



## PRESS RELEASE

### MARATHON CLUB RELEASES RESPONSIBLE OWNERSHIP BRIEFING PAPER

**London, 19 February, 2009** - The Marathon Club ("the Club"), a collaboration of investment organisations, representing combined fund assets in excess of £170bn, has today updated its practical guidance for trustees with a paper entitled: *Responsible Ownership for the Long Term*.

The paper seeks to offer trustees assistance in respect of broader environmental, social and governance considerations which should be revisited when reviewing the performance of investment managers and advisers.

Donald MacDonald, one of the authors of the Marathon Club paper, commented:

"Investing with a long time horizon will deliver returns that reflect the effects of both good and bad governance of investee companies, and of both positive and negative social and environmental impacts of corporate activities.

"In this guidance paper, we explore this aspect of long term investment in more detail, recognising that, while general policy statements are relatively straightforward, the more detailed implementation, monitoring and measurement activities have been somewhat elusive to date."

The paper identifies two aspects to active, responsible ownership, namely:

- **The rights and responsibilities attached to the scheme's investments should be executed in a considered, long-term way.** This means not only making use of the voting rights attached to equities, but also exploiting (and if necessary, creating) opportunities to engage with the management of the scheme's assets around such issues as, for example, long term strategy, M&A activity and board structure.
- **Secondly, in the assessment of investment opportunities, pension scheme trustees (or, more typically, their agents) should try to integrate an evaluation of the widest possible range of risks and opportunities.** These should include not only 'traditional' financial factors such as sales, costs, competition and so forth, but also more intangible factors such as environmental costs, social impact or shareholder rights. This is commonly known as integrated financial analysis or 'integration'.

Donald MacDonald, continued:

"Collectively, and in some cases individually, pension schemes are significant owners of economic activity. It is our aim in this guide to encourage and equip all schemes, large and small, to optimise their position as active, responsible investors, both individually and in collaboration with other investors, to the benefit of their members."

The Marathon Club would welcome feedback on the issues highlighted by this paper which can be found at [www.marathonclub.co.uk](http://www.marathonclub.co.uk).

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**For further information, please contact:**

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**Notes to editors:**

**About the Marathon Club**

The Marathon Club is comprised of institutional fund trustees, senior executives or senior specialists who have a proven track-record in playing a relevant leadership role in public and private institutional funds and endowments. The members' represent schemes combined assets exceed £170 billion. Yusuf Samad CFA, FSIP is currently Secretary to the Club ([yusuf.samad@aonconsulting.co.uk](mailto:yusuf.samad@aonconsulting.co.uk)).

The overall goal of the Club is to stimulate pension funds, endowments and other institutional investors ("Institutional Funds") and their agents to be more long-term in their thinking and actions, and place more emphasis on being responsible and active owners with a view to increasing knowledge about how their investment strategy and process can improve the long term financial and qualitative buying power of fund beneficiaries.

The Club has four core objectives:

1. Publish and disseminate a series of practical "how to" (and "why to") briefings which explain how trustees and consultants can foster a more long term and responsible approach.
2. Develop and promote templates or blueprints for mandates that encourage long-term, responsible and active investment approaches.
3. Encourage Institutional Funds to award new mandates or adapt existing mandates and reporting processes accordingly.
4. Supplement other approaches to continuous professional development of trustees, investment consultants and critical other players so they are better able to contribute to the goal.