

The Briefing Report

ESG's impact on the fund industry

A good year, to date

ESG investing is having a very good pandemic. It is the only investment category that is enjoying strong inflows this year. It looks like this is a long-term trend and one which will receive a further boost when the Covid-19 crisis comes to an end.

In spite of the pandemic, funds that invest according to environmental, social and governance principles have record net inflows in the second quarter of this year. From the beginning of April up to the end of June ESG funds had global net inflows of \$71.1 bn, according to Morningstar. They report that these inflows pushed ESG fund assets to over \$1 trillion.

Morningstar also say that ESG fund flows represented almost a third of all European fund sales in the second quarter whilst sustainable equity funds gained 63% more new money than traditional equity funds over this period.

Continued on page 9 >>

Time to spilt up?

Assets in ESG mandates easily exceed \$30 trillion. Investing for environmental and sustainable reasons is different from doing so for social ones. Is it time to separate the E and S in ESG investing?

It is getting to the stage when lumping together funds that focus on sustainable investing, climate change and the like with those that have a social goal is becoming meaningless. The only thing that binds them together – along with better, meaning more diverse, governance – is that they aim to do good. ESG investing should be rebranded as moral capitalism: it is all about making a profit but also doing good.

ESG investing has been dominated by environmentalism. Climate change concerns have driven the ESG investing boom. But thanks in part to the pandemic the S in ESG is becoming much more prominent. Covid-19 has meant that social and ethical concerns are now much more prevalent.

JP Morgan's CEO, Jamie Dimon, has called the pandemic a 'wake-up call' to build a fairer society. 'It is my fervent hope that we use this crisis as a catalyst to rebuild an economy that creates and sustains opportunity for dramatically more people, especially those who have been left behind for too long,' he wrote in a memo issued ahead of his bank's recent annual shareholder meeting.

Continued on page 12 >>

In this issue

Features

- 1 **A good year, to date**
- 1 **Time to spilt up?**
- 9 **A good year to date**
Story continued from front page
- 10 **Catching up in the US**
- 12 **Time to spilt up?**
Story continued from front page

News

- 2 **Offshore jurisdictions & transparency in the ESG era**
- 2 **EU Cross-Border Jurisdictions Think Tank**
- 3 **Report says ESG confusion harms investors**
- 6 **ShareAction's Summer 2020 report on asset managers' approaches to climate change**

Listings

- 14 **AIFMD service providers**
AIFMD related Company listings
- 15 **Domicile service provider listing**
Company listings by Domicile

The Briefing Report is published monthly by IFI Global Ltd. Annual individual subscription is £340. Corporate rates are also available. No part of this publication may be distributed or reproduced in whole or in part without prior written permission from the publisher. All contents copyrighted.

Visit <http://ifiglobal.com>

The Briefing Report

ESG's impact on the fund industry



The Briefing Report Subscription Form

With The Briefing Report subscription:

- 12 issues of the publication
- Attendance at The Briefing Report's events and roundtables
- Access to alternative managers' service provider search announcements
- Consultation for corporate subscribers in each of The Briefing Report's manager surveys
- Independent and unbiased expert analysis on domiciliation and fund trends at this most critical period in the history of the industry
- The only publication focussing on all the issues (fiscal and political as well as regulatory) that will have a fundamental impact on this business.

This form can be completed and saved in Acrobat Reader and then emailed to [Tamara Sims](#)

Name:

Company:

Address:

Email:

Tel:

Date:

An annual subscription to BR is £340
An annual corporate subscription is £850
Subscribers in the UK: Add 20% VAT

Payment options

Direct Transfer

HSBC Bank Plc
Oxford Summertown Branch

Account: IFI Global Ltd
Bank Account No: 41444530
Sort Code: 40-35-35
IBAN: GB95HBUK40353541444530
SWIFTBIC: HBUKGB4B

By Cheque (£ Sterling only)

Make cheque payable to:
IFI Global Ltd.
10 Arthur Street
London EC4R 9AY

For additional information please contact Tamara Sims at sims@ifiglobal.com

IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44 (0) 207 220 9077

The Briefing Report is published by IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44(0)207 220 9077

Editorial & research enquiries:
Simon Osborn e-mail: osborn@ifiglobal.com

Directory, event and subscription enquiries:
Tamara Sims e-mail: sims@ifiglobal.com