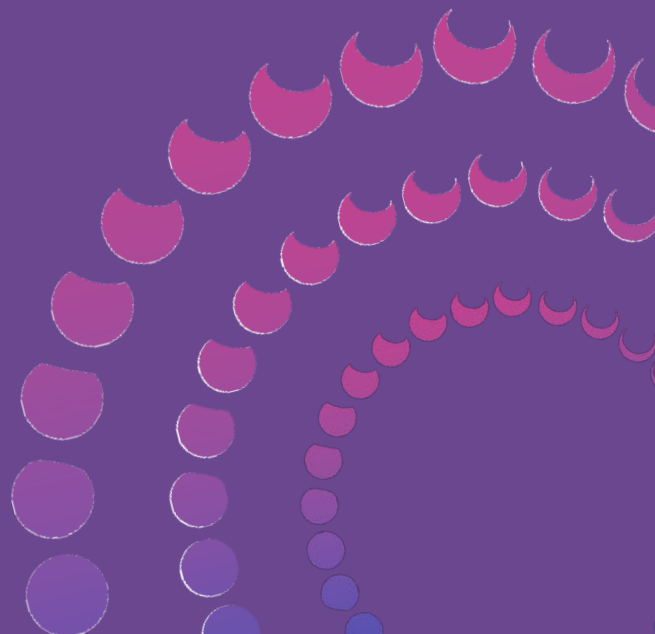


UK Institutional Market Study Summary Report

STUDY OVERVIEW

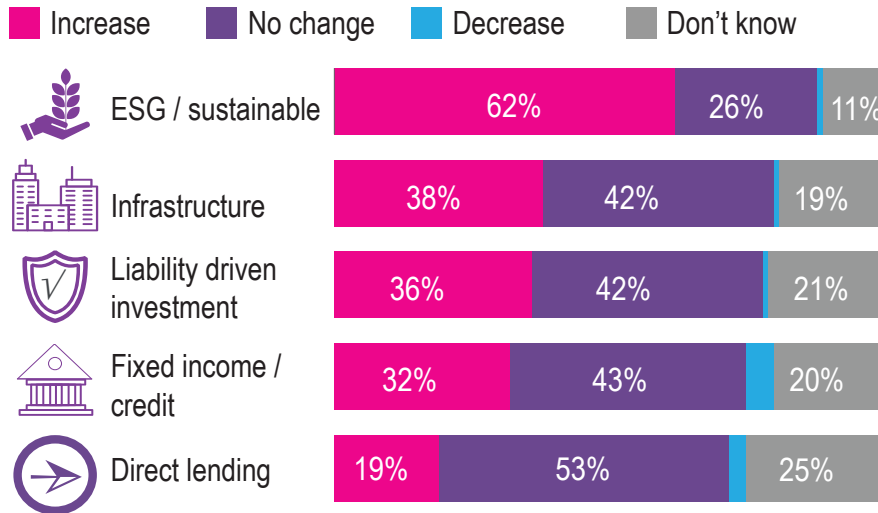
- Research in Finance (RiF) is an award-winning market research, consultancy, publisher and data provider, specialising in the financial services sector, covering both the UK and European markets.
- RiF's UK Institutional Market Study (UKIMS) is an annual research study which seeks to uncover what is driving trends and strategies in the UK pensions' market.
- The study includes both a survey, conducted among 200+ institutional investors during the winter each year, and an online community each summer.
- The findings are extremely important to asset managers in helping to shape their marketing materials, understand what institutional investors value and gain an insight into how trends are evolving over time.



Asset Allocation

ESG/ SUSTAINABLE STRATEGIES HAVE DOMINATED THE INSTITUTIONAL INVESTMENT MARKET IN THE PAST FEW YEARS AND ARE SET TO CONTINUE TO BE THE LARGEST GROWTH AREA IN THE NEXT 12 MONTHS

Anticipated increases in top 5 asset classes over next year in terms of allocation / recommended allocation



KEY INSIGHT
 Infrastructure and LDI also remain popular as pension schemes continue to look to de-risk and diversify away from equities

PRIVATE ASSETS ARE GROWING IN IMPORTANCE OVER TIME

Top 5 private asset strategies recommended by consultants

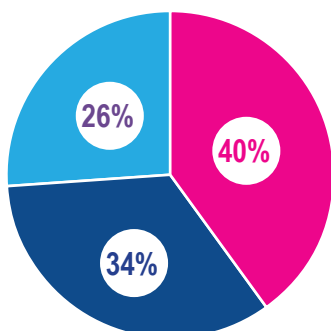
KEY INSIGHT
 The UKIMS research indicates that multi-asset pooled strategies are the most recommended by consultants, and have been for the past two years. Schemes state they are increasingly using private equity as part of their private asset portfolio

- 1 Multi-asset pooled
- 2 Direct lending
- 3 Infrastructure debt
- 4 Private equity
- 5 Real estate debt

Passive vs Active

KEY INSIGHT
 Overall, institutional investors are more likely to be increasing the proportion of passive pension assets compared to active. This has been consistent over the past few years

THE MAJORITY OF INSTITUTIONAL INVESTORS USE RFPs WHEN FINDING NEW INVESTMENT MANAGERS



■ Yes - always
 ■ Yes - sometimes
 ■ No

KEY INSIGHT
 Institutional investors are looking for a few key components from a response to an RFP: being detailed & thorough, addressing specific concerns, providing tailored answers, and full transparency on complex issues & strategies

Investment managers submitting highest quality responses to RFPs (unprompted)

- 1  Legal & General
- 2  Insight Investment
- 3  Schroders
- 4  BLACKROCK®
- 5  BAILLIE GIFFORD

ESG

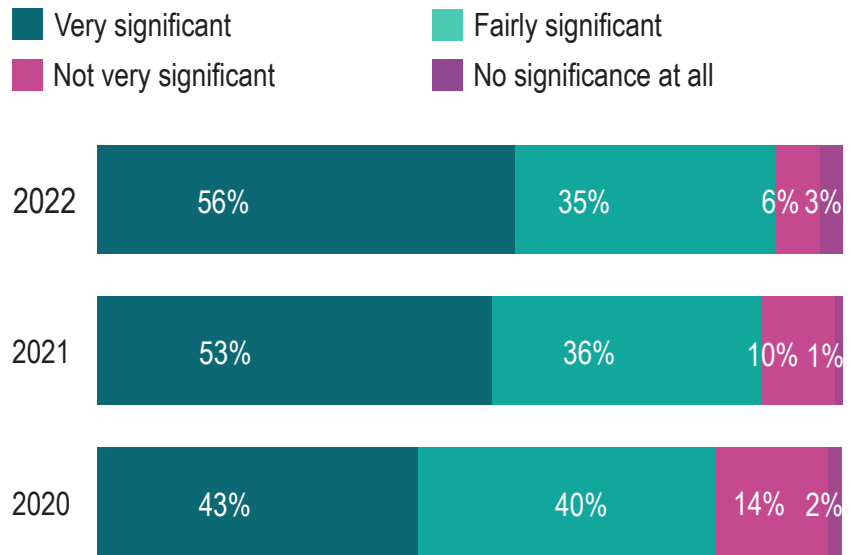
KEY INSIGHT

ESG has been important for the past few years, but the momentum is continuing to grow as the range of funds available increases and knowledge in the area improves. This is reflective of increasing regulation in the industry but also greater awareness of certain issues, in part driven by the Covid-19 pandemic, as well as heightened media coverage of climate change

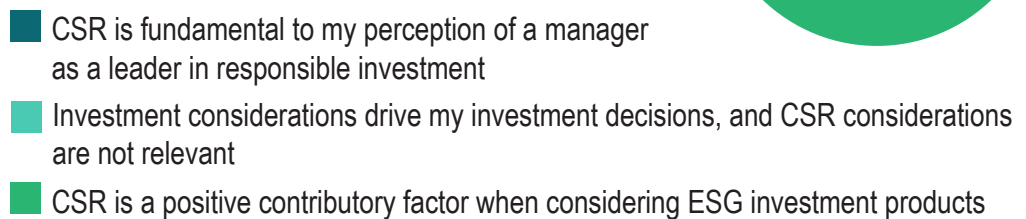
KEY INSIGHT

Larger schemes are more likely to state that CSR is 'fundamental' to their perception of an investment manager compared to schemes under £1bn in size

THE VAST MAJORITY BELIEVE ESG FACTORS WILL PLAY A SIGNIFICANT ROLE IN PENSION FUND INVESTMENTS IN THE NEXT 12-24 MONTHS



THE MAJORITY OF SCHEMES AND CONSULTANTS REGARD CORPORATE & SOCIAL RESPONSIBILITY (CSR) ACTIONS AS A POSITIVE CONTRIBUTORY FACTOR WHEN CONSIDERING ESG INVESTMENTS



LGIM IS REGARDED AS THE LEADING INVESTMENT MANAGER WHEN IT COMES TO ESG

Top 5 investment managers mentioned for being a market leader in ESG (unprompted)



WHAT DOES USEFUL AND HIGH QUALITY ESG REPORTING LOOK LIKE?

The key attributes mentioned by institutional investors centre around



Actions taken & demonstrable impact

Metrics used & comparable data



Voting information

Transparency

Media & Events

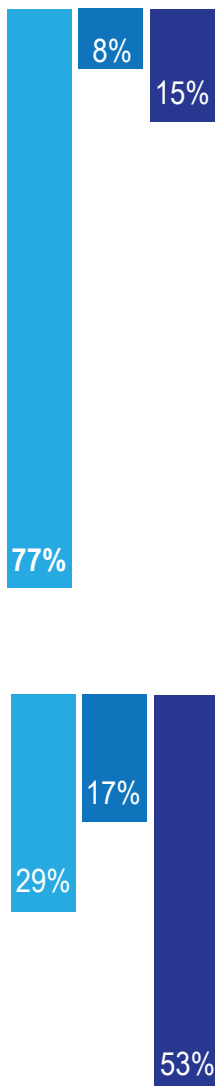
PROFESSIONAL PENSIONS IS THE MOST POPULAR TRADE PUBLICATION AMONG INSTITUTIONAL INVESTORS

Most read trade publications

- 1 **PROFESSIONAL PENSIONS**
- 2 **Bloomberg**
- 3 **PENSIONS*Age***
- 4 **Pensions *expert***
- 5 **FTfm**

Top industry virtual events & conferences attended in past 12 months

- 1 **PROFESSIONAL PENSIONS**
- 2 **PENSIONS AND LIFETIME SAVINGS ASSOCIATION**
- 3 **sps | CONFERENCES**



WHEREAS IN-PERSON EVENTS WERE LARGELY PREFERRED BEFORE THE COVID-19 PANDEMIC, BOTH IN-PERSON AND VIRTUAL EVENTS / CONFERENCES NOW HOLD APPEAL

- In-person events
- Virtual events
- Mix of in-person and virtual events

KEY INSIGHT

This year's research demonstrates that investment managers need to be conscious of offering both in-person and virtual events moving forwards. This may depend on an individual's preference as well as the topic or theme being covered

Concluding Remarks

Methodology

Online survey which takes place end of 2021 through to the start of 2022

Over 200 institutional investors take part each year. In the 2022 research there were:
x 111 consultants & professional trustees
x 94 schemes and trustees

Topics asked about include asset allocation trends, asset class market leaders, views on ESG, media consumption and appeal of events

Contact us



Visit the RiF website:
<https://researchinfinance.co.uk/>



Charity donations and partners

£560 raised for charity from the UK Institutional Market Study this year so far

Thank you for your kind donations having completed the survey and your continued support!

Partner charities:



Via email:
Jack Dominy
Research Manager
jackdominy@researchinfinance.co.uk

RESEARCH

We sincerely hope you have found this summary report insightful, and that you will continue to take part in our UK Institutional Market Study in future years. Our next industry survey will kick off in autumn 2022.

THANK YOU

If you have any friends in the industry or know of any colleagues who would be interested in taking part in our research, please send the link below to them, where they will be able to sign up to receive invites to surveys, in-depth interviews and online communities.

SHARE

As a thank you for sharing your views, we always offer a reimbursement for your time – either an Amazon voucher or charity donation – as well as summary findings at the end of the project. Participation is entirely voluntary and you can unsubscribe from survey invites at any time.

https://researchinfinance.eu.qualtrics.com/jfe/form/SV_b2uvH60iFUVQXYx