

# Double Dividend with Sustainability Ratings from oekom research



Results of a comparative analysis of  
share performance based on  
oekom research AG's sustainability ratings

Summary

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# Summary

## Aim of the study

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The study compares the performance and the risk status of large caps awarded Prime status by oekom research against the MSCI World Total Return Index®. Two initial hypotheses are analysed here:

1. The oekom Prime Portfolio Large Caps has a better return on investment than the market.
2. The oekom Prime Portfolio Large Caps has a lower risk than the market.

All calculations were carried out by the Deutsche Performancemessungs-Gesellschaft für Wertpapierportfolios mbH (DPG), a German company specialising in measuring the performance of investment portfolios.

## Parent population: over 3,100 companies

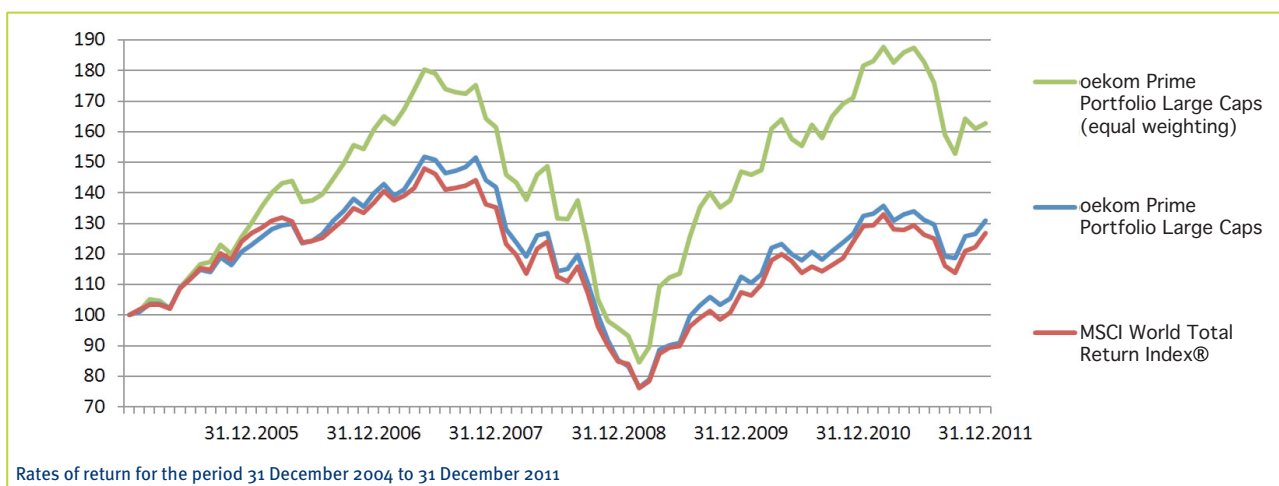
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oekom Prime Status is awarded to companies which satisfy the industry-specific sustainability management requirements defined by oekom research. As at 31 December 2011, these included a total of 543 of the more than 3,100 companies rated by oekom research in three categories: large caps; small & mid caps from sectors closely linked to sustainability, e.g. in the fields of renewable energies and recycling; non-listed bond issuers. To ensure comparability with the chosen benchmark indexes, only large caps were selected for this analysis. During the period under study, from 31 December 2004 to 31 December 2011, their number rose from 203 to 300.

## oekom Prime Portfolio Large Caps outperforms MSCI World Total Return Index® by over 15 per cent

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During the period 31 December 2004 to 31 December 2011, the oekom Prime Portfolio Large Caps, weighted by market capitalisation, achieved a cumulative return on investment of 30.90 per cent. Over the same period, the cumulative return on investment for the MSCI World Total Return Index® came to 26.81 per cent. During the period looked at, the oekom Prime Portfolio Large Caps thus achieved a return on investment that was 4.09 percentage points higher or 15.30 per cent better than that of the MSCI World Total Return Index®. If equal weighting is given to the securities in the oekom Prime Portfolio Large Caps, their cumulative return on investment actually rises to 62.84 per cent and thus at least double that of the MSCI World Total Return Index®.



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## Significant regional differences

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The top performers during the period 31 December 2004 to 31 December 2011 were oekom Prime Portfolio Large Caps securities from the Asia-Pacific region. Weighted by market capitalisation, they achieved an annual rate of return of 6.39 per cent, significantly higher than that of the MSCI AC Asia Pacific®, which stood at 4.86 per cent p.a. In Germany, the annual rate of return during the period looked at stood at 5.36 per cent, above that of the corresponding population from the MSCI World Total Return Index® (4.26 per cent). In Europe, the oekom Prime Portfolio Large Caps achieved the same annual rate of return (2.89 per cent) as the corresponding MSCI Index®.

## Slightly lower risk

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The annual risk (volatility) of the oekom Prime Portfolio Large Caps over the period 31 December 2004 to 31 December 2011, was 18.92 per cent, somewhat lower overall than that of the MSCI World Total Return Index®, which was 19.08 per cent.

## Conclusion: a double dividend is possible

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The study clearly shows that consideration of environmental, social and governance criteria does not automatically entail lower rates of return or higher risk. On the contrary: investors can obtain a double dividend by earning a rate of return which is at the very least in line with market rates, while at the same time pursuing social, environmental or ethical goals. Over the period looked at, selection of securities based on oekom's Prime Standard actually yielded a better rate of return at a slightly lower risk.

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