



Asset Management Industry

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# Responsible Investment Research Report 2019

see money differently



## Foreword to the report by Tracey Davies

Executive Director  
Just Share NPC

There is growing recognition that the shareholder primacy model of corporate governance, which holds that companies exist principally to serve the interests of shareholders, has had widespread negative consequences for people and planet. Short-term profit maximisation at all costs has contributed to unsustainable global levels of inequality, an accelerating climate crisis and unchecked destruction of biodiversity. This is nowhere more true than it is in South Africa.

We are now in the midst of a global crisis which, like climate change, strikes the most vulnerable most cruelly. The COVID-19 pandemic has thrown economies the world over into chaos. Companies are being scrutinised as never before around how they are managing employee well-being, executive remuneration and dividend distribution during the crisis. In South Africa, the State's piecemeal response to the plight of those most vulnerable to the effects of the lockdown has also highlighted the crucial role that the private sector and civil society play in tackling our multiple socio-economic challenges.

It is therefore very encouraging that Nedgroup Investments has undertaken a review of responsible investment practices amongst its fund managers, with a view to deploying responsible investing as a mechanism to give effect to the Sustainable Development Goals (SDGs).

There is an integral connection between responsible investing and the SDGs. Responsible investing is based on an investment philosophy that holds, as Nedgroup Investments says in this review, that "companies which embrace sustainability will show outperformance over the long term". The SDGs are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". Without collaborative, bold and enterprising action from asset owners and asset managers to drive responsible corporate citizenship, it will not be possible to achieve these goals.

One of the main motivations for this review is "to collectively improve Nedgroup Investments' position as a responsible investor". Nedgroup

openly acknowledges that this review is the start of a process, and that “its own hurdles and learning experiences will emerge throughout”.

Baseline assessments are essential for accountability, and to allow meaningful tracking of progress on responsible investment. This has been lacking in the South African investment space, despite over ten years of commitments by institutional investors to integrate environmental, social and governance (ESG) factors into their investment decision-making processes.

**This review identifies two key gaps in the South African responsible investment landscape:**

Firstly, limited understanding and integration of environmental and social factors into investment decision-making (i.e. the main focus is on corporate governance, or the “G” in ESG). This limitation is reflected in the finding that “most responsible investment policies did not acknowledge the Paris Agreement nor hint at any goal to align portfolios with future climate change scenarios”. We can extrapolate from this

gap that there is also a lack of understanding of the relationship between climate change and inequality, and the extent to which the climate crisis will act as a risk multiplier, further limiting the resilience and access to opportunities of the most vulnerable members of our society.

The second gap is the absence in South Africa of strong responsible investment bodies or forums with an active public presence. South African asset managers are kept perpetually busy with corporate governance issues. But it will become increasingly inexcusable, in a world where climate change and inequality will shape everything we do, if investors do not deepen and expand their understanding of environmental and social issues, and how they will impact the sustainability of companies.

One of the fund managers included in the review stated that “our success will be measured if a change has happened in the company based on our engagement”. This, in the end, is key. Despite South Africa’s initial leadership role in developing guidelines and codes for corporate governance

and responsible investment, we have seen far too little in the way of actual positive social and environmental outcomes on the ground, and a failure to keep pace with international best practice.

I hope that this responsible investment review will be the start of an exciting process for Nedgroup Investments and its associated fund managers, one in which they are able to play a meaningful role in addressing South Africa’s pervasive and unsustainable socio-economic and environmental challenges.



# JUST SHARE

Investor power for a fairer South Africa

Just Share is a non-profit shareholder activism and responsible investment organisation. We promote the use of investor power for a fairer South Africa.

[justshare.org.za](http://justshare.org.za)



## Message from Mike Brown

Chief Executive  
Nedbank Group

As a leader of the one largest financial services groups in Africa, I am committed to creating the environment that is required to bring about meaningful, long term change and resilience for ourselves and our stakeholders. This means making decisions that respect the environment and its limits and placing societal good above short-term profits. Using our financial expertise to do good is our purpose, not an empty rallying call. I believe it is the only way that we will succeed and build a society that we can be proud of.

We and our stakeholders continue to operate in a world that is volatile, uncertain, complex and ambiguous. This state was deepened by the tapestry of social and environmental challenges that have intensified recently, including the unprecedented impact of Covid-19. Bold and courageous leadership that embraces new ways of thinking and doing – and unites rather than polarises – is what is needed as we enter this new decade.

Responsible Investment (RI) or the application of ESG considerations in the investment process is key to addressing some of these enormous challenges as it allows investors to use their fiscal power to hold companies accountable for both positive and negative environmental and social impacts. The mainstreaming of RI continues globally with more than 1,200 asset managers from around the world- who collectively manage about 15 percent of the world's total capital invested - committed to applying its principles to their investment decisions.

Nedgroup Investments, the asset management arm of the bank, also adheres to the principles for responsible investment, with this review of the responsible investment practices among its fund managers a key step in our own responsible investment journey.

Doing good is easy to say but harder to measure, and what gets measured gets done. The SDGs represent a single common set of measurement criteria for “doing good” or

improving the state of our economy and society. They offer a powerful lens through which to identify opportunities for business innovation and growth, and an objective mechanism through which Nedbank can assess and report delivery on our purpose.

The Nedbank Sustainable Development Framework focuses management's attention and resources in areas where we believe we can deliver the most impact; delivering responsible investment products and services that generate revenue for Nedbank, value for clients and SDG solutions for society.

## Nedbank Sustainable Development Framework



## NEDBANK AND THE GLOBAL SUSTAINABILITY AGENDA

As our parent company, Nedbank Ltd, further entrenches the United Nations Sustainable Development Goals into its business strategy, this has provided the stage to further embed responsible investment into Nedgroup Investments' corporate culture and the way in which our funds are managed.

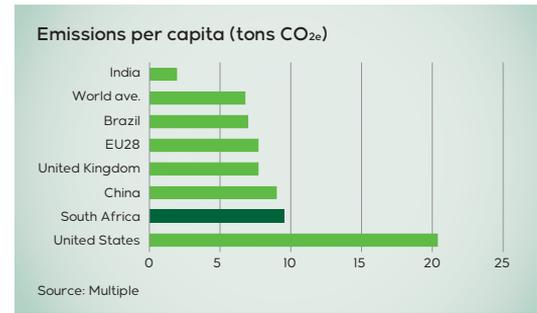
"Our success will be measured if a change has happened in the company based on our engagement."

- Truffle Asset Management

Socially, Nedbank Ltd has been at the forefront of Cyril Ramaphosa's Youth Employment Service (YES), providing for and setting up job opportunities and apprenticeships for over three thousand previously unemployed South African youths. The bank has also maintained its B-BBEE level 1 contributor status, an

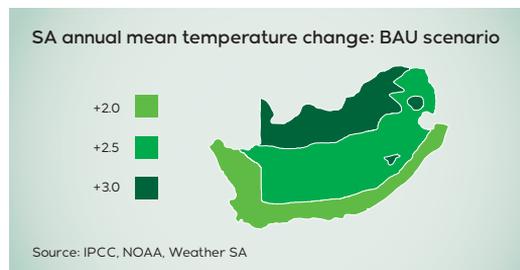
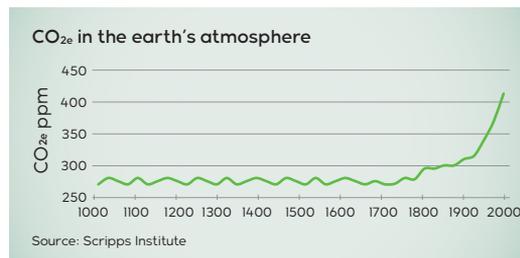
incredible achievement considering the revised codes, which are more ambitious in its hurdles. In previous articles we iterated our view that the climate crisis is a social one, and the issues can no longer be spoken about as mutually exclusive. When we speak about the integration of environmental and social factors in the investment process, the *following two charts*, illustrate that South Africa sits at the coal face on both.

Inequality in South Africa is one of the highest in the world, and measures since the turn of the century have done little to lift the household income of the poorest. South Africa has failed to materially transform its energy production away from fossil fuels to one that is more diversified and less carbon dioxide equivalent (CO<sub>2e</sub>) intensive. However, the current Minister of Energy has been more proactive in following through on the purchase agreements signed during window four of the Renewable Energy Independent Power Producer Procurement Program (REIPPPP). This was an area that his most recent predecessors were hesitant to do.



Regarding climate change, Nedbank Ltd has led the way among local banks, being one of the first to announce an end to financing any new coal-fired power plants. It is these kinds of steps that are required if South Africa is to get anywhere near meeting what was pledged under the Paris Agreement in 2016. Of course, the challenge will not be solved by a single company or sector but will require breaking down traditional silos towards a more collaborative effort, from both public and private organisations. The *first chart to the right* illustrates the increase in CO<sub>2e</sub> particles in the earth's atmosphere over the past one thousand years. These levels had been stable leading up to the Industrial Revolution in the mid-18th century. Since then, the burning of fossil fuels and a period of booming economic and population growth, led to CO<sub>2e</sub> parts per million (ppm) breaching the 400 mark in 2016.

The *second chart to the right* uses data supplied by the Intergovernmental Panel on Climate Change (IPCC), the US National Oceanic and Atmospheric Administration



(NOAA) and Weather SA to forecast/predict South Africa's temperature increase if we continue on a 'business as usual' trajectory and do not implement measures to meet the Paris Agreement. These projections look to 2036 and beyond. Furthermore, a predicted mean national temperature increase in the vicinity of +2.5 degrees Celsius will be

compounded by less absolute rainfall. A climate scenario such as this will test national food security and the ability to support a growing population, which current trends suggest will be migrating at an even greater rate towards resource-stretched urban areas.

## COVID-19

The release of our Nedgroup Investments 2019 Responsible Investment Report comes at a critical time as the Covid-19 virus tests our collective resolve and will no doubt leave a lasting mark on all of us for years, if not decades, to come. Our thoughts go out to those affected by the Covid-19 virus and healthcare workers who put others before themselves every day. We are grateful and proud of the steps taken by the management of Nedbank Ltd, who have actively sought to play a leadership role as part of the country's response to the pandemic and has pledged financial support to a number of mitigating initiatives.

## NEDGROUP INVESTMENTS AND RESPONSIBLE INVESTING

Responsible Investment (RI) is one of Nedgroup Investments' transformational goals and is incorporated within our core focus area to do what is right for clients. 2019 saw Nedgroup Investments embark on an extensive RI review of their assets under management. The assessment was not limited to internally managed funds but stretched to include externally managed funds or sub-advised portfolios. The objective was to establish the strength of conviction each group reviewed was applying to becoming more responsible on behalf of their investors and the role that ESG factors play in investment decision-making.

One of the major purposes of Nedgroup Investments' RI fund manager review is to collectively improve our position as responsible investors. During 2019 and subsequent years, the aim is to advance the RI standing across the full range of Nedgroup Investments' funds.

### The decision to embark on our RI drive is manifold, below are three of the main motivators behind the increased focus:

- 1 the desire to create positive social impacts;
- 2 the alignment that RI has with our internal organisational values; and
- 3 the business case of shifting investor demands.

We believe that by incorporating RI factors into our investment oversight, we are holistically able to monitor the financial and non-financial risks to our portfolios. Significantly, we believe ESG data serves as an enabler for deeper and more constructive engagement with the companies that we invest in. The notion of 'engagement' being central to our RI approach.

We believe that companies who embrace sustainability will show outperformance over

the long-term, and thus align themselves with the investment horizons of our fund offerings. Through a measured and pragmatic approach to shareholder activism, we aim to effect positive change in the way locally and globally listed companies behave and fulfil their roles as corporate citizens.

"Our philosophical approach to ESG, generally, is that it can't be disaggregated into a separate box. This applies to both the implementation of it as well as the results thereof."

- Foord Asset Management

## THE SOUTH AFRICAN LANDSCAPE

There are many ways to illustrate the growing trend regarding ESG and Sustainable investing. Below is just one such example that captures the escalating focus on the subject, with global signatories to the United Nations Principles for Responsible Investing (UNPRI) increasing at an annual rate of 38%, since 2006. Today there are more than 2300 signatories globally, and in some regions it can be considered a

minimum requirement for any new mandate. In South Africa we have witnessed similar uptake, however our findings suggest less emphasis on membership when allocating funds. However, this is expected to change, and we are seeing greater pressure placed on asset managers to sign up.

Locally, RI is in its relative infancy, but as evidenced by our review, the approach is gathering steam. Since the inclusion of ESG into Regulation 28 of the Pension Funds Act

in 2011, we have seen the proliferation of the Codes for Responsible Investing in SA (CRISA), the United Nations Principles for Responsible Investing (UNPRI), and the King Codes on Corporate Governance. Below we provide a few notable extracts that allude to ESG integration.

### **Regulation 28 of the Pension Funds Act**

“Prudent investing should give appropriate consideration to any factor which may materially affect the sustainable long-term performance of a fund’s assets, including factors of an environmental, social and governance character. This concept applies across all assets and categories of assets and should promote the interests of a fund in a stable and transparent environment.” Furthermore, “A fund and its board must... before making an investment in and while invested in an asset, consider any factor which may materially affect the sustainable long-term performance of the asset including, but not limited to, those of an environmental, social and governance character.”



### Codes for Responsible Investing in South Africa

“Principle 1: An institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.”

“Fundamentally, companies are more exposed now to ESG factors that threaten sustainability than previously. With increasing risks related to ESG... assessments and integration into the investment process is becoming increasingly important.

In line with sustainability criteria we have actively engaged with multiple retailers to understand initiatives around managing single use plastics, particularly plastic shopping bags. There is clear recognition by the retailers that this is an important consideration for investors.”

– Laurium Capital

## EVOLUTIONARY APPROACH

Being the first year of our RI assessment process, Nedgroup Investments are cognisant that our own hurdles and learning experiences will emerge throughout. We further appreciate that the subject matter is an evolving one and we endeavour to remain at the forefront of ESG research and understanding of the sustainability challenge. With this in mind, we have highlighted some points below where we acknowledge the deficiencies in the process and appreciate the nuance that comes with identifying as a responsible investor in South Africa and across the globe.

- We do not believe the approach, integration, or practice of Responsible Investment to be prescriptive;
- Fund managers are at varying stages regarding their ESG journey;
- A goal is to lift all managers with Nedgroup Investment assets to a level that is complementary with our RI values;

- Nedgroup Investments’ own hurdles and learning experiences are evolving;
- The assessments are self-populated by the fund managers and open to subjectivity;
- Managers will reserve certain judgement of themselves, their RI efforts, and the degree to which ESG principles are integrated;
- Reviews are done by an individual, and we recognise the potential for bias and partiality toward specific elements within the review; and
- Applying a numerical performance value to what is often characterized by qualitative data can be open to error and subjectivity.

“We have not reduced ESG into a specific stand-alone quantifiable element of our investment process.”

– Prudential Investment Managers

# Ten key findings of the 2019 Responsible Investment Research review

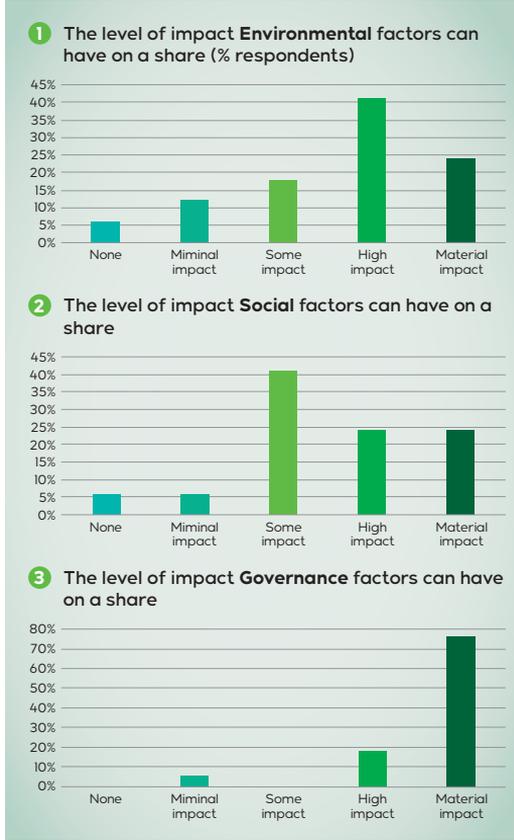
- 1 In South Africa, the main pressure point for ESG adoption is not yet coming from individual investors, but from institutional asset owners or allocators.
- 2 Foreign asset managers are more likely to be signatories to the UNPRI, it is suggested that there is a higher level of expectancy from their client bases.
- 3 Non-SA fund managers outperformed local managers when it came to the level of participation in the broader RI space. We believe this was due to the availability of institutions and forums in the UK, US and Australia - and the current lack of similar bodies or asset manager collaboration in South Africa.
- 4 Larger SA asset managers have greater capacity for ESG specialists and as a result tend to outperform across the majority of our criteria.
- 5 Corporate governance is at the forefront of investment decisions and is utilized within managers' risk frameworks.
- 6 Despite a belief in the impact on a share price, there appears limited evidence of adoption of environmental and social factors in the investment process. This could be due in part to an existing knowledge gap, analyst capacity constraints, the qualitative nature of information, and an assumed opaque relationship between E&S and the performance of a company's share price.
- 7 There is a respectable level of subscription to third-party ESG service providers. However, evidence suggests a low correlation among these global service providers and their ESG rating results. For this reason and others, most active fund managers prefer to place greater emphasis on their own internal ESG evaluations.
- 8 Although reporting is not often audited, standardized, nor current, ESG disclosure among South African large cap companies meets the global standard. There however exists a shortfall in the mid and small cap space.
- 9 Responsible Investment policy documents, in general, allude to the principles outlined in UNPRI and CRISA, however few make reference to the Paris Accord and aligning portfolios with its climate change roadmap.
- 10 Asset managers are open to acknowledging their shortcomings and exploring a way forward. All managers were eager to receive feedback from this review and are happy for Nedgroup Investments to begin disclosing voting records in the public space.

“As custodians of our clients’ capital, we are focused on the long-term growth prospects of the assets in which we invest... ESG matters are integrated into our investment analysis to strengthen the decision-making process, better manage risk, and ensure that investments generate long-term value in an ethical manner.

Investing responsibly is part of our DNA. Responsible Investing and ESG are thus incorporated into our various portfolios.”

– Abax Investments

Within the section seeking to establish a commitment to RI and ESG analysis, we asked our fund managers the level of belief they have on the effect of environmental factors, and their repercussions for a company’s share price. The following three charts represent the responses, from this we draw the conclusion that although there is considerable belief in the influence of environmental factors, a disconnect exists when it comes to incorporating these features into the investment decision-making process.



“We previously had concerns with governance structures at Landbank, such as lack of transparency in their reporting and weak/non-existent governance policies. Following persistent engagement with Landbank’s management on these specific issues, we saw a marked improvement in their governance structures.”

– Taquanta Investment Holdings

“We believe that strong ESG practices of our underlying investments are likely to add to an entity’s performance and that investor’s will ultimately be rewarded through superior investment outcomes.

We benchmark our portfolio using the Global Real Estate Sustainability Benchmark rating against the broader FTSE EPRA/NAREIT Developed benchmark.”

– Resolution Capital

## 2019 NEDGROUP INVESTMENTS RESPONSIBLE INVESTMENT REVIEW

The 2019 review culminated in a combined R300bn of clients' assets being assessed on a responsible investing basis. The collective effort, undertaken between Nedgroup Investments analysts and our partner asset managers, covered the entire range of funds. This included SA-domestic and global

portfolios across multiple asset classes, while covering both active and passively managed unit trusts.

The assessments were not focused on the specific funds, but rather the asset managers themselves. With this in mind, the assets covered by the review totaled around R3 500 billion. The review was both quantitative and qualitative in nature, the latter forming a key aspect of the process, where face-to-face

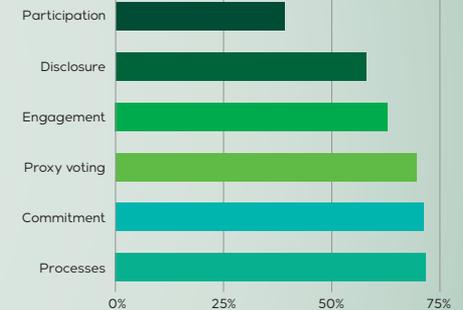
RI due diligence and feedback sessions were conducted.

*Below (left) we highlight the six key pillars of the RI assessment. Importantly, we assign a different weighting to each pillar, with greater emphasis placed on Corporate Engagement, Internal Processes, and Proxy Voting. Below (right) we also provide the average rating for our suite of managers across each pillar. Given the concentrated nature of South African*

### Responsible Investment Assessment Pillars



### Average rating per pillar



listed markets, negative screening or an exclusionary approach to stock selection is not always deemed practical, and this informs our largest allocation to Corporate Engagement in our review. Nedgroup Investments hold the view that, in most instances, real impacts can be made through deeper engagement with companies around sustainability issues.

“Electus’ approach is to consider the material aspects of ESG factors and to engage with company management and the Board on the key issues. The engagements can impact company valuations and fund management decisions.”

– Electus Fund Managers

“If a business operates in a way that threatens its environment, negatively affects the community, or displays poor governance, this will affect the future profitability of the company and therefore our assessment of fair value.

Should there ever be a significant ESG incident, we would immediately communicate to our clients the impact thereof and how we are dealing with the situation.”

– Aylett & Co.

#### 2019 Nedgroup Investments Responsible Investment review in numbers

Number of global asset managers reviewed	3
Number of South African asset managers reviewed	14
Sum of international assets under management	R55 billion
Sum of South African assets under management	R216 billion
Total Nedgroup assets under management reviewed	R271 billion
Total assets under management reviewed	R3 500 billion

## COMMITMENT 1 & PROCESSES 2

Our leading managers across these pillars go beyond the requirements of both the UNPRI and CRISA. They have responsible investment policy documents that display a high understanding of ESG best practice and suggest a profound level of ESG integration in the investment decision-making process. We note that most responsible investment policies did not acknowledge the Paris Agreement nor hint at any goal to align portfolios with future climate change scenarios. We believe this was largely a result of the knowledge gap that currently exists in the industry.

The responsible investment policy provides a lens into the asset manager's degree of buy-in, and in the *following list on the far right*, we provide a breakdown of those reviewed and where responsibility falls when it comes to drafting the document.

### In terms of best practice, we believe:

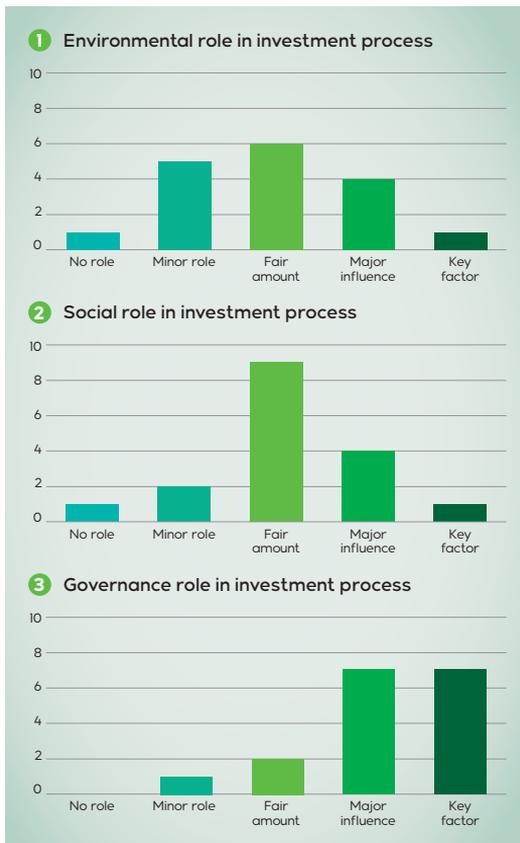
- 1 A responsible investment policy document should be updated regularly, given the evolution of the subject matter is both complex and fast-paced.
- 2 In addition, the policy should acknowledge global sustainability trends, and the manager's stance and approach to each.
- 3 A best in class policy clearly defines the assessment of corporate governance, incorporating such factors as:
  - Board independence, skill-set, diversity, and experience;
  - Non-executive fee structure supporting meeting attendance; and
  - The alignment of long-term executive remuneration with shareholder interests and company E&S performance.
- 4 The RI policy is supported by an engagement policy that guides the manager through their interactions with corporates on key ESG risks.

### Who is responsible for drafting the Responsible Investing Policy?



Our findings show that the bigger asset managers tend to have ESG specialists, however we also rated favorably those investment teams where each analyst takes ownership of an investee company's ESG evaluation (i.e. there was no separation of duties). Although we do not believe subscription to third-party ESG research providers to be critical, optimal outcomes were achieved where managers developed and enhanced their own proprietary in-house ESG scorecards.

The following three charts provide results for those questions aimed at capturing the degree to which ESG factors are incorporated in the investment process. The responses were very much in line with our expectations, with governance taking on a greater role than environmental and social factors.very much in line with our expectations, with governance taking on a greater role than environmental and social factors.



"We have had investment success where there is high insider ownership and management incentives are aligned with shareholders.

A key determinant in our investment case is the relationship Royal Bafokeng Platinum has with its employees, specifically in terms of community ownership and housing."

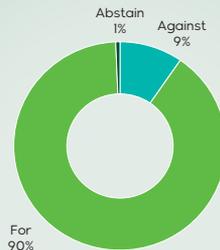
- Aylett & Co.

## ENGAGEMENT 3 & PROXY VOTING 4

We believe that through effective corporate engagement the greatest impact can be had on our funds' performance, and we can achieve a better alignment of our clients' investments and their value systems. However, most telling is the influence we can have on the companies we invest in and their social license to operate. Proxy voting has become a key component in this segment, and we continue to assess our partners on the way they vote - from the level of participation to the manner in which they apply their proxy voting policies. This section is not mutually exclusive from the previous one, and we strongly encourage our partners to disclose their voting records in the public space.

The following charts highlight how our funds voted during the 2019 calendar year and provide insight into where the greatest shareholder pushback was seen.

Voting records across all funds (9 298 votes cast)



Summary of 'against' votes (no. of votes)



"The investment team exercises its influence as a shareholder primarily through the application of its Proxy Voting Policy. We take proxy voting very seriously."

- Abax Investments

"Due to the long-term nature of our investing for clients we understand that RI is important, and Proxy Voting is a key way of influencing corporate policies and decision making."

- Electus Fund Managers

### In our view, best practice should provide:

- 1 Evidence of effective corporate engagement on ESG related matters.
- 2 Clear guidelines for investment analysts on the process of engagement with investee companies.
- 3 Running log of all engagement and the outcomes/impacts.
- 4 Active and carefully considered proxy voting is considered absolutely essential.
- 5 Clearly documented records of proxy votes placed and the results of the resolutions.

## DISCLOSURE 5 & PARTICIPATION 6

Our review identified transparency and disclosure as an area for improvement throughout the South African asset management industry. The leading managers in our review followed industry-leading traits by providing quarterly ESG and voting reports. Importantly, these are regularly made available to investors and the public via multiple platforms - website, media, company magazine, conferences, and direct communications. Developed market asset managers outperformed their South African

“We are aware of our social responsibilities and endeavor to promote empowerment through the medium of education. The involvement with education initiatives is important to us because of the severe shortage of skills in the country and because we believe that empowerment begins with education.”

– Foord Asset Management

counterparts when it came to the level of participation in the broader RI space. We believe this was due to the availability of institutions, forums and roundtables in the UK, US and Australia - and the lack of similar bodies in South Africa.

Corporate Social Investment (CSI) took on greater emphasis as we moved through our review process, due in large part to our managers’ enthusiasm here. The bulk of managers are proactive and eager to increase their presence in the broader community, both in a social and environmental capacity. Outside of the industry, there were some promising projects aimed at plant life regeneration, the management of single-use plastic among SA retailers, and a lot of financial support was directed towards education initiatives such as school mathematics, financial literacy, and even community chess clubs.

### In terms of best practice, we believe:

- 1 Asset manager should provide regular/ quarterly ESG and voting reports.
- 2 Such reports are available to investors and the public via multiple media and communication platforms.
- 3 Evidence of a high level of participation in the broader RI space, collaborating on initiatives introduced by various institutions, forums and roundtables.
- 4 Deliberate, structured and consistent Corporate Social Investment (CSI)
- 5 Proactively increasing contribution to the broader community, both in a social and environmental capacity.
- 6 Leading collaborative engagement with corporates on issues relating to ESG factors.

## CONCLUDING REMARKS

Responsible Investing continues to be a rapidly evolving topic in the asset management industry, one where there is no perfect solution or quick-fix panacea. But we do not view this as a problem, but rather an opportunity. With access to a wide range of fund managers, and ultimately the listed universes in which we operate, Nedgroup Investments are afforded a position to engender real change (the map below serves as a humbling reminder of our footprint). We believe this is not counter to our clients' needs, but in fact better aligns our clients to some of the global challenges we face today – and their solutions.

The 2019 review has been about carving new ground for the collective investment industry, with periods of deep self-reflection for ourselves as Nedgroup Investments and our partner fund managers. We firmly believe this will provide a springboard for improving where we stand as a collective. The Sustainability

challenge can be about breaking down historical silos, and we hope this project (and future ones) will instigate greater collaboration and cross-disciplinary partnerships.

A special thanks must be made to all our partners across our Best of Breed™, Multi-Manager, and Passive ranges, who have all been incredibly supportive of our efforts, and

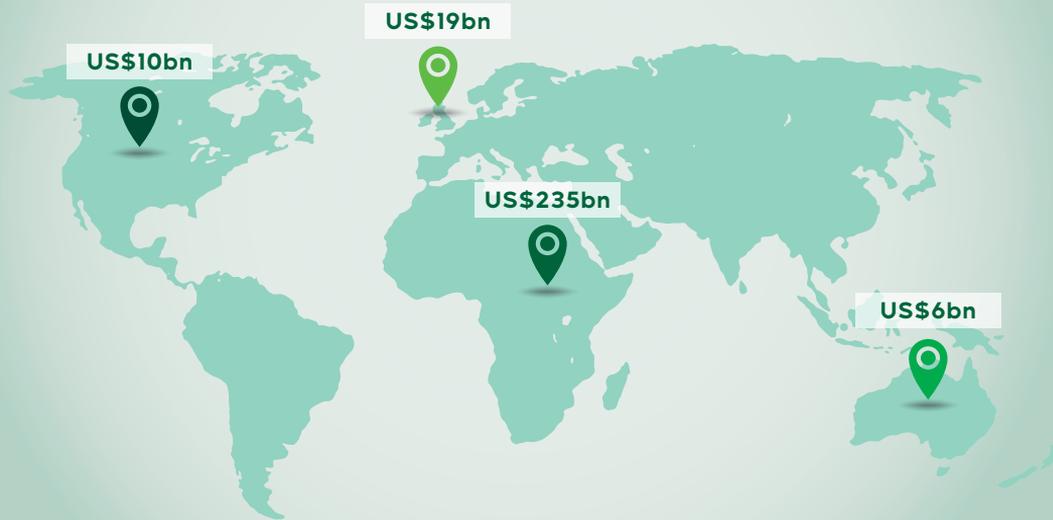
open to criticism, debate, and suggestion. The reaction has been overwhelmingly optimistic, and we have already seen several positive steps being taken over the past twelve months.

It is probably fitting to end off with a quote from one of our partners which captures a lot of what we are trying to achieve.

As custodians of our clients' capital, we are focused on the long-term growth prospects of the assets in which we invest... ESG matters are integrated into our investment analysis to strengthen the decision-making process, better manage risk, and ensure that investments generate long-term value in an ethical manner.

– Abax Investments.

## AUM & geography of asset managers included in the 2019 review



### Participating Asset Managers

Abax Investments  
Allan Gray  
Aylett & Co.  
Bridge Fund Managers  
Chartwell Investment Partners  
Denker Capital  
Electus Fund Managers  
Foord Asset Management  
Investec Asset Management  
Laurium Capital  
Mazi Capital  
Nedgroup Asset Management  
Prudential Investment Managers  
Resolution Capital  
Taquanta Investment Holdings  
Truffle Asset Management  
Veritas Asset Management

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Asset Management Industry

# Responsible Investment Research Report 2019

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