

Investing for a better future

Summary English



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This guide examines the current landscape of sustainable investing with a special focus on impact and transition investing. It combines theoretical foundations with empirical data from consulting practice and market analyses. The central results and insights can be summarized as follows:

1. Importance of Sustainable Investment and Provision

Sustainable investments continue to gain importance despite the current backlash, given the exceeding of planetary boundaries and the high demand for sustainable investments. Besides financial returns, ecological, social, and governance factors (ESG) play a decisive role. Regulatory developments, such as the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR), are driving this transformation.

2. The Magic Rectangle of Sustainable Investment

Similar to conventional investment strategies, sustainable investing is based on four central pillars: return, security, liquidity, and sustainability. While return and security were traditionally the main criteria, sustainability is increasingly taking an equivalent position. Contrary to widespread prejudices, the returns of sustainable and conventional investments are approximately equal. Sustainable funds/ETFs often do have less diversification than their conventional counterparts, but due to their more long-term orientation, they increasingly show a lower risk profile.

3. Diverging Goals of Sustainable Funds

The analysis shows a wide range of sustainability approaches. While most funds merely apply various ESG strategies, others increasingly focus on impact to achieve measurable positive changes. The study makes clear that not all sustainable funds actually achieve high ecological or social impacts, even if they claim to do so. For many funds, short-term performance remains the priority.

4. Categorization of Investment Approaches and Impact Channels of Sustainable Investment

For greater clarity, the guide attempts a new definition of the various sustainable investment strategies and provides a comprehensive overview of the impact channels of sustainable investing.

5. DIY Investment vs. Advisory

Investors face the choice of selecting sustainable investments independently or relying on professional advice. The investigation shows that do-it-yourself approaches often fail due to lack of transparency and comparability, despite labels and test reports. Well-founded advice can provide a remedy. The author presents his own solution (ZEPCON-Future-Portfolio) based on ETFs, which enables complete transparency and individual adjustments, and announces a novel sustainable concept for occupational pension plans for 2025.

6. Impact and Transition Investing

Impact investing focuses on directing capital specifically into projects with measurable positive influence. Transition investing goes a step further and specifically promotes companies that are in a sustainable transformation process. Measurement and representation of impact remain challenging.

7. Study Results and Market Analysis

The empirical analysis is based on several surveys among capital investment companies as well as evaluations of sustainable fund portfolios. The results show that there are significant differences in the actual sustainability impact of various investment approaches. The study emphasizes that engagement strategies (Active Ownership) and standardized ESG metrics are crucial for transparency and effectiveness. Currently, there seem to be no genuine impact or transition investments. However, voluntary changes to the fact sheets could considerably facilitate the selection and comparison of suitable retail funds.

Conclusion

Sustainable investment offers great potential for promoting a socially and environmentally compatible economy while increasing financial prosperity. However, the results make clear that investors must proceed in a differentiated manner to avoid greenwashing and make truly effective investments. Robert Zepnik emphasizes the importance of education and information in the field of sustainable investments and advocates for transparent, commission-free advice on a fee basis.

(Summary created with the support of ChatGPT and perplexity.ai, translation with the support of claude.ai)