aware' option is the best option over 10 years in the balanced sector, HESTA's 'Eco-Pool' growth option is the fourth best over ten years and fifth best over five years in the growth sector, while WA Super's 'Sustainable Future' option is the sixth best balanced option. This performance is all relative to the three years to April 2019.

Table 1: Top performing ESG super fund investment options

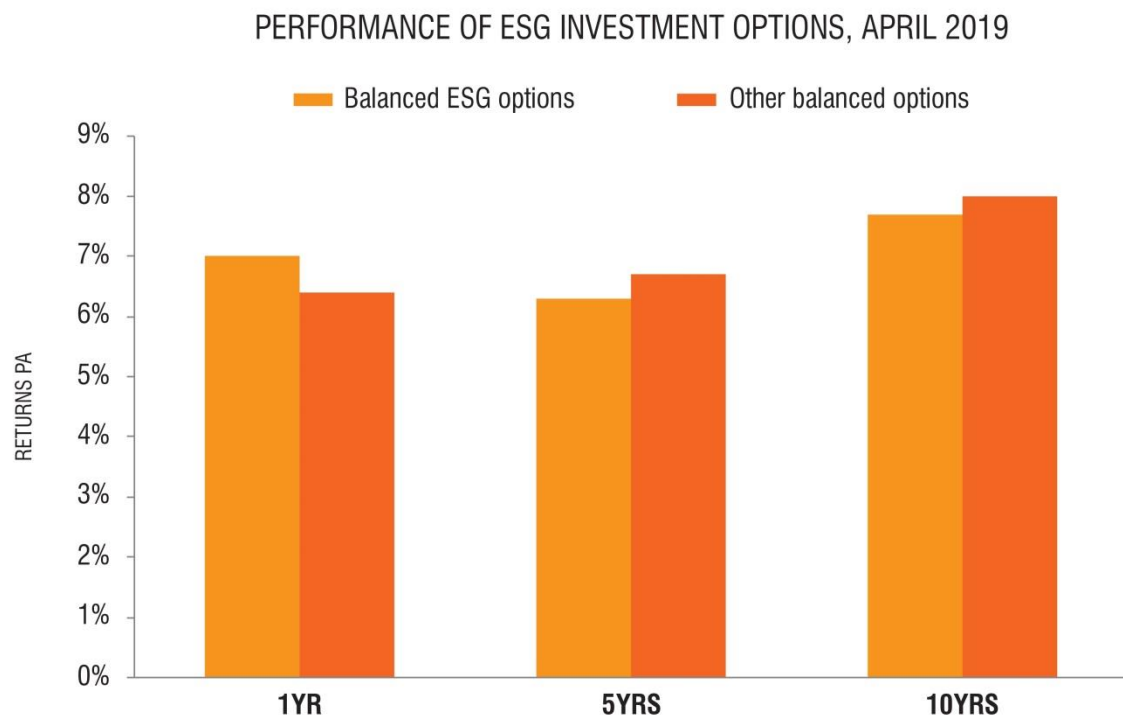
Best performing ESG options	5 year Return to April 2019
HESTA – Eco-Pool	10.3%
Australian Ethical Retail Superannuation Fund Employer – International shares	9.79%
UniSuper – Sustainable High Growth	9.74%
AMP SignatureSuper – Responsible Investment Leaders international Share	9.61%
Mercer Super Trust Corporate Super Division – Mercer Socially Responsible Shares	7.53%
Christian Super – Ethical High Growth	7.39%
NGS Super – Socially Responsible Diversified	7.36%

Equip MyFuture – Sustainable Responsible Investments	7.32%
WA Super – Sustainable Future	7.24%
Lutheran Super – High Growth All Australian Shares Socially Responsible Investment	7.05%

Source: Rainmaker Information

Alex Dunnin, Executive Director of Research at Rainmaker Information explains “these results show that investors give up nothing when they invest according to ESG principles, though a fund following ESG principles should never be used as an excuse for under-performance.”

Supporting this is a 0.6% performance gap in favour of ESG options over the one year period to April 2019.



Source: Rainmaker Information

Table 2: Biggest Super funds with ESG options

Biggest super funds with ESG options	Total ESG FUM (\$M)
UniSuper	3,875
AustralianSuper	2,348
Christian Super	1,514

HESTA	862
VicSuper	465

Source: Rainmaker Information

“And this is the point of ESG – it’s all about taking into account the long term risks which must include environmental and sustainability factors. The debate about ESG has long moved on from having to defend investing this way. In fact, it’s now the other way around – how can long-run investors not take these factors into account?”

Dunnin added that “the increase in funds invested into ESG related products as well as an increase in the number of super funds following these principles across their whole portfolio highlights that following ESG principles is simply good practice. It’s no coincidence that the Reserve Bank and the superannuation regulator have the same view on this.”

For enquiries, please contact:

Julian Clarkstone

P. 02 8234 7514

E. julian.clarkstone@rainmaker.com.au

About Rainmaker Information

Rainmaker Information is a privately held Australian company founded in 1992. The company has established a reputation as a leading financial services information publishing house in Australia providing marketing intelligence, research and consulting services on the wealth management industry and forms part of the Rainmaker Group of companies.

www.rainmaker.com.au

About SelectingSuper

Rainmaker Information publishes the superannuation information portal SelectingSuper.com.au. SelectingSuper brings together superannuation funds, members, employers and financial advisers in the world's fourth largest pension market.

SelectingSuper empowers members, employers and financial advisers in their search for information about superannuation. SelectingSuper also celebrates the best superannuation funds in Australia through a rigorous research and ratings program, awarding the Rainmaker SelectingSuper AAA Quality Assessment and recognising funds that have excelled through the Rainmaker SelectingSuper Awards, which are held in November each year.

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About The Good Super Guide

Rainmaker Information publishes *The Good Super Guide*, which has been published annually since 2002. The guide explains the key elements and options within superannuation and contains perspectives from leading industry experts on what to look for when selecting and monitoring your superannuation provider.

The guide also contains profiles of each superannuation provider across workplace, personal, self-managed and retirement product categories as well as highlighting products that have received a AAA Quality Assessment rating.

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