

# SRI in ASIA - Understanding the Marketplace for the Sustainable and Responsible Investor

## ASRIA Conference

Thursday 1 November 2001  
Hong Kong

Mark Campanale  
SRI Marketing Manager

# Henderson Global Investors

Mark Campanale is the SRI Marketing Director for Henderson Global Investors, a London based fund manager with over £100 billion of assets.

The Henderson SRI team has 11 members responsible for the management of 30 portfolios with some £1 billion of funds, including the NPI Global Care Funds.

Mark is a founding Director of the UK Social Investment Forum and has worked in SRI for 11 years.

# Agenda

- What are investors concerned about?
- How can I adapt my marketing strategy to win SRI clients?
- Where do I find socially responsible investors?
- How can I successfully build relationships with customers?

# What are Investors Concerned About?

- Traditional investments support activities that fail to respect customer values
- Customers do not leave their values behind when they see a financial advisor
- Investments could support support a sustainable world
- Financial world could be encouraged to integrate sustainable and responsible business strategies

# What is Socially Responsible Investment?

“Above all, it is about investing in and promoting change”

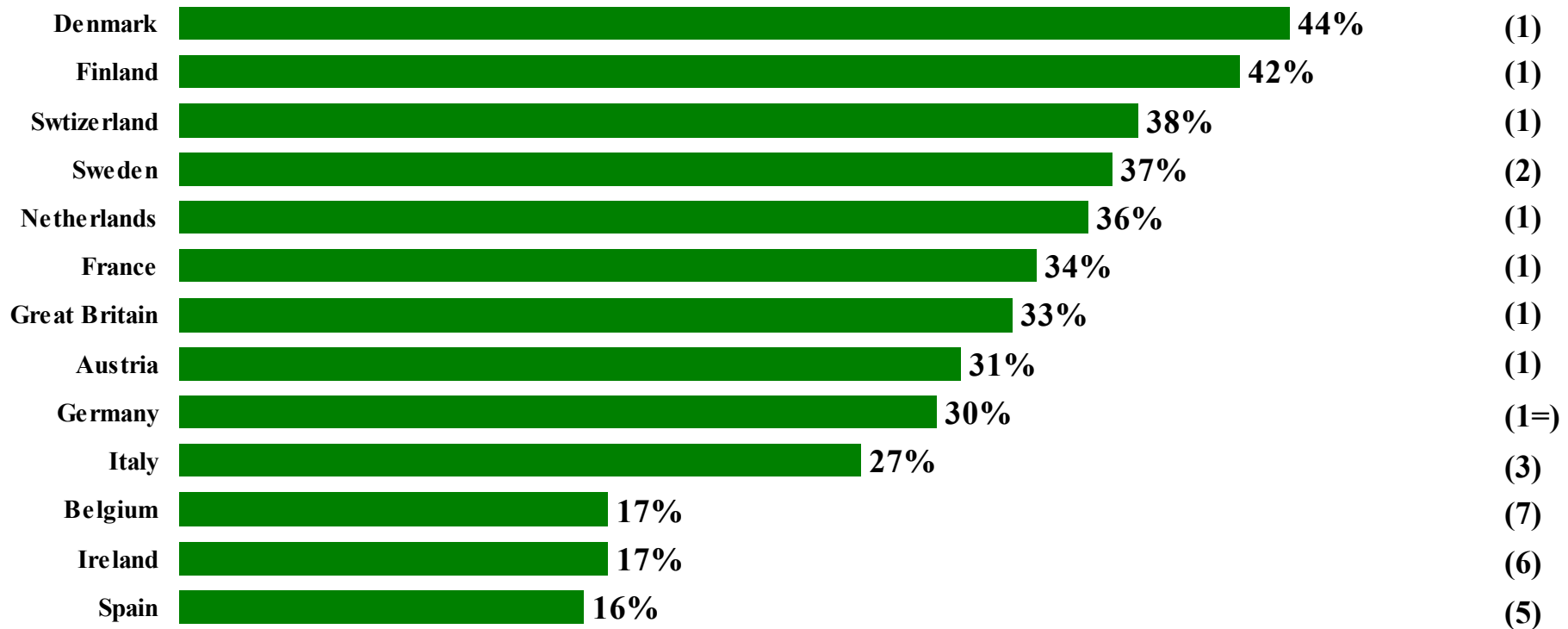
- Satisfying the aspirations of investors **financially**, whilst putting **values** back into the investment process
- Encouraging a **responsible** shareholder democracy culture
- Recognising that companies are **accountable** to investors
- Acknowledging that investors can **encourage** companies to become ecologically aware or socially responsible

# National Issues of Concern - The Environment

Q And what would you say are the two or three most important problems facing the world as a whole? (Unprompted)

“Environment/global warming/pollution/resource depletion”

(Rank of 27)

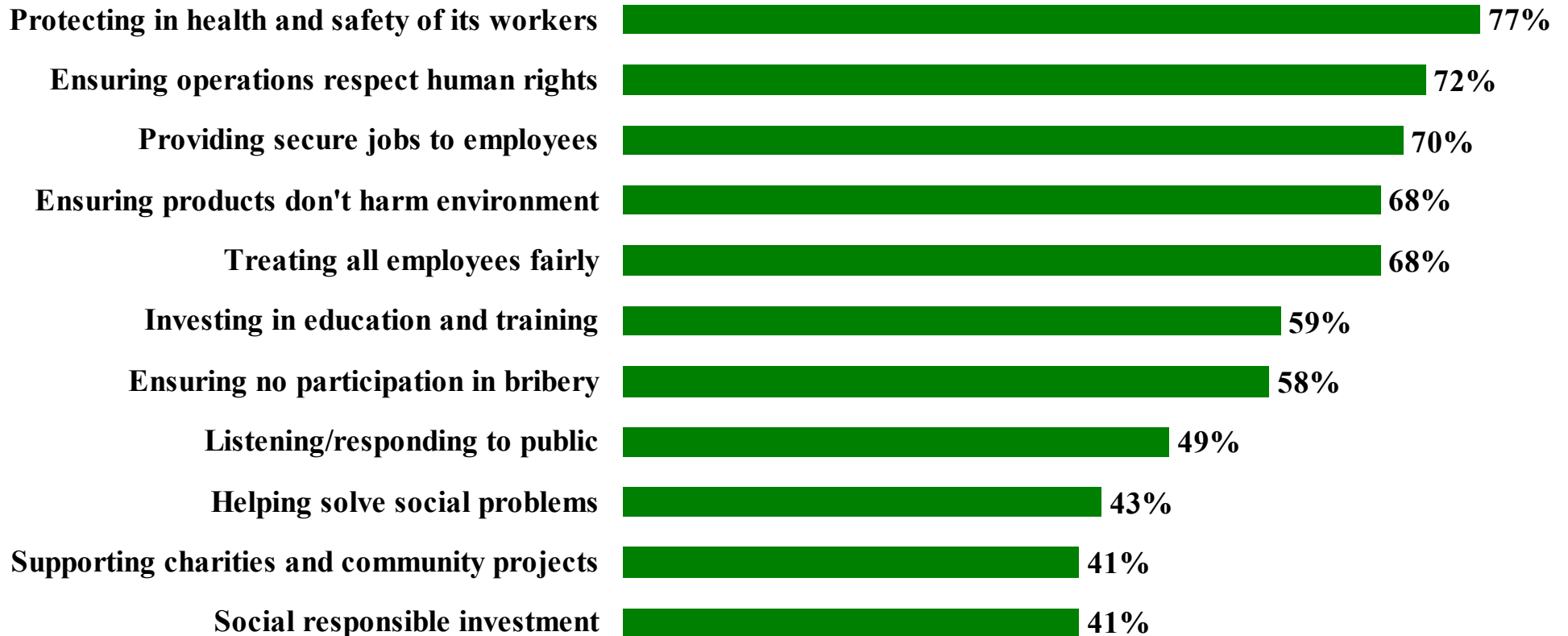


Source: MORI/UNFPA

Base: c1,000 adults 16+ in each country, 2001

# European Priorities for Companies

Q Looking at this card, please could you tell me which areas you feel are important that companies contribute to or support?



Source: MORI/CSR Europe

Base: All 'European' public (12,162) across 11 countries. September 2000

# Marketing opportunities created by SRI

# Investor Motivation

- Customers have ‘values’ - not left at the door when they seek financial advice
- Investor psychology - values are a powerful sales driver
- Sales proposition: respecting customer values
- ‘Sustainability’ as a distinct investment proposition

# SRI Investors: Mostly Professionals

	%
<b>Professional</b>	<b>57</b>
<b>Retired</b>	<b>17</b>
<b>Managerial</b>	<b>10</b>
<b>Directors</b>	<b>6</b>
Skilled labour	3
Not currently employed	2
Clerical	2
Sales	1
Secretarial	1
Unskilled labour	1

*Source: 258 NPI ethical PEP Investors 1996*

# Academic Qualifications

6%	Year 10
11%	Further education
38%	First degree or equivalent
45%	Higher degree

*Source: University of Bournemouth, Study of 1000 Ethical Investors, UK, 2000*

# Who are 'Socially Responsible' Investors?

49%	Are female
50%	Are over 55
43%	Between 35 and 55
33%	Retired

*Source: Henderson Investors survey of client base, 1999*

# 'Socially Responsible' Investors Tend to Have High Incomes!

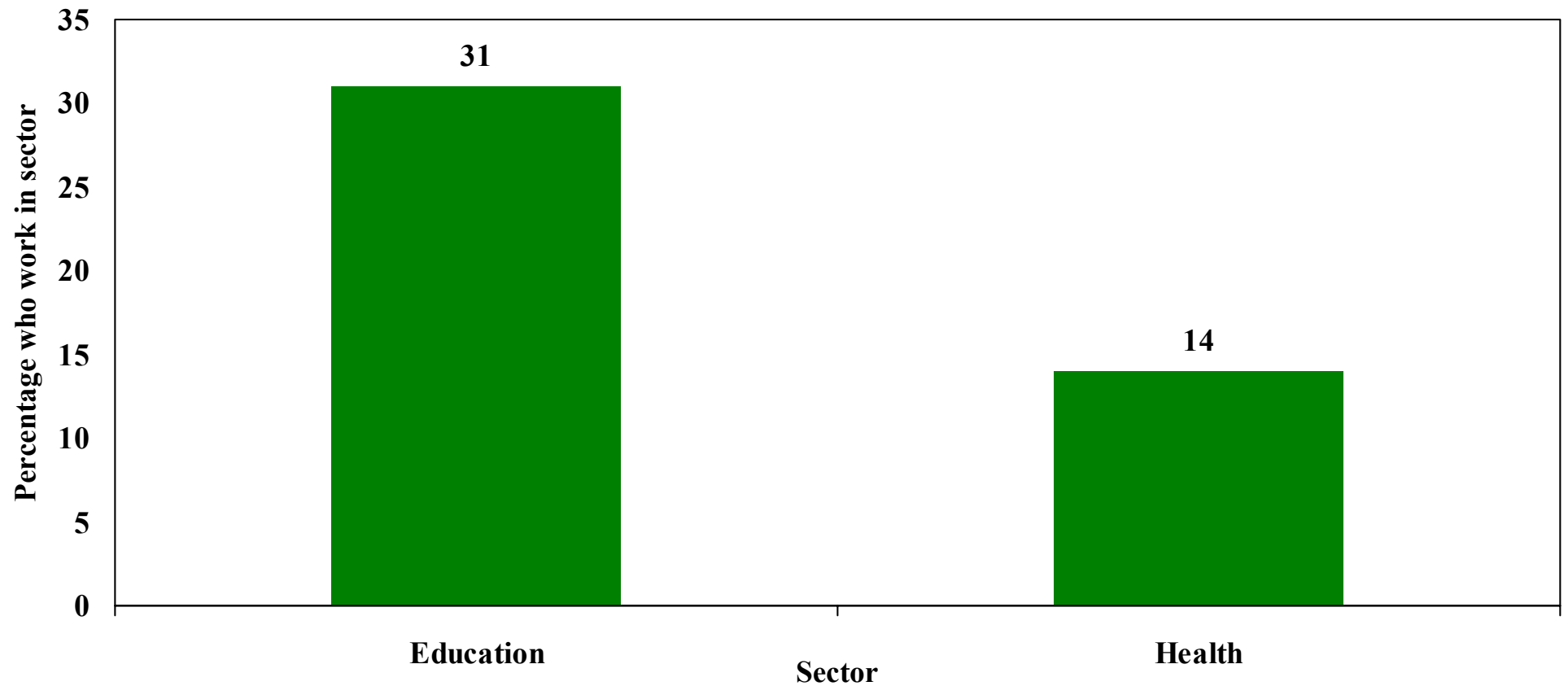
6%	Under £10,000
13%	£11,000 – £15,000
28%	£15,001 – £25,000
21%	£25,001 – £35,000
19%	£35,001 – £50,000
13%	Over £50,000

*Source: 258 NPI ethical PEP Investors 1996*

# Caring Occupations are 'Socially Responsible' Investors



# Ethical Investors: Occupational Patterns



Source: Lewis & Mackenzie, Bath University 1997

# But what are 'Caring Occupations'?

Ambulance person

Childminding

Council employee

Doctor

Environmentalist

Forest/park ranger

IT Professionals

Nursing home owner

Physiotherapist

Record/film/TV industry

Therapist

Architect

Chiropodist

Counsellor

Education

Farmer

Horticulturalist

Lawyer

Ophthalmic/optician

Psychologist/psychotherapist

Social worker

Veterinary surgeon

Charity workers

Clergy

Dentist

Engineer

Fisherman

Hospital staff

Nurse

Osteopath

Teacher/professor

Volunteers

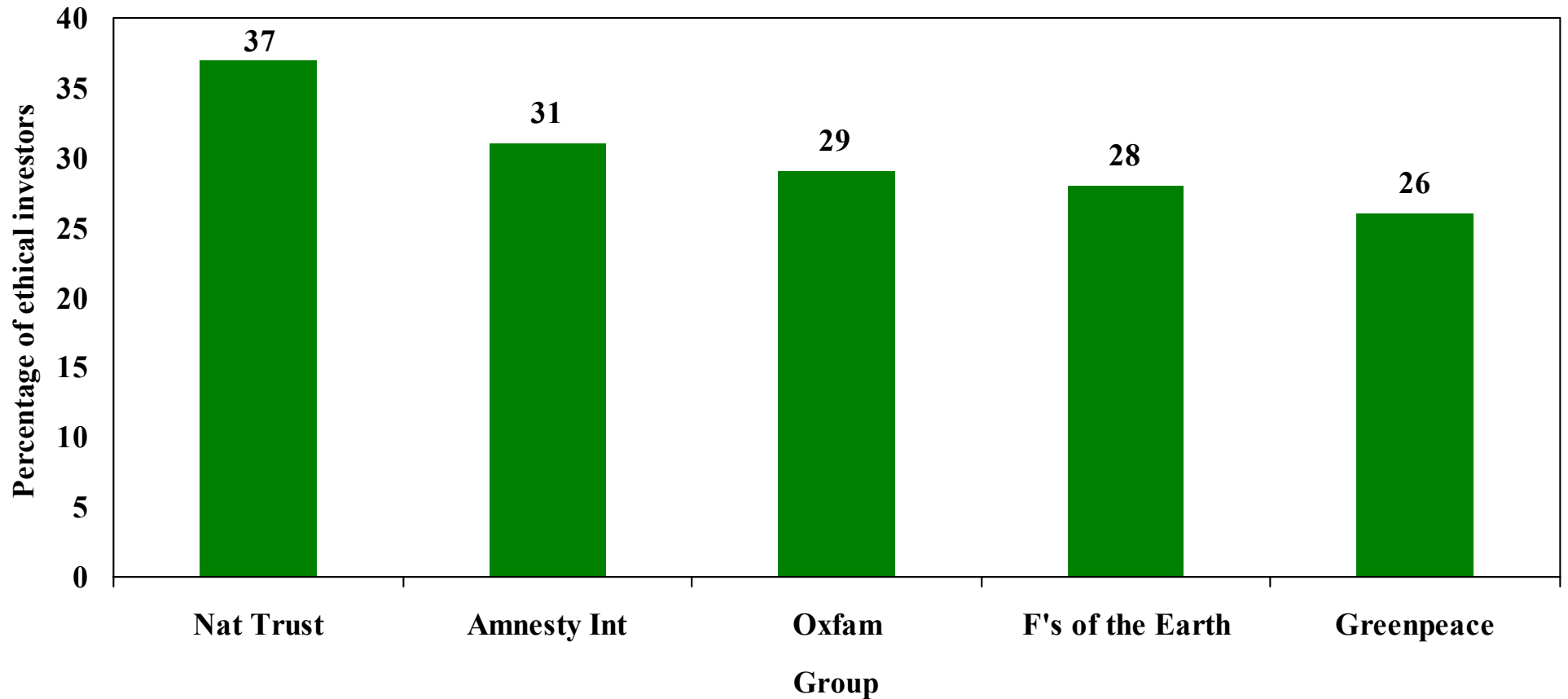
*Source: DBS Guide to Ethical investors, 1998*

# Investor' Individual Socially Responsible Activities

Donate money to charities	86.6%
Volunteer time for charities	46.6%
Deposit in community- oriented banks (eg Triodos)	23.5%
Boycott products of companies with poor social records	69.7%
Recycle household wastes (eg newspapers, bottles)	95.9%
Write to officials in regard to ethical causes	34.6%
Purchase organic foodstuffs	72.4%
Purchase environmentally friendly products	90.7%
Other socially responsible actions	24.7%

Source: University of Bournemouth, Study of 1000 Ethical Investors, UK, 2000

# Ethical Investors: Interest Group Membership



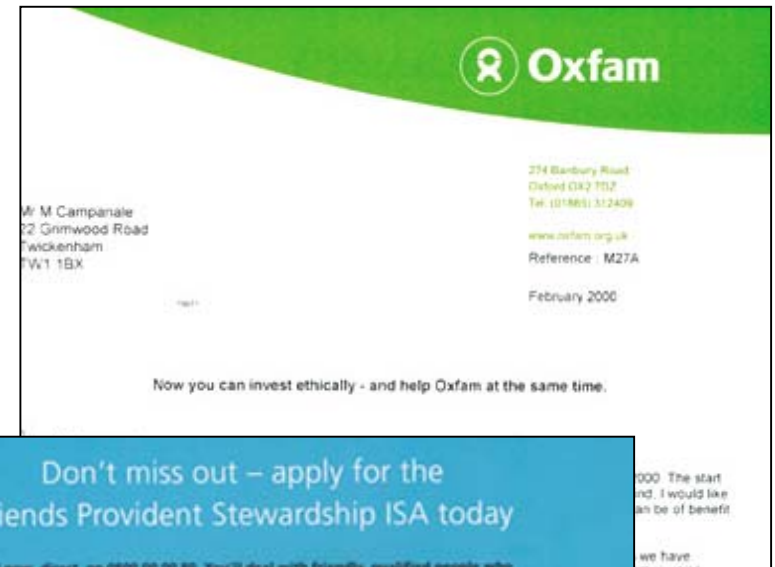
Source: Lewis & Mackenzie, Bath University 1997

# 3 Successful Steps in Selling SRI

- Clearly define who will buy the product
- Build bottom up marketing strategies
  - newsletters
  - materials
  - marketing support
  - joint brands
- Regularly communicate to them about SRI funds and how they are linked to the ‘cause’

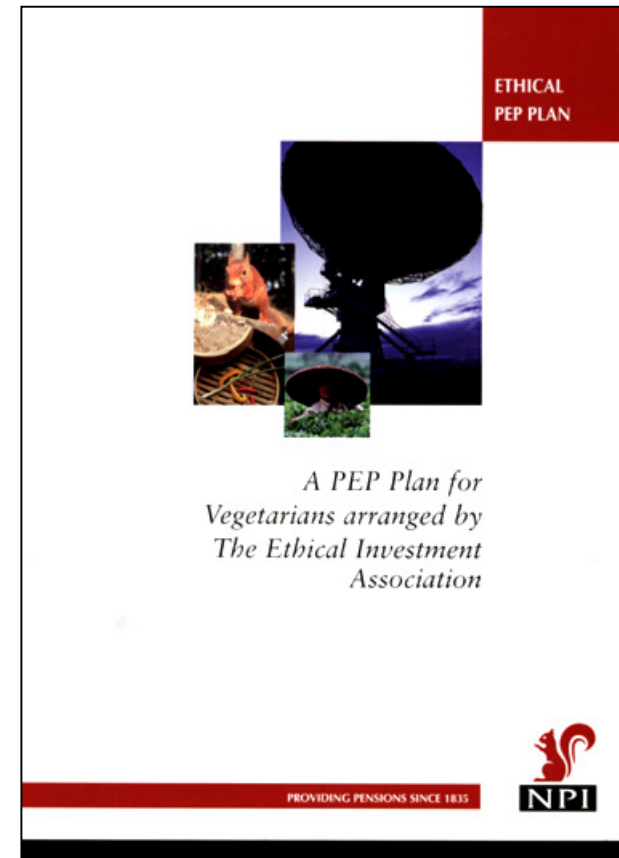
# Direct Mailers

- Affinity partnerships and ‘common values’
- Partner direct mail
- Regular proposition 2x year
- Brands sit alongside
- Brand appear in all regular Oxfam materials, not just promotions



# With Planners UK Vegetarian Society

- ‘Values’ based customer group
- Female dominant, middle class
- 4 million customers base
- Cause related characteristics means
  - ‘motivational purchases’
- Magazine promotion
  - sponsorship of Annual Report
  - leaflet, mailers & magazine
  - press releases & media coverage



# Childrens Savings & Investment Plans

- Savers plan for schools fees and grandparents give to children
- 81% of investors wanting to invest in SRI said it was due to ‘concern for future generations’
- Childrens investment into SRI combines ‘values’ sales offer with financial need



Scottish Friendly  
ASSURANCE

Mr Mark Campanale 78911  
30 Whitton Road  
Twickenham  
TW1 1BS

C7X06L

October 2000

**Give a child you love a gift for the future.**

Dear Mr Campanale,

Everyone wants the best for the children they love. Not only now, but also for when they grow up. That's why you may be interested in the enclosed details of the Scottish Friendly Child Bond.

The Child Bond is a tax free\* gift that could grow in with a child and provide a financial head start in life.

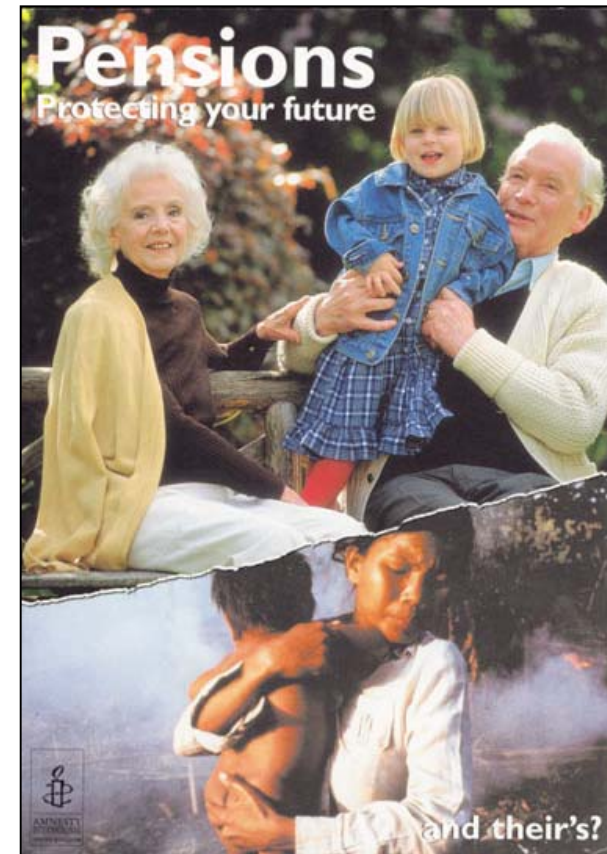
Child's future – tax free



\* Monash University 2000

# Campaigning & Marketing

- Issues such as ‘human rights’ are governance issues of trustees
- Amnesty International have produced guides for members on human rights and superannuation
- Partnerships opportunity to promote SRI



# Summary

## Solution

- Selling a values based proposition
- Relationships marketing requires support
- Build brand awareness
- Regular promotions
- Fee sharing
- Three year programme!

## **Henderson Global Investors**

4 Broadgate London EC2M 2DA

Tel: 020 7818 4100 Fax: 020 7818 5742

### **House view**

This document has been produced based on Henderson Global Investors' research and analysis and represents our house view.

Please remember that past performance is not necessarily a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations, and therefore investors may not get back the amount originally invested.

### **Disclaimer**

The information provided in this presentation is for the sole use of those intermediaries attending the presentation. It may not be reproduced in any form without the express permission of Henderson Global Investors and to the extent that it is passed on care must be taken to ensure that this is in a form which accurately reflects the information presented here.

Whilst Henderson Global Investors believe that the information is correct at the date of this presentation, no warranty or representation is given to this effect and no responsibility can be accepted by Henderson Global Investors to any intermediaries or end users for any action taken on the basis of the information.

### **Regulatory status**

Henderson Global Investors is the name under which Henderson Global Investors Limited and Henderson Investment Funds Limited (both regulated by IMRO and the Personal Investment Authority), Henderson Fund Management plc and Henderson Administration Limited (both regulated by IMRO) provide investment products and services.