

LA SOSTENIBILITÀ COME FATTORE DI PROTEZIONE DAL RISCHIO PER I PORTAFOGLI PREVIDENZIALI

IX ITINERARIO PREVIDENZIALE
ATENE & CIPRO 26 SETTEMBRE – 2 OTTOBRE 2015

- La sostenibilità è ormai da considerarsi parte integrante di un **processo efficiente di risk management**.
- L'impatto che essa ha sui portafogli assume forme diverse ma non può essere in nessun caso trascurato: dal rischio reputazionale a quello operativo e quindi economico legato ad esempio ai danni ambientali, la sostenibilità ha un forte peso sui bilanci delle società e quindi sulla loro redditività nel lungo periodo.
- La recente direttiva comunitaria che impone un reporting di sostenibilità per tutte le principali aziende quotate ne è una conferma.
- L'investitore previdenziale, anche per la prospettiva di lungo periodo che deve adottare, non può più trascurare questi aspetti con l'obiettivo di meglio ottemperare ai propri doveri fiduciari nei confronti degli iscritti.

RIDUZIONE DI RISCHIO

- L'analisi mira a identificare “rischi nascosti” agli investitori (reputazionali, legali, regolamentari, fisici) legati ad ambiti **ESG (environmental, social, governance)**...
- ... e a valutare la presenza di sistemi per gestire e mitigare questi rischi

VANTAGGIO COMPETITIVO

- Identificare le società che hanno acquisito un vantaggio competitivo per generare rendimenti sopra la media

I RISCHI ESG SONO MATERIALI PER LE SOCIETÀ

Possono essere identificati almeno 6 tipi diversi di rischio intercettati dall'analisi di sostenibilità:

1. **FISICO:** danni agli asset e alle catene di fornitura causate da eventi climatici estremi o scarsità di risorse chiave quali l'acqua
2. **REGOLATORIO:** rapidi e complessi cambiamenti al panorama regolatorio in materia ambientale ad esempio
3. **REPUTAZIONALE:** danni derivanti da scandali su comportamenti aziendali non corretti in tema ad esempio di rispetto delle comunità locali o della gestione delle catene di fornitura
4. **COMPETITIVO:** impatti delle dinamiche di mercato in continua evoluzione e incertezza di fornitura e volatilità dei prezzi degli input chiave
5. **SOCIALE:** conflitti, turbolenze sociali, proteste dei lavoratori o delle comunità locali, scioperi
6. **LEGALE:** esposizione a potenziali azioni legali riguardo ad esempio la mancata trasparenza su informazioni legale all'ambiente o alla governance

FONTE: KPMG, The KPMG survey of Corporate Responsibility Reporting, 2013

- Le questioni legate ai temi ESG sono presenti ovunque: cambiamento climatico, pratiche scorrette nei confronti dei lavoratori, violazioni delle legislazione ambientale sono spesso sulle prime pagine dei principali media finanziari.
 - *“Golfo del Messico, Bp pagherà risarcimento record: 18,7 miliardi”* (Reuters, 2 luglio)
 - *“Ryanair contestata dai fondi pensione danesi per pratiche scorrette nei confronti dei dipendenti”* (Investement & Pension Europe, 24 giugno)
 - *“Deutsche Bank under fresh fire over Libor”* (Financial Times, 8 luglio)

FINANCIAL TIMES

EUROPE Wednesday March 26 2014

● More than half paid in 2013 ● Sum reflects shift in political attitudes

Banks hit by \$100bn in US legal settlements since crisis

By Richard McGregor and Aaron Stanley in Washington

Wall Street banks and their foreign rivals have paid out \$100bn in US legal settlements since the financial crisis, according to Financial Times research, with more than half of the penalties extracted in the past year.

The sum reflects a substantial shift in political attitudes towards banks as regulators and the Obama administration seek to counter perceptions that bankers have got off lightly for their role in the financial crisis.

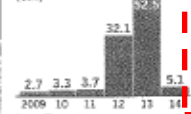
The milestone comes amid signs that banks' legal costs could rise further, with a number of large banks still under investigation by the task force set up by US President Barack Obama in 2009.

During stress tests last week, the Federal Reserve found the biggest banks could still face a further \$15bn bill for operational risk, reprising secured mortgage bonds and dealing with the falling value of buildings they own. Lawyers believe the bulk of this estimate is made up of expected litigation costs, suggesting the Fed believes banks have misjudged their legal exposure.

Last week's \$88bn deal between Credit Suisse and the Federal Housing Finance Agency took the total settlements to \$99.9bn, of which \$15.2bn came from foreign

US regulatory action against banks

Value of fines, penalties and settlements (\$bn)



Source: FT research

banks, according to an FT study of 200 fines and restrictions since 2007, that over \$20bn of the total was paid out in 2013. America's six big banks – JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Morgan Stanley and Goldman Sachs – had combined earnings of \$76bn in 2013, just short of their collective peak in 2008.

The individual settlements and restrictions range from a high of \$11.8bn, agreed to by Bank of America, to fines as low as \$2m. They span penalties levied by agencies such as the Commodity Futures Trading Commission and mortgage repurchases from Fannie Mae and Freddie Mac, the quasi-governmental mortgage insurers.

The White House toughened its line in 2012 after complaints from Congress and Democratic voters about the failure to punish big banks for their role in the crisis despite the pain felt in the broader community.

Regardless of the large headline number and huge fines paid by individual banks, critics say they may have little impact on institutions with the capacity to easily absorb penalties.

"The fines can be viewed as [a] 'cost of doing business,'" said Anat Admati, of Stanford University. "They don't get at the heart of the problem, and aren't effective to change behaviour."

However, Tony Fratto, of Hamilton Place Strategies, in Washington, said the fines were "very substantial, in some cases orders of magnitude larger than anything we've seen in the past", and came on top of higher mortgage costs.

The fines cover the banks' practices in the foreclosure business, lending practices, market manipulation and the fraudulent issuance of mortgage-backed securities.

Additional reporting by Tom Brinkmann in New York

Funding advantages, Page 14



Bank of America
\$11.8bn
2012 – Part of national mortgage settlement. \$5.5bn in total to borrowers. \$7.3bn to federal and state regulators.
2013 – Fines for mortgage repurchases.
\$11.6bn



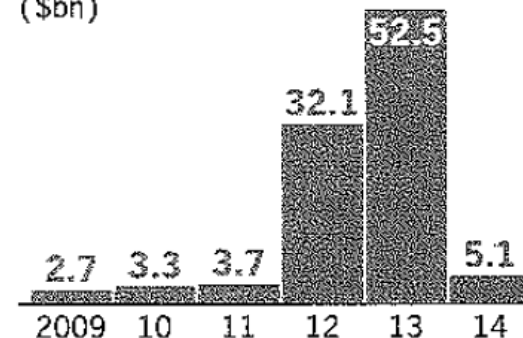
JPMorgan Chase
\$6bn
2011 – Settlement with the Department of Justice. \$2bn in corporate bond sales in total penalties.



Wells Fargo
\$4.5bn
2012 – Part of national mortgage settlement. \$4.5bn in total to borrowers. \$1bn to federal and state regulators.

US regulatory action against banks

Value of fines, penalties and settlements (\$bn)



Source: FT research

The fines cover the banks' practices in the foreclosure business, lending practices, market manipulation and the fraudulent issuance of mortgage-backed securities.

Article 19a

Non-financial statement

1. Large undertakings which are public-interest entities exceeding on their balance sheet dates the criterion of the average number of 500 employees during the financial year shall include in the management report a non-financial statement containing information to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

- a) a brief description of the undertaking's business model;
- b) a description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented;
- c) the outcome of those policies;
- d) the **principal risks** related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;
- e) **non-financial key performance indicators relevant to the particular business.**

Where the undertaking does not pursue policies in relation to one or more of those matters, the non-financial statement shall provide a clear and reasoned explanation for not doing so.

(...)

FONTE: Unione Europea

COME LA SOSTENIBILITÀ PUÒ MITIGARE IL RISCHIO

70%* INVESTMENT GRADE DEFAULT RISK REDUCTION

Source: JP Morgan - analysis 2000-2007 on ECPI Rating Migration History)

COMPANY NAME	DEFAULT DATE	REMOVED FROM ECPI ELIGIBLE UNIVERSE		ASSET CLASS	MAIN REASONS OF EXCLUSION (ECPI Sustainability Analysis)
		DATE	CREDIT RATING		
Delphi Corp	Oct 05	Mar 05	BB+	Equity, Bond	- Multiple accounting irregularities
Worldcom	Jul 02	Aug 01	A3	Equity, Bond	- Incorrect market practices, fraud
Ntl Communication	May 02	Nov 01	B3	Equity, Bond	- Relations with customers
Kmart	Jan 02	Mar 01	BB+	Equity, Bond	- Alleged violations of employees rights
Enron	Dec 01	May 01	Baa1	Equity, Bond	- Corporate Governance (conflict of interest) - Environmental policy - Incorrect market practices

ECPI RISK REDUCTION: EXAMPLES

(Source: ECPI Analysis)

COMPANY NAME	ACCIDENT DATE	RATING ECPI		ESG PROFILE (ECPI's sustainability analysis)
		DATE	RATING	
Barclays Plc	Jun 12	Jan 12	F	- Incorrect market practices related to relation with customers, suppliers - Incorrect market practices related to Corruption & Bribery - Incorrect practices related to Transparency of operations
JP Morgan	May 12	Jan 11	F	- Incorrect market practices related to relation with customers, suppliers - Incorrect market practices related to Corruption & Bribery - Incorrect practices related to Transparency of operations
JinkoSolar Holding Co Ltd	Sep 11	May 11	E-	- Incorrect practices related to the respect of the Environment - Weak corporate Environmental, Social and Governance performance framework
BP	Apr 10	Nov 09	E	- Incorrect practices related to Health & Safety - Incorrect practices related to the respect of the Environment - Weak corporate Environmental, Social and Governance performance framework
Massey Energy	Apr 10	Jan 07	F	- Incorrect practices related to the respect of the Environment
Kingate Global Fund Ltd. (Madoff feeder-fund)	Dec 08	2005	F	- Non-registration with financial regulators - Lack of disclosure on Compliance
AIG	Sep 08	Jul 05	F	- Incorrect market practices related to Corruption & Bribery
Bear Stearns	Mar 08	Apr 06	F	- Incorrect practices related to Corruption & Bribery - Weak corporate Environmental, Social and Governance performance framework

COME UN INVESTITORE PREVIDENZIALE PUÒ INTEGRARE LA SOSTENIBILITÀ

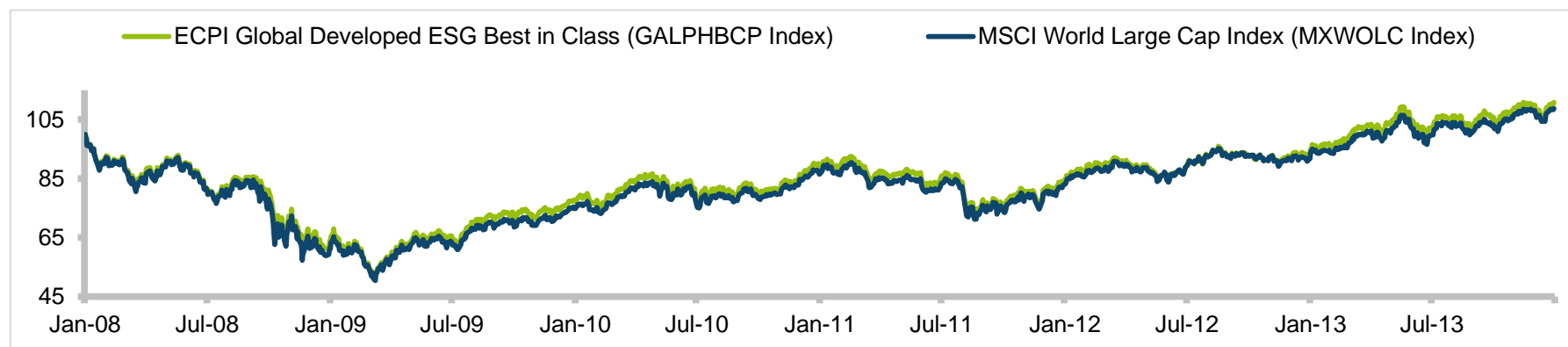
- 1. MANDATI DI GESTIONE SOSTENIBILI** => implementazione di mandati di gestione equity e bond usando ECPI INDICES & UNIVERSE
- 2. MANDATI DI GESTIONE SOSTENIBILI CON LISTE DI ESCLUSIONE** => implementazione di mandati di gestione con applicazione di una o più ECPI BLACKLIST
 - Controversial Weapons
 - Human and Labour rights violators
 - Environment violators
 - Corruption
 - ...
- 3. INVESTIMENTI SOSTENIBILI ALTERNATIVI** => investimenti in asset class alternative con l'analisi di sostenibilità
 - Real Assets («investimenti fisici»): energie rinnovabili, agricoltura, ...
 - Private Equity
 - Private Debt («minibond»)

UN ESEMPIO DI INDICE EQUITY SOSTENIBILE

ECPI GLOBAL DEVELOPED ESG BEST IN CLASS

GALPHBCP Index

DESCRIZIONE	L'indice rappresenta le società dei mercati sviluppati selezionate sulla base della loro performance di sostenibilità misurata tramite i rating e i punteggi ESG di ECPI (approccio Best-in-class)
VALUTA	Euro
PESO	Cap-weighted
RIBILANCIAMENTO	Trimestrale



BB TICKER	GALPHBCP	MXWOLC
RETURN		
YTD	5,52%	5,42%
1Y	14,70%	15,26%
3Y	36,09%	37,34%
5Y	78,83%	80,92%
CAGR	11,67%	12,09%
RISK		
ANN. VOLATILITY	13,84%	13,57%
VAR 95%	-22,83%	-22,38%
VAR 99%	-32,25%	-31,61%
MAX DRAWDOWN	-25,36%	-22,64%
START OF MAX DD PERIOD	06-Jan-09	06-Jan-09
END OF MAX DD	09-Mar-09	09-Mar-09
END OF RECOVERY PERIOD	23-Jul-09	12-Jun-09

BB TICKER	GALPHBCP	MXWOLC
RELATIVE ANALYSIS		
ALPHA wrt COMPARABLE	0,04%	
BETA wrt COMPARABLE	0,97	
SHARPE RATIO	0,77	0,817
INFORMATION RATIO	-0,07	

DATA FROM/TO GALPHBCP: 01-Jan-09 MXWOLC: 30-Jun-14

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- Dal 1997 ECPI offre soluzioni di investimento dedicate a:
 - asset managers
 - investitori istituzionali
- L'offerta si articola in:
 - **Indici:** benchmark e indici tematici sostenibili
 - **Ricerca di sostenibilità**
 - **Soluzioni di investimento su misura** costruite sulla base dei bisogni della clientela

Why: we create value
How: a robust methodology
What: turn-key tools and solutions

Sense in sustainability.

Our market.
Our belief.
Our expertise.

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