Responsible Investments

The right approach to channel private capital in view of solving social problems

Moderator:  Thomas Seale
- CEO of European Fund Administration (EFA)
- Chairman of ALFI Microfinance Committee
- Chairman of LuxFLAG
How has the world managed social problems?
Religion

You shall not murder
I am the Lord thy God
You shall not commit adultery
You shall have no other gods before Me
You shall not steal
You shall not take the name of the Lord your God in vain
You shall not bear false witness against your neighbor
Observe the Sabbath day to keep it holy
You shall not covet your neighbor’s wife
Honor your father and mother
The State
“The social responsibility of business is to increase profits” - Milton Friedman

Since 1970’s…

Environmental concerns

Social concerns

Governance concerns
The response

E  Environmental
S  Social
G  Governance
Responsible Investing across the Globe

Global SRI Assets by Region (in USD billion)

- SIO: RI = USD 589 Bn
- US SIF: RI = USD 3,740 Bn
- Eurosif: RI = USD 8,758 Bn
- ASRIa: RI = USD 74 Bn
- RIAA: RI = USD 178 Bn
- AfricaSIF: RI = USD 229 Bn

Total Global SRI Assets: USD 13,568 Bn

Source: ALFI / KPMG European Responsible Investing Funds Survey 2013
Should asset Managers integrate ESG criteria in their investment process?

- Yes: 67%
- No: 11%
- Don't know: 22%

Source: Monaco Fund Forum 2013 - question to the audience of T.Seale’s panel
Statistical results

Source: ALFI / KPMG European Responsible Investing Funds Survey 2013

2010 EUR 199.9 Bn

+19% in AuM

2012 EUR 237.9 Bn

+ 217 RI investment funds since 2010

EUR 237.9 Bn of Assets under Management

ASSETS BY DOMICILE

26% France

25% Luxembourg

8% Norway

8% Denmark

7% Finland
Panel debate

**E** Should we encourage private investors to support the Green sector?

**S** Can social problems be increasingly solved by the private sector?

**G** Should we force investors to integrate «governance» into their decision making?

**Regulation** What should be the role?
Michael Chu

- Senior Lecturer at the Harvard Business School
- Managing Director and co-founder of the IGNIA Fund
- Senior Advisor to Pegasus Group, a private equity firm in Buenos Aires

Genghis Khan

«Conquering the world on horseback is easy; it is dismounting and governing that is hard. »
Sven Giegold

- Member of European Parliament
- Green Party coordinator in the Committee on Economic and Monetary Affairs
- Co-founder of Attac Deutschland and the International Tax Justice Network

Erich Fried

«Don’t hide from obligations in love. But neither from love in obligations.»
Lilian Rocca

- Chairperson, Superintendencia del Mercado de Valores, Perù
- Consultant for the International Monetary Fund
- University Professor

Winston Churchill

«Never give in, never give in, never; never; never; never - in nothing, great or small, large or petty - never give in except to convictions of honor and good sense.»
David Wright

- Secretary General of the IOSCO
- EU visiting fellow at St Antony's College, Oxford
- DG for securities and financial markets at the European commission

Nelson Mandela

«I can rest only for a moment, for with freedom comes responsibilities and I dare not linger, for my long walk is not ended.»
Question 1 to the audience

Environmental

Should we encourage private investors to support the Green sector?

1. Yes
2. No
3. Don’t know
Can social problems be increasingly solved by the private sector?

1. Yes
2. No
3. Don’t know
Question 3 to the audience

**Governance**

Should we force investors to integrate «governance» into their decision making?

1. Yes
2. No
3. Don’t know
Question 4 to the audience

Should regulation be used to channel Private Capital to ESG investments?

1. Yes
2. No
3. Don’t know
Pericles (495 - 429 BC)

«The key is not to predict the future but to be prepared for it, when it happens»
Luxembourg = Responsible Investing
Questions?
Thank you!