



# BUSINESS UPDATE – SEPTEMBER 2021

QUARTER 3, 2021

I wrote my last quarterly update two weeks after recovering from COVID-19. Thankfully I didn't really get sick and went about my days without the virus having any real impact on my daily life (other than having to quarantine in Zanzibar for an extra nine days). This update focuses on responsible investing and the importance thereof. My time in Zanzibar and return trip back home highlighted a few ESG (Environmental, Social and Governance) issues that I will use to lead into the main section of my update.

I snorkelled off one of the islands after having swum with dolphins and noticed the bleached rocks with minimal coral. My wife commented on our fortune in not getting sick as the hospital we passed on the way to our hotel and struggle to buy any preventative medicines left a lot to be desired. We flew back via Addis Ababa and at 11pm there were at least 30 Ethiopian Airline planes on the tarmac with three flights due to leave within five minutes of our return flight.

The first point relates to the importance of caring for our environment. Probably 20 or 30 years ago snorkelers would have seen far more fish than I did. Poverty and limited healthcare are social issues that need to be addressed worldwide. Proper governance would have saved SAA from having just one plane on the tarmac when we landed at OR Tambo.

We all experience the benefits of good ESG practices and suffer from poor ESG practices. Responsible investing seeks to bring prosperity not only now but a long way into the future. As Old Mutual Multi-Managers, we have just released our second Responsible Investing report. I am so impressed by what our investment team has delivered this year. It is also heart warming to see how engrained a responsible investing

culture has developed in the team. This year's report is well worth a read as it shows that manager research and portfolio construction is not one dimensional and has many facets. In many respects the report presents a summary of what asset managers locally and internationally are doing ranging from infrastructure development, remuneration policies, transformation and diversity to changing business practices and not only voting at AGMs but also voting with their feet by withdrawing investments from companies who don't manage with a sustainability focus.

The report is fairly lengthy, but I would encourage that you read the whole document. You will find gems in some of the case studies and anecdotes such as 'can a fixed income analyst change the mind of a Russian president'? The research that was done for the report presents evidence of progress made by a number of asset managers; showing that the industry is having an impact on all our futures. Enjoy the read and feel free to share it. If there are any issues that you would like us to report on next year, I would be very happy to take your suggestions.

Thank you once again for all your support and commitment. I hope and pray that you and your families stay well during these trying times.

All the best and stay well,

**TREVOR PASCOE**  
MANAGING DIRECTOR  
OLD MUTUAL MULTI-MANAGERS

