


## SAM heads south for sustainable growth

By: Chiara Albanese | 10 Jul 2012 | [Be the first to comment](#)

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Sustainable investment boutique SAM is looking to Italy and Spain for new corporates with sound governance, able to generate positive returns.

After having gained traction in Nordic markets, a sustainable approach to investments is becoming more popular in southern European countries, such as Italy and Spain.

By looking at additional factors on companies' performance beyond the traditional economic matrix, portfolio managers can detect investment opportunities that offer better risk management, says Rainer Baumann, head of portfolio management and member of the executive committee at SAM in Zurich.

This is particularly true in uncertain and volatile markets, when the sustainability of a company or of a project is translated into returns for investors.

"We look not only at corporate governance, but also at social and environmental factors, mainly to have additional insight on corporates. Evidence shows that the combination of those criteria provides value, enabling us to select companies that tend to perform better in current market conditions," Baumann says.



**Performance driver**

SAM is an investment boutique focused exclusively on sustainability investing, part of Rotterdam-based Robeco. "Spain and Italy were lagging behind in this area, but we see the interest for sustainable investments coming out. We see more acceptance of sustainability as a driver of performance. Integration of sustainability into broader strategies and thematic investing has become accepted in portfolios," he adds.

The Italian market falls under the responsibility of Fabio Pioppini, who also covers Ticino from Zurich. Baumann says: "Italy has a broad academic platform used to educate institutional markets, which will slowly transfer into the financial world. In this sense, Italy is driven more by academia than by institutions. For example, the Italian consumer finance association society just gave SAM a platform to talk about sustainability investing."

In Madrid, Pablo Moreno Ortega recently joined Robeco, SAM's parent company, as distribution manager for ESG and investment funds. He will be a sustainable ambassador for the Spanish market, and work closely with SAM.

In Spain, the interest is on European equities. "SAM Sustainable European Equities product is one of the largest in this area and might give new confidence to investors".

In terms of sectors, Baumann says energy has been a big selling topic in 2007. The next big area of investment could be the agricultural business, he adds.

Positive financial returns can also be achieved through investments aimed at generating a positive social impact within the community. An example is Oltre Venture, the first and only Italian social private equity fund, according to chief executive Lorenzo Allevi (*pictured*).

He says: "The fund was established to fill the gap in services supply left by the profit and no-profit sectors, using skills and models coming from both sides to generate a positive social impact through the creation of new enterprises and jobs."



In Italy the market for social investments is moving its first steps only now. This is happening in a challenging environment, because both the public welfare sector and private welfare are increasingly reducing their funds.

"As a consequence of this trend, there is a need for the creation of a form of quasi-market, which should be based primarily on private investors' capital," says Allevi.

In terms of investment sectors, the best opportunities are offered by welfare services in the healthcare business, where new and more accessible models for providing services to individuals are being developed. Oltre Venture suggests the development of microfinance services both in emerging and developed countries could be another area of interest.

