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Carmignac targets 90% green assets under SFDR

Maxime Carmignac says the French asset manager is "not just ticking boxes"

By Ed Moisson | 24 September 2021

Carmignac is aiming for 90 per cent of its fund assets to be classified as sustainable under the EU's new disclosure rules, in the latest sign of asset managers' efforts to meet client demand for sustainable investments.

The firm announced at its Rentrée event yesterday that it plans to raise the proportion of its assets that meet articles eight or nine of the Sustainable Finance Disclosure Regulation from 85 per cent to 90 per cent by December.

SFDR classifies funds that promote environmental, social and governance characteristics among other objectives as article eight, and funds that have sustainable investment as their objective as article nine.

Many asset managers have been adjusting their product ranges and regulatory disclosures this year in response to growing demand from fund selectors for products that meet the greener categories within the EU regulation.

Overall 30 per cent of EU fund assets are categorised as article eight or nine, according to Carmignac.

Maxime Carmignac, managing director of Carmignac UK, tells attendees: "Our management isn't as widely recognised as it should be in terms of ESG commitments and investing.

"It's important that we actually explain to people what we are doing, our activism. We are not just ticking boxes.

"We're not greenwashers, we're actually doing something."

Last year the asset manager launched a proprietary ESG research tool to systematically integrate ESG research into the investment process of all its funds.

Carmignac is not the first large asset manager to reveal a high proportion of fund assets with sustainable or ESG investment objectives.

Axa Investment Managers said in March, when SFDR was introduced, that 90 per cent of its equities, fixed income and multi-asset fund assets were article eight or nine.

Amundi said in the same month that 60 per cent of its mutual fund assets met these two articles' standards.

The French firm added that it planned to "significantly expand the scope of products categorised under articles eight and nine by the end of the year".

Jonathan Doolan, a managing partner at asset management consultancy Indefi, says the floor has been raised in sustainable investing and it is the "new normal" for fund buyers to expect asset managers to be able to explain how they integrate different aspects of ESG into their investment process.

Mr Doolan says more firms will look to move fund assets to articles eight or nine.

"A lot of the world is looking to Paris and the Netherlands for [asset management] leaders in the ESG landscape," he adds.

However, not all firms have moved to classify their products in this way under SFDR.

HSBC Asset Management has said it has a small proportion of article eight and nine funds, despite ESG being integrated for almost all of its investments in listed securities.

Nicolas Moreau, HSBC AM's chief executive officer, recently told *Ignites Europe*: "We don't have the best figures of the industry but at least I believe our figures are reliable."

HSBC AM takes "a lot of care with [internal] controls to make sure that what we say is what we do", Mr Moreau added.

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