

Superannuation

Commonwealth Super awards mandate for new strategy

BY **ELIZABETH MCARTHUR** | MONDAY, 14 DEC 2020 @ 12:28PM

Commonwealth Superannuation Corporation, the \$50 billion fund for government employees, has launched a new partnership with a sustainable asset manager.

CSC and Osmosis Investment Management have partnered to launch a Resource Efficient Core Equity Portfolio (ex-Australia). The portfolio will aim to mitigate environmental risks while targeting a better risk-adjusted return.

"CSC seeks to manage all of the investment risks in our portfolio to ensure the robustness and sustainability of our customers' retirement incomes. This includes the mitigation of natural-resource misuse by companies," CSC chief investment officer Alison Tarditi said.

"To implement this, we have appointed Osmosis because they have a robust, effective and objective methodology for discerning and reducing such risks to deliver robust financial returns and promote efficient use of energy, water and scarce resources."

Osmosis said the portfolio will be 60% more resource efficient than the MSCI World (ex-Australia) benchmark.

"CSC is our first Australian client and joins a growing roster of forward-thinking investors who are addressing the issues of environmental risk in their portfolios, while simultaneously targeting a better risk-adjusted return, to meet the long-term funding requirements of their customers," Osmosis chief executive Ben Dear said.

"Announcing this partnership with CSC further underscores our firm's investment philosophy and thesis, that economic and environmental returns need not be mutually exclusive, and that resource efficient firms outperform their same sector peers.

"We look forward to working closely with CSC and in particular thank the investment and operational team for managing this process through to conclusion in the midst of the pandemic."

The portfolio will be aligned with CSC's exclusion policy and in line with Osmosis' ethical exclusion list, which includes tobacco and all companies that are in breach of the UN Global Compact Principles.

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