



# The future of Impact Funds and Sustainable Investment in Asia

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Last week Ogier partnered with AIMA and The Great Room (a new, innovative co-working space inspired by design) for a debate about the future of impact funds and sustainable investment in Asia. The panel was moderated by Ogier investment funds partner, Kate Hodson, and panellists included Iain Henderson of ADM Capital, Ryan Shah of UBS and Adeline Tan of Mercer.

Kate said: "Investing on the basis of environmental and social factors is not new, nor is the incorporation of good governance - the combination of the three is collectively referred to as ESG. Over the past three and a half years since the completion of the Paris Agreement there has been a staggering rise in the number of new policies, targets and initiatives around the world addressing a number of environmental and social issues. In addition, the UN's Sustainable Development Goals (SDGs) have set out a blueprint for achieving sustainable development across the global, including to end poverty, to promote social inclusion and to address a complex web of environmental concerns. The importance of the SDGs compared to their predecessor, the Millennium Development Goals, is that they represent a paradigm shift: a move away from a "donor-recipient" relationship to collective action by all countries (at the public and private levels) working closely together to achieve the common goal of a sustainable future.

"As it stands, green finance still represents a relatively small portion of traditional finance markets. Yet we are told that the demand is potentially huge. An IFC paper from earlier this year reported that investor appetite for impact investing is as high as \$26 trillion - \$21 trillion in publicly traded stocks and bonds and \$5 trillion in private markets involving private equity, non-sovereign private debt, and venture capital.

"The rise in interest in ESG over the past year in parts of Asia, such as Singapore and Hong Kong, is noticeable. Indeed, China has been on this path for some time and is now one of the largest markets for green bonds globally. Importantly, investors are increasingly aware of the need to measure and manage the ESG impact of their investments. They are also asking questions of

their managers as to how such issues and risks are managed, to what extent such criteria are incorporated into the implementation of fund strategies and for more information on investment opportunities linked to a sustainability purpose. In Asia, we are arguably still in the infancy stages of a developed impact funds industry, an area that is already well developed in parts of Europe. However, we are seeing a clear uptick in momentum and expect this to be an area of growth in the coming years."

If you would like to find out more, please contact Kate Hodson [here](#).

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## Meet the Author



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