

*"Making a difference and creating value are our passions.
We believe value creation, rather than value claiming,
is the way to growth for Cadiz, its clients and its people."*

Responsible Investing in South Africa

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Matching Demand and Supply for Responsible Investments

Supply



Approx. R2.3trn in pension & life funds

A Market



Sophisticated investment sector
 Good regulatory capacity

Demand

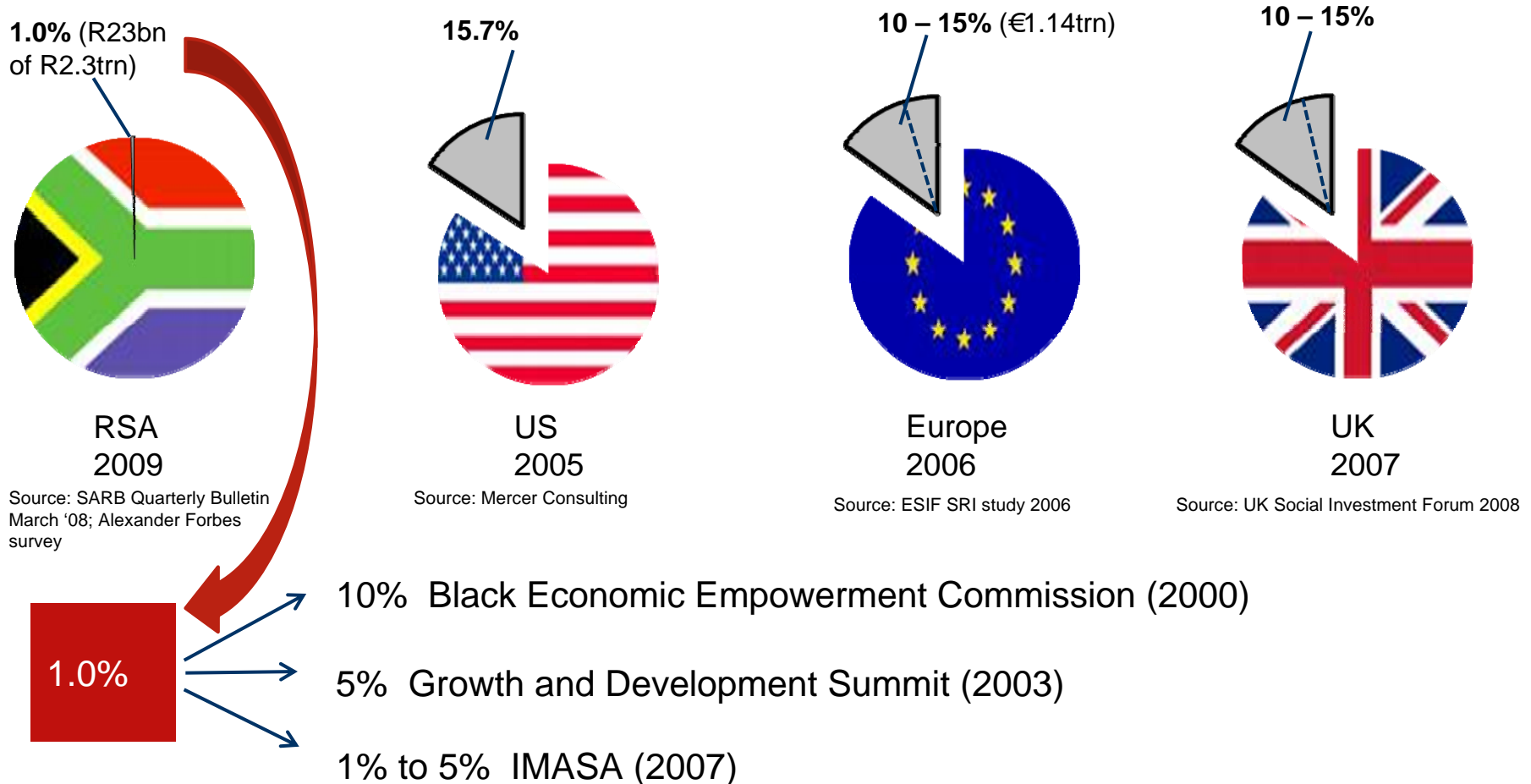


Socio-economic backlog

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SRI is not in a healthy state in South Africa

Funds invested in SRI as a percentage of total pension funds under management



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BEYOND RISK: VALUE CONTRIBUTION OF ESG

Sustainability

E

S

G

*"The Principles of Responsible Investment are based on the premise that ESG issues can affect investment performance and that the **appropriate** consideration of these issues is part of delivering **superior risk-adjusted returns** and is therefore firmly within the bounds of investors' **fiduciary** duties. "*

www.unpri.org

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WHAT SOCIALLY RESPONSIBLE INVESTING IS



- ▶ ...the incorporation of ESG issues into investment choices
- ▶ ... ensuring that the economic pie grows to secure real returns
- ▶ ...demonstrable evidence of the importance of sustainable growth to long term performance
- ▶ ...direct exposure to developmental growth areas in SA economy such as infrastructure roll-out & the underserved
- ▶ ...competitive risk adjusted returns
- ▶ ...WIN-WIN-WIN... More & decent jobs, lower risks and higher returns

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How SA plugs into Global RI Initiatives

- ▶ “The *Principles of Responsible Investment* are based on the premise that ESG issues can affect investment performance and that the **appropriate** consideration of these issues is part of delivering **superior risk-adjusted returns** and is therefore firmly within the bounds of investors’ **fiduciary** duties. The Principles clearly state they are to be applied **only** in ways that are consistent with those duties.”
www.unpri.org
- ▶ “We need a long term perspective, focus and determination to realise our vision” Green Paper: National Strategic Planning
- ▶ “The key economic objectives include growing the economy, reducing inequality, driving higher productivity, and supporting businesses to expand and create jobs.” NT Budget Review 2010
- ▶ Working Together We Can Do More

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Thank you

**"We do not inherit the Earth from our
ancestors; we borrow it from our children"**

Ancient North American proverb