



PRESS COMMENT

Henderson Global Investors disband their SRI Team

Following consultation with the steering committee of the Ethical Investment Association, Julian Parrott, Chair of the Ethical Investment Association has today issued the following statement of concern:

24 November 2011 – Today, I have written to key members of the board of Henderson Group plc to express the concern of our membership about the recent decision to disband the Henderson SRI research and management team. We consider this decision to be both ill-judged and retrograde to both Henderson's business interests and the development of the sustainable investment sector. Not only do we have concern for the futures of a well respected team but feel that this is a very worrying development and sends completely the wrong message out about ethical, SRI and sustainable investment.

Whilst we appreciate that the current economic climate will lead many firms to look at rationalising costs – it is that same economic climate, and the preceding financial crisis that has occasioned it, that has led to a significantly increased public concern about the management and activities of quoted businesses. Against this backdrop, we need more dedicated SRI teams to build the case for long term sustainable and responsible investment – not less.

Established advisers in the field will tend towards selecting investments with firms with clearly established ethical investing policies; developed as a result of collaborative work with their own in-house research teams. Evidence suggests that this leads not only to better long term performance but to funds which truly follow a positive and engagement-led approach as well as excluding those companies of greatest concern to investors.

As the intention is to pass these funds over to existing managers who will continue to manage other mainstream mandates, our concern is that the Global Care and Industries of the Future funds will not now get the on-going due diligence that they deserve and will become sidelined. Henderson have established a substantial position in the SRI community and have benefitted from a talented stream of individuals who have helped to shape a clear style and policy in sustainable investment. As a result, they hold significant SRI funds under management, much of which was placed there by EIA advisers for their clients.

Whilst we respect the work carried out by EIRIS, we do not feel that the proposed replacement of a dedicated team carrying out primary research and engagement with an EIRIS screening service is appropriate for such respected and market-leading funds. Add to this the handing of management of these funds to mainstream managers already busy with other mandates and we begin to question Henderson's commitment to SRI, an area with ever increasing importance in the investment world.

Investors must have confidence in their managers and in the ethical and sustainable field decisions such as this are of significant concern. We therefore urge Henderson to reconsider their decision

Contact

For further comment please contact Julian Parrott, Chair of the Ethical Investment Association:

Email: julian@ethicalfutures.co.uk

Tel: 0131 557 6677

Notes to Editors

1. This is a statement released by Julian Parrott, acting as Chair of the Ethical Investment Association.
2. The Ethical Investment Association (EIA) is a member association of financial advisers from around the UK dedicated to the promotion of green and ethical investment.
3. The EIA is semi-autonomous chapter within the wider organisation of UKSIF, the sustainable investment and finance association. This communication is made on behalf of the membership of the EIA only and does not represent the views or opinions of UKSIF.
4. This statement is for immediate release.

About the Ethical Investment Association (EIA)

The Ethical Investment Association (EIA) is the association of financial advisers from around the UK dedicated to the promotion of green and ethical investment. Members are committed to increasing access to green and ethical investment advice for individuals, businesses and charities, and to increasing and improving their own professional knowledge.

The EIA was started by financial advisers in 1998. In 2009, the EIA became a separate chapter of UKSIF.

For more information, visit www.ethicalinvestment.org.uk.