



Perspectives on ESG and investment management

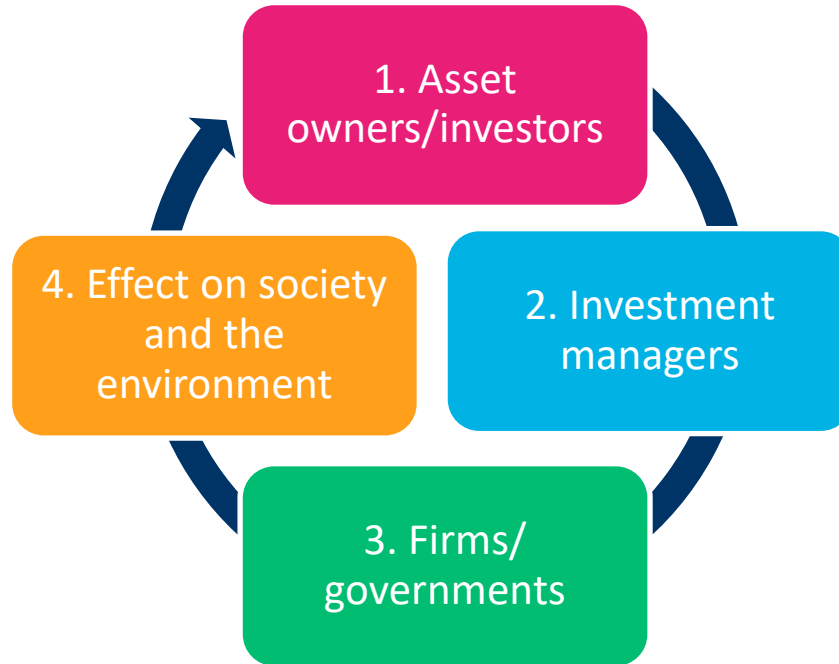
Prof. Evan Gilbert

November 2021

Investment decisions have real effects

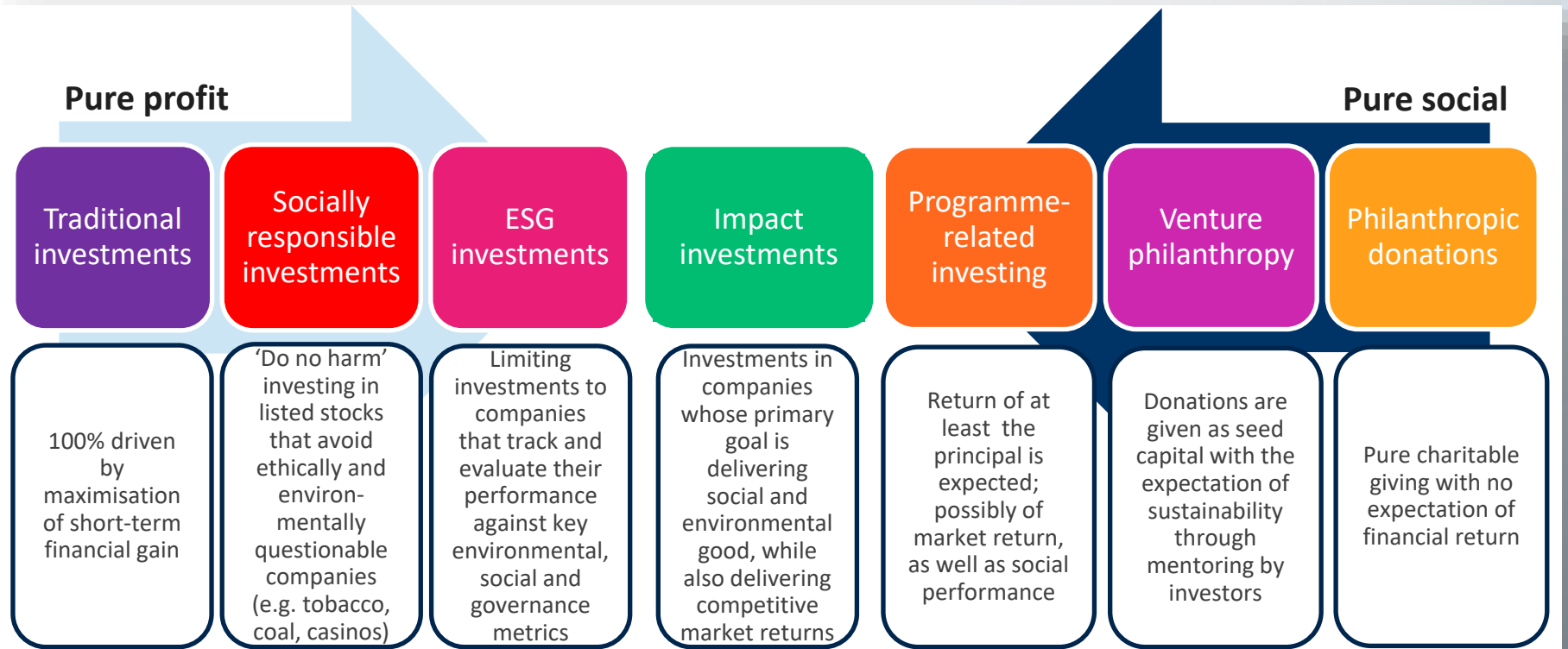


So they need to be made responsibly



Source: Momentum Investments

The different types of responsible investing TM

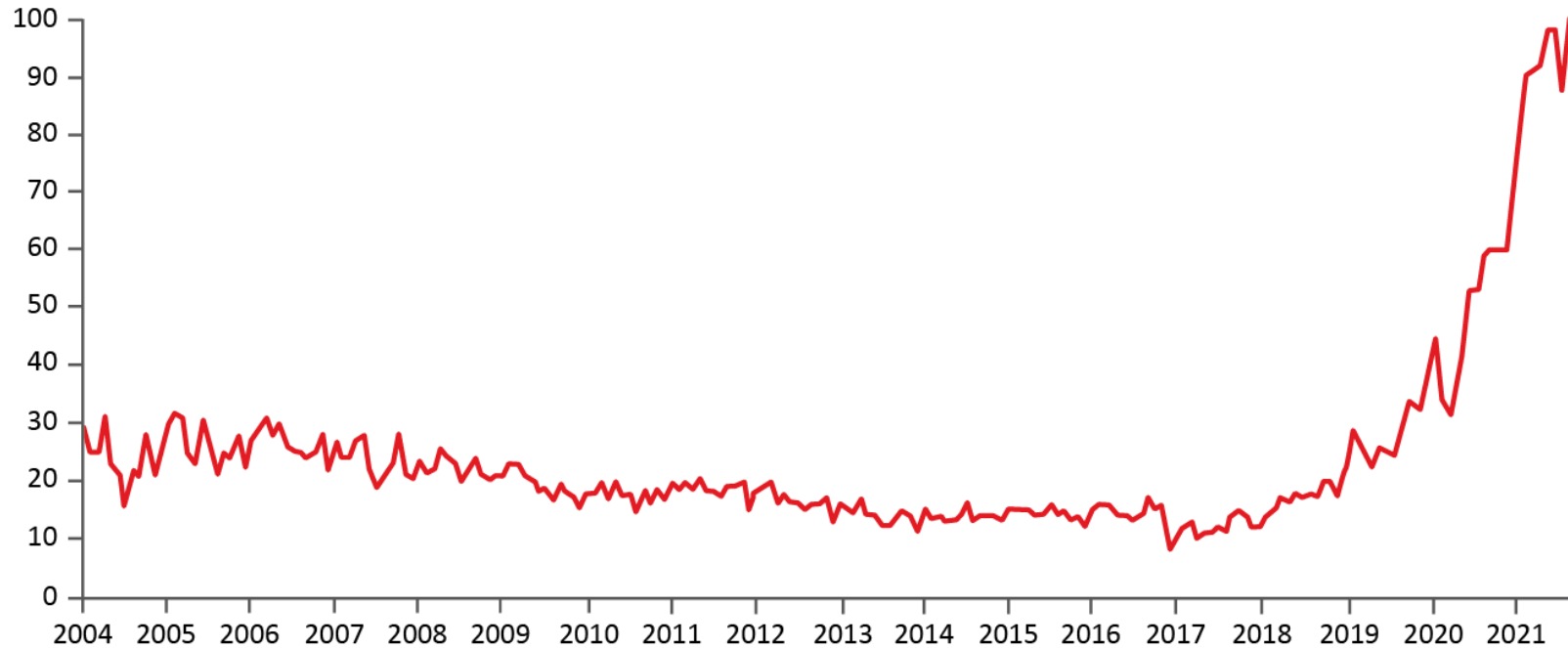


Source: Adapted from Centre for Development Impact: Innovation and learning in the evolution of impact – Impact Investments: A literature review (2015)

Is this a fad or the future?

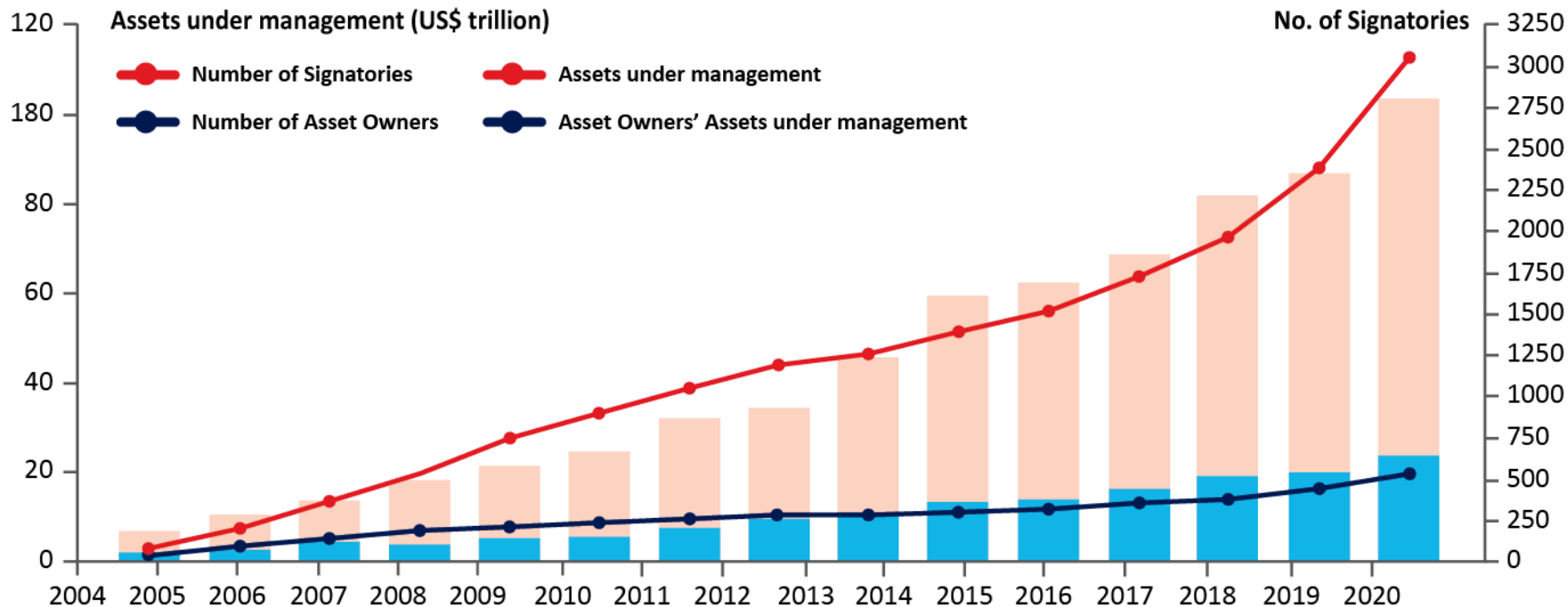


Searches for environmental, social and corporate governance topics (worldwide) on Google



Sources: Google Trends, unpri.co.za/annual-report-2020/how-we-work/building-our-effectiveness/embrace-our-global-footprint

Growth in support

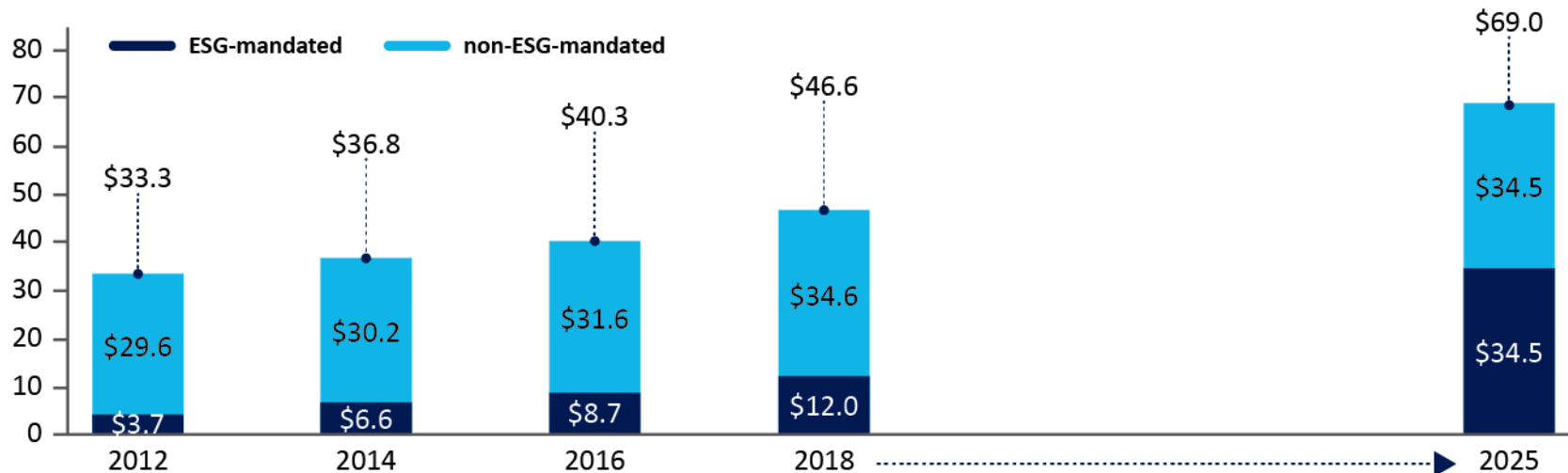


Source: <https://www.unpri.org/annual-report-2020/how-we-work/building-our-effectiveness/enhance-our-global-footprint>

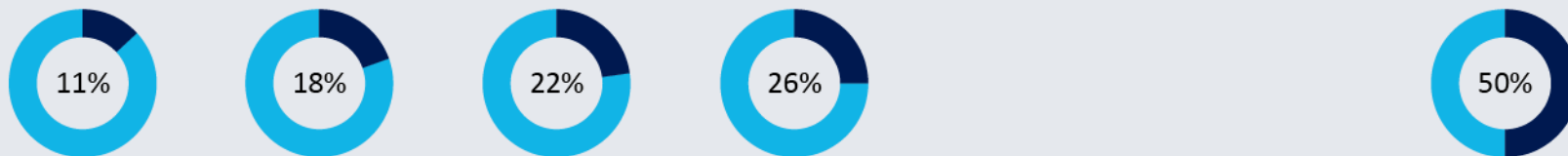
Growth in support



Professionally managed investments in the United States (US\$ trillion)



Share of ESG assets in overall professionally managed assets in the United States



Source: deloitte.com/us/en/insights/industry/financial-services/esg-investing-performance.html

Greenwashing



Key trade-off is hidden in the claims

(positive claims are made but negative issues are ignored)



No independently verified proof of the claim is provided



Deliberate vagueness in the claims made

(for example, 'all-natural')



False labels are used

(for example, they use in-house certification standards)



Irrelevance of the claims made

(for example, 'CFC-free' when that is already required by law)



Lying – the use of blatantly false claims

(for example, Volkswagen's diesel engine emissions claims)

How can you avoid greenwashing?



Looking at investment portfolios



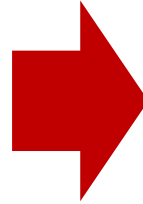
Source: Momentum Investments

Managing ESG involves making trade-offs

m



SASOL

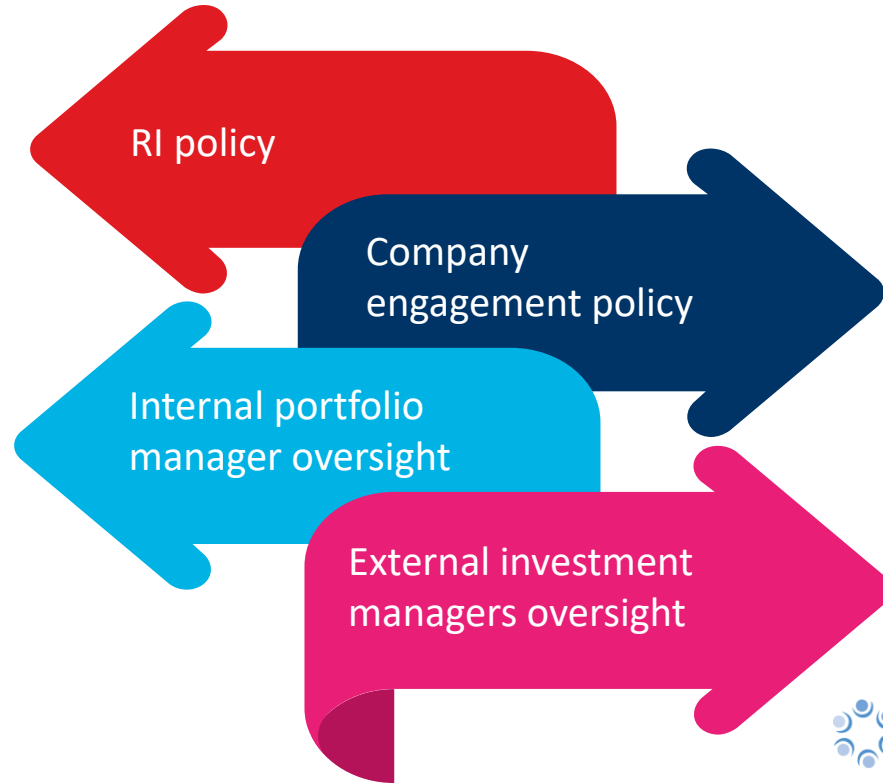


Important... but...

- Exclude?
- Down weight?
- Engage?

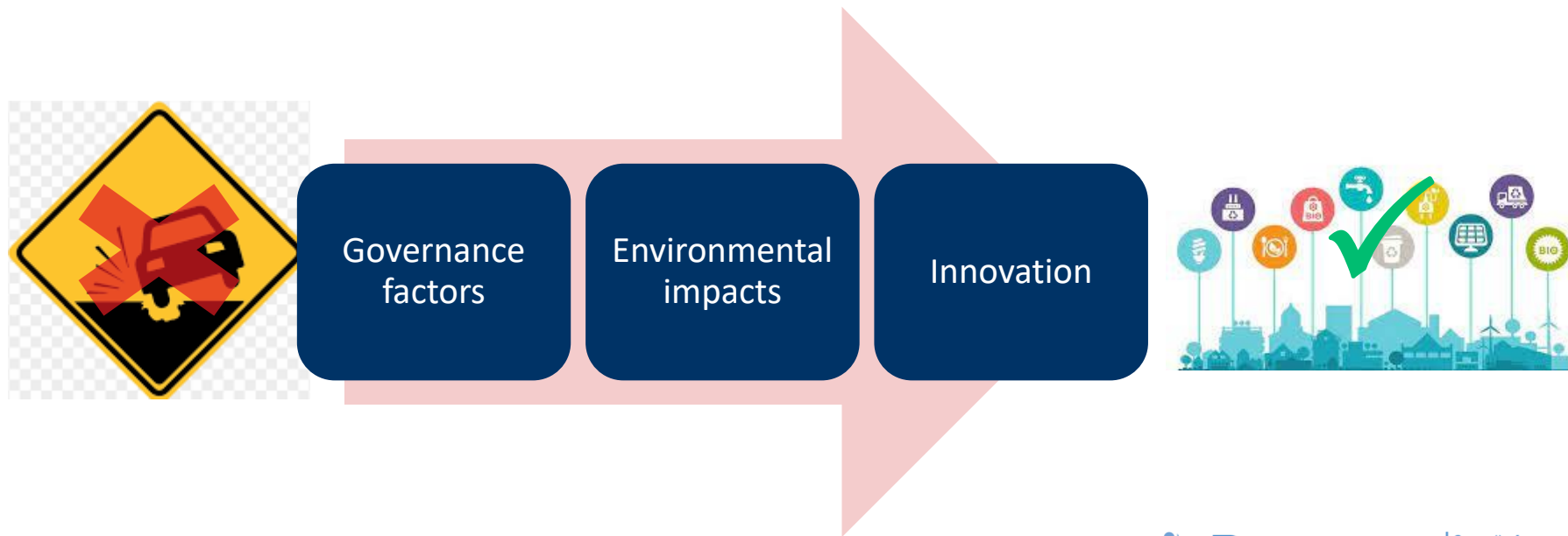
Source: Momentum Investments

How do we integrate ESG?



Source: Momentum Investments

ESG and fixed income portfolios

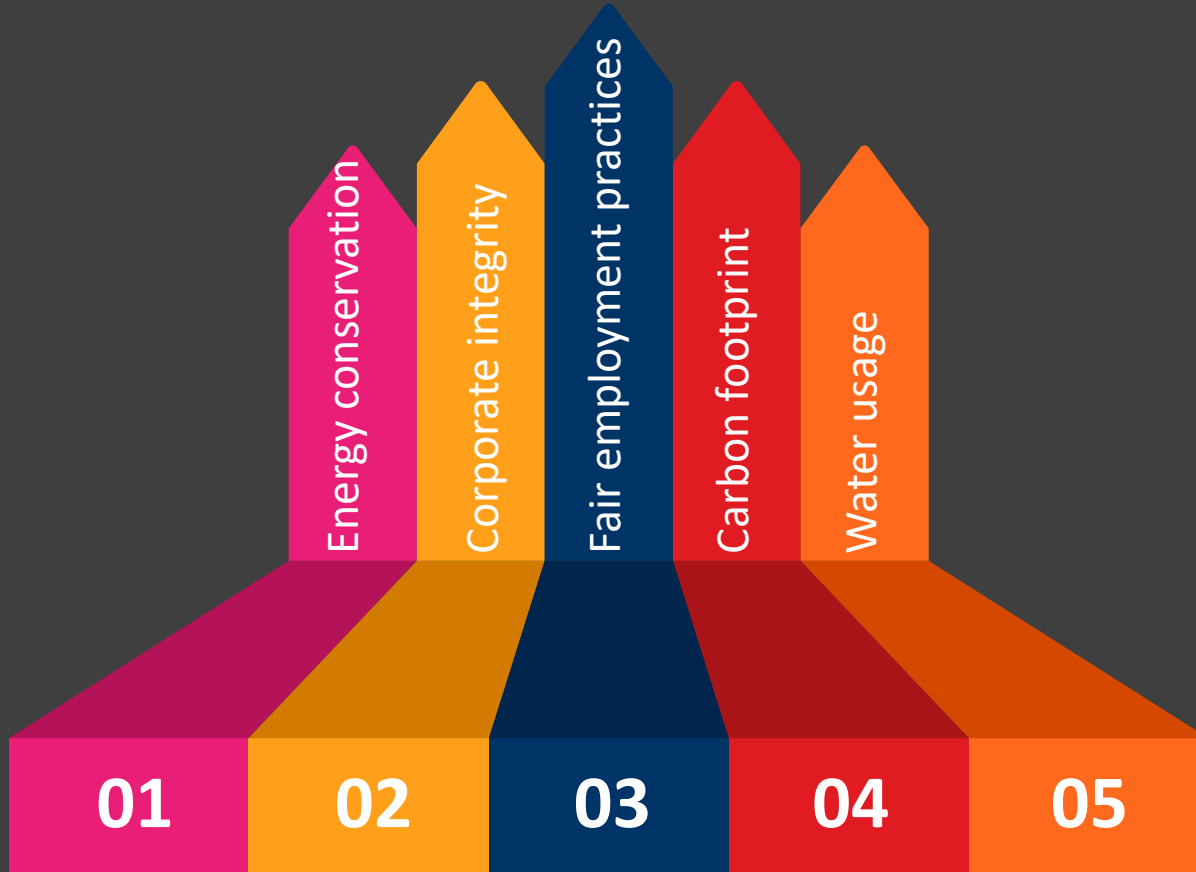


Source: Momentum Investments

ESG assessment in property portfolios



It's not a tick-box exercise



Our impact funds



SUSTAINABLE DEVELOPMENT GOALS



Momentum Alternative
Energy Fund



Momentum Social
Infrastructure Fund



Momentum Diversified
Infrastructure Fund



Thought-leadership publications



In October, we published the latest edition of *Mindfields*

Click on the *Mindfields* cover to read the ESG edition of *Mindfields*

Or go to:
momentum.co.za/investments and click on 'Learn more' under 'Investments media' and you can access the document under 'Latest news/From the experts'



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