

Colonial First State Global Asset Management tops Mercer ESG ranking

Part of global survey

By Alice Uribe
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Mercer's first rating of ESG practices for emerging markets managers puts CFSGAM in pole position.

Colonial First State Global Asset Management (CFSGAM) has topped the list in Mercer's first rating of environmental, social and governance (ESG) practices for fund managers in emerging markets.

The rating was a part of a global survey commissioned by the International Finance Corporation (IFC), a member of the World Bank Group.

A signatory to the United Nations Principles for Responsible Investment, CFSGAM was ranked the number one manager in a list that included Dexia Asset Management, Investec Asset Management and Scottish Widows Investment Partnerships.

The Colonial First State Wholesale Global Emerging Markets Sustainability Fund was also the top scoring fund, beating out the Industrial Fund Management Company - China Equity SRI Fund and Lloyd George Asian Green Fund.

The fund was recently launched in the Australian marketplace.

CFSGAM head of sustainable and responsible investing Amanda McCluskey said the bottom-up approach taken by the emerging markets team was its major differentiator.

"The team spend a lot of time travelling the world and talking to companies and they will always meet management before they make a decision to invest. They also have good relationships with non-government organisations and not-for-profits in the emerging markets," she said.

The Mercer survey also revealed investments under management in emerging markets had grown to over \$300 billion, which is nearly 10 per cent of total investment in emerging assets in 2008.

"Good progress has been made, but there's more to be done. During the financial crisis, investors may be tempted to think of environment, social and governance issues as tomorrow's problem," IFC director of environment and social development Greg Radford said.

"Failure to act will not only undermine the progress to date on ESG investment decision integration, but will profoundly impact financial markets overall."