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UK manager partners for Aussie distribution

BY **ALEX BURKE** | WEDNESDAY, 16 AUG 2017 @ 12:59PM

A UK asset manager specialising in delivering alpha through environmentally-friendly investments is partnering with an Australian business to market its capabilities to wholesale investors in Australia and New Zealand.

Osmosis Investment Management, based in London, will work with Clearway Capital Solutions to demonstrate the benefits of its proprietary sustainability database: the Model of Resource Efficiency (MoRE). The model aims to generate a "sustainable alpha" factor for companies operating in 33 sectors.

The firm uses its MoRE database to manage active, low-volatility and smart beta portfolios of developed market global and regional equities. Clearway Capital managing director Dennis Mothoneos explained: "We think this approach will be quite different to anything most Australian and New Zealand investors have seen previously."

"We believe they will be attracted not only by the environmental focus of the MoRE strategies but also by a potential 'new' source of uncorrelated 'alpha'. We look forward to working with Osmosis and seeing what the response will be to their original approach," Mothoneos said.

Osmosis founder Ben Dear added: "Academics at the Cardiff Business School have undertaken research into the relationship between businesses' resource efficiency and value, using Osmosis' proprietary Resource Efficiency Score (RES) produced by our MoRE database."

"They found that there is strong evidence that resource efficiency, as measured by RES, has a positive impact on subsequent firm value resulting in significant returns to investors, value for shareholders, lower risk for creditors and benefits to society through sustainability. Environmental and economic returns need not be mutually exclusive," Dear said.

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