

Press Release

Geneva, 5 May 2015

Marked improvement in hedge fund managers' approach to ESG but majority still reluctant, finds Unigestion

- Significant increase from 25% to 40% of hedge fund managers incorporating ESG criteria into their strategies
- Private asset managers more advanced in ESG adoption than hedge funds
- European firms further ahead in ESG than US counterparts
- Unigestion says ESG has positive effect on risk-return

Unigestion, an institutional asset manager that focuses on providing its clients with a targeted range of risk-managed investment solutions, has surveyed the hedge fund and private asset managers it invests in on their approaches to ESG and has found the results encouraging.

Whilst the survey revealed that 60% of hedge fund managers were still reluctant to introduce ESG criteria into their investment approach, this is a big improvement since the survey was last conducted in 2011, when 75% of managers were reluctant. The percentage of managers that do incorporate ESG criteria has increased significantly from 25% to 40% and the proportion of managers Unigestion classifies as 'leaders' in this area has quadrupled [see Figure 1 in notes to editors].

Private asset managers (surveyed for the first time this year) are more advanced in incorporating ESG criteria than their hedge fund counterparts, with only 27% indicating they would be reluctant to adopt ESG criteria. Nearly a fifth (18%) of managers in this group are considered 'leaders'.

Eric Cockshutt, Responsible Investment Coordinator at Unigestion, said: "It is increasingly widely recognised that incorporating ESG criteria in investment processes can have a positive impact on a portfolio's risk-return profile, both through generating opportunities and reducing risk. Although there has been clear progress since our last survey three years ago, the adoption of ESG criteria is still at an early stage in the hedge fund universe. Private assets managers are much more advanced, as ESG policies are increasingly being considered as a driver of value creation amongst private equity investors."

ESG adoption also varied according to hedge fund strategy. A quarter (25%) of equity-related strategy managers (long-short equity, equity market-neutral) were deemed 'leaders' compared to only 5% of tactical trading strategy managers (global macro, CTA, commodities).

Amongst private asset managers, the survey showed buyout managers place greater importance on ESG than venture and growth or special opportunity managers, with only 11% indicating reluctance to incorporate ESG criteria compared to 60% and 63% respectively [Figure 2 in notes to editors].



In terms of location, European hedge fund and private asset managers are more likely to show an interest in ESG than US-based firms. Large private asset managers are also more likely to adopt ESG investment approaches than smaller firms [Figure 3 in notes to editors].

Eric Cockshutt added: "We conduct these surveys as part of our due diligence process when deciding which fund managers to invest in and report the results back to our clients, many of whom are increasingly demanding that ESG be taken into account. We also help the managers we invest in to help improve their ESG practices. We expect further progress over the coming years as the importance of ESG becomes more widely recognised among private asset and hedge fund managers and as greater pressure is applied by investors for firms to adopt them."

-ENDS

Notes to Editors (Figure 1- 3 based on in-house research)

Figure 1: Hedge fund manager (2011 vs 2014) and private asset manager (2014) approaches to ESG

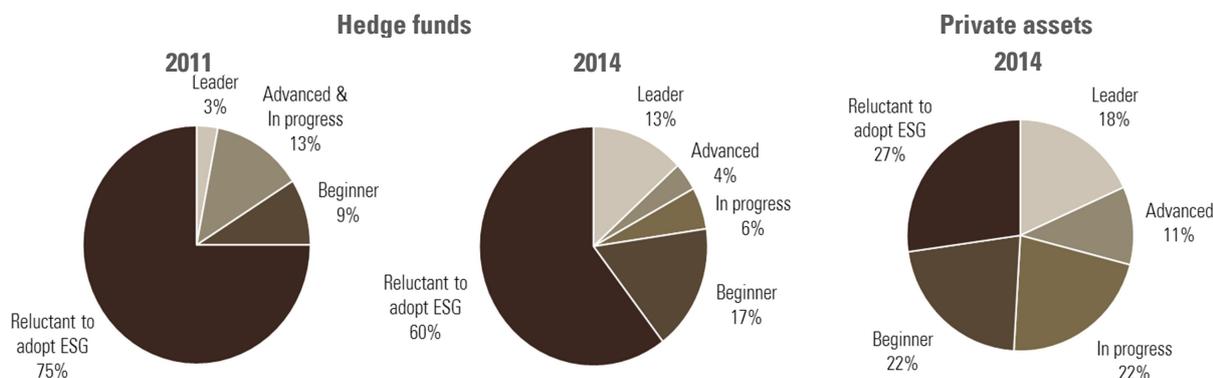
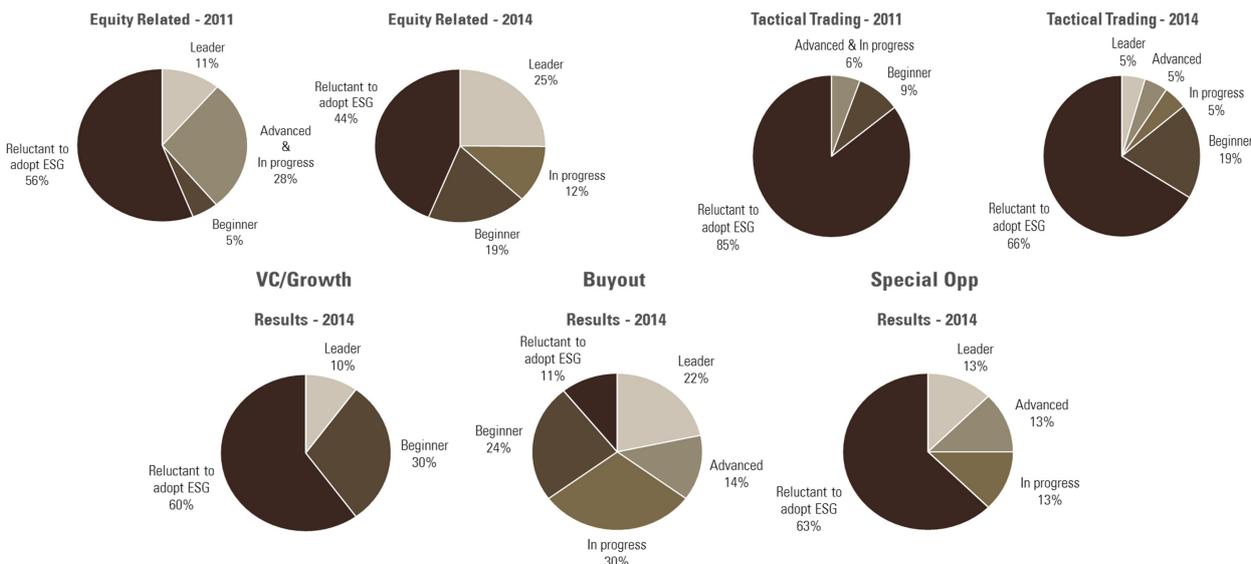


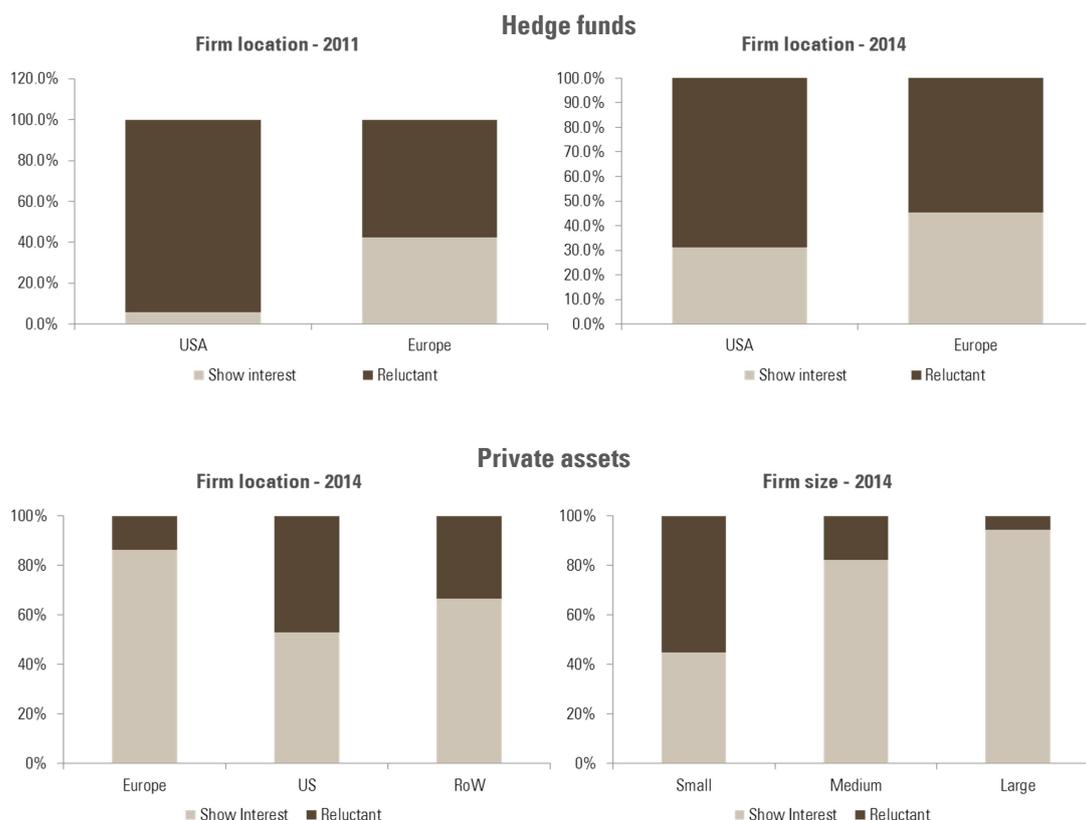
Figure 2: Hedge fund (2011 vs 2014) and private asset manager (2014) approaches to ESG by investment strategy



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Figure 3: Hedge fund and private asset firm location (2014)



ABOUT UNIGESTION (data as at 31.03.2015)

At Unigestion, our single minded focus is to offer robust, tailor-made investment solutions to a limited number of sophisticated institutions and families.

We have GBP 12bn (EUR 16.6bn; USD 17.8bn; CAD 22.5bn) of assets under management, 94% is managed on behalf of more than 270 institutional investors and 6% on behalf of a few high net worth families. The stability of this client base allows for long-term vision.

At Unigestion, we firmly believe downside protection and return asymmetry are the drivers of long-term performance for our clients. This philosophy is embedded in all our investment strategies: Equities, Hedge Funds, Private Assets and Cross Asset Solutions.

With half of our assets managed through segregated mandates, we have a proven capability of understanding our clients' objectives and designing strategies tailored to their needs. Our areas of investment expertise allow us to build customised solutions that fit within the usual buckets of institutional investors' asset allocation.

Established more than 40 years ago, Unigestion is a time-tested organisation. We align our interests with those of our clients by investing our capital in the strategies we manage for them, thereby developing partnerships with them. With a single focus on asset management and 72% of our equity controlled by our senior management, we are free of conflict of interests.

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The financial strength brought by GBP 120 million (EUR 165; USD 180; CAD 225) of shareholder equity is a guarantee of lasting solidity.

With 189 employees from 21 nationalities, Unigestion is headquartered in Geneva and has offices in major financial centres around the world: Zurich, London, New York, Paris, Singapore, Toronto and Montreal. This international presence ensures both comprehensive local market research and a good understanding of the local dynamics which govern our clients' activities and requirements.

Stability is key to providing our business with a term perspective: on average, the members of our senior management team have been with the company for 17 years. Driven by a passion to invest, every member of our team is committed to delivering the finest investment management service.

Unigestion is a signatory to the UN supported PRI.

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