

UK RESPONSIBLE INVESTING STUDY SUMMARY REPORT

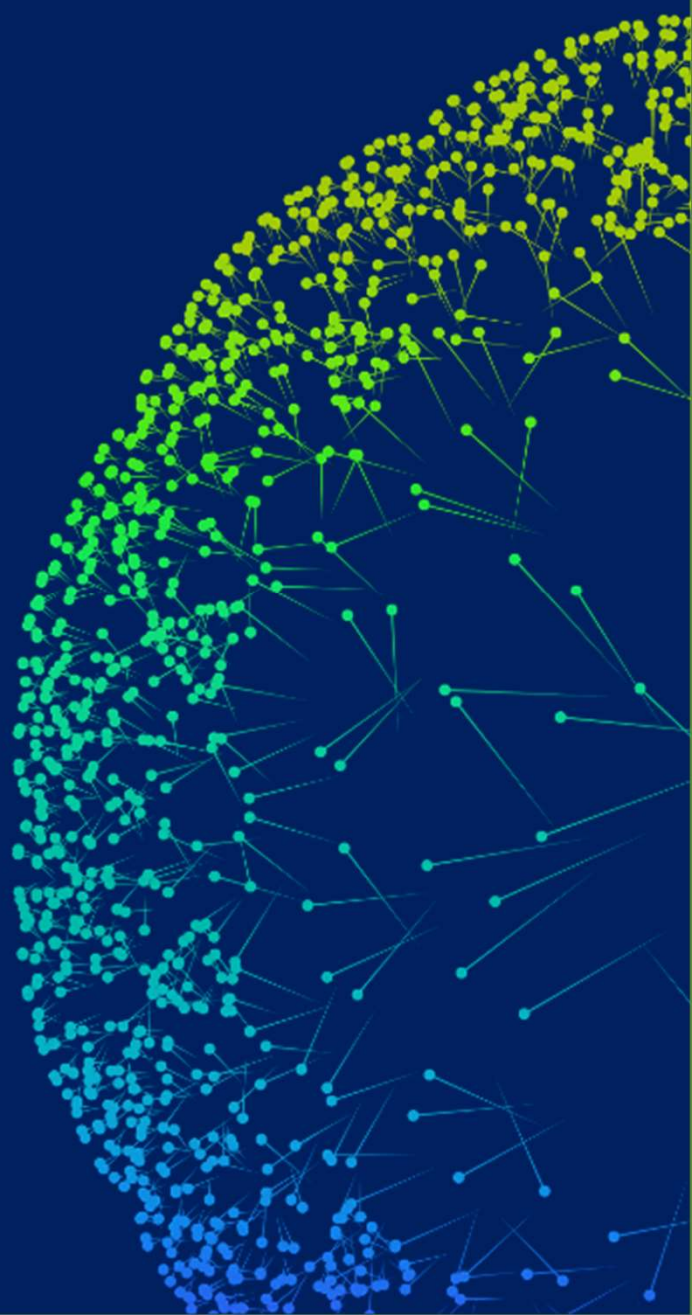


Research in Finance (RiF) is an award-winning market research, consultancy, publisher and data provider, specialising in the financial services sector, covering both the UK and European markets.

RiF's UK Responsible Investing Study (UKRIS) is an annual research study which aims to understand knowledge of and demand for responsible investing (RI) solutions. Questions also focus on selection of responsible funds and use of them, as well as barriers to investing responsibly or investing more responsibly.

The study includes both a survey, conducted among 150+ institutional investors during Q1 of each calendar year, as well as an online community where investment manager materials are reviewed.

The findings provide valuable insight to investment managers regarding what is important in the market, how the responsible investing landscape is evolving over time, and how best to communicate with institutional investors on such an important and dynamic topic.



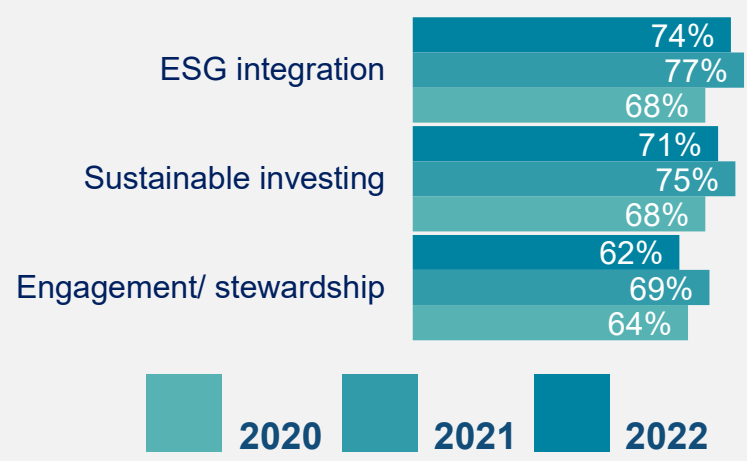


VIEWS ON RESPONSIBLE INVESTING

UNDERSTANDING OF KEY RI TERMS HAS EITHER REMAINED THE SAME OR DECLINED IN 2022 COMPARED TO LAST YEAR.

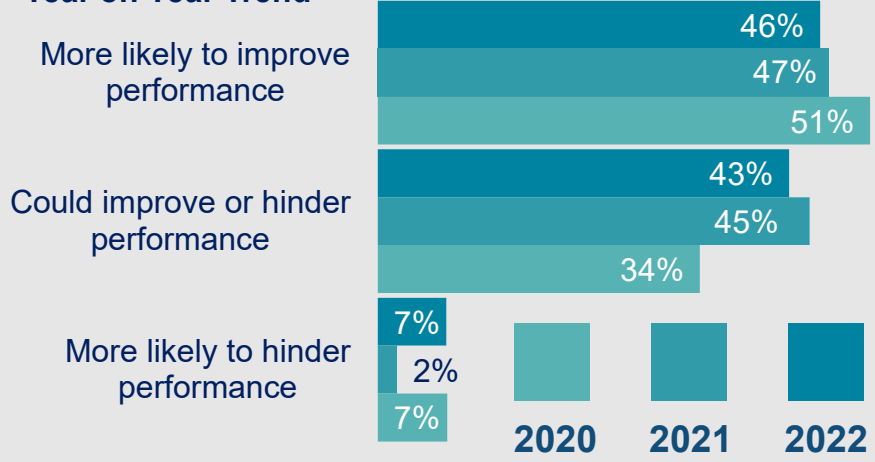
OVERALL, SELF-RATED UNDERSTANDING OF RESPONSIBLE INVESTING HAS DROPPED SLIGHTLY, PERHAPS A SIGN OF THE INCREASING COMPLEXITY OF THE MARKET.

HOW WOULD YOU RATE YOUR KNOWLEDGE AND UNDERSTANDING OF THE FOLLOWING?
Top 3 statements – Net Good Understanding



WHICH OF THE BELOW BEST SUMMARISES YOUR OPINION ABOUT RESPONSIBLE INVESTING?

Year on Year Trend

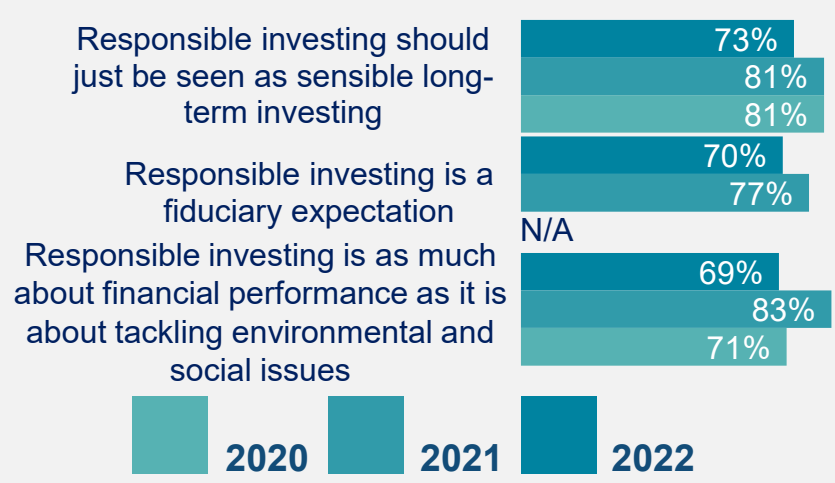


46% OF INSTITUTIONAL INVESTORS THINK INVESTING RESPONSIBLY IS MORE LIKELY TO IMPROVE PERFORMANCE, ALTHOUGH NEARLY THE SAME PROPORTION ARE AMBIVALENT.

A MUCH SMALLER PROPORTION THIS YEAR AGREE THAT RI IS AS MUCH ABOUT FINANCIAL PERFORMANCE AS IT IS ABOUT TACKLING ENVIRONMENTAL AND SOCIAL ISSUES.

TO WHAT EXTENT DO YOU AGREE/ DISAGREE WITH THE FOLLOWING STATEMENTS?

Top 3 statements – Net Agreement



SELECTING RESPONSIBLE FUNDS



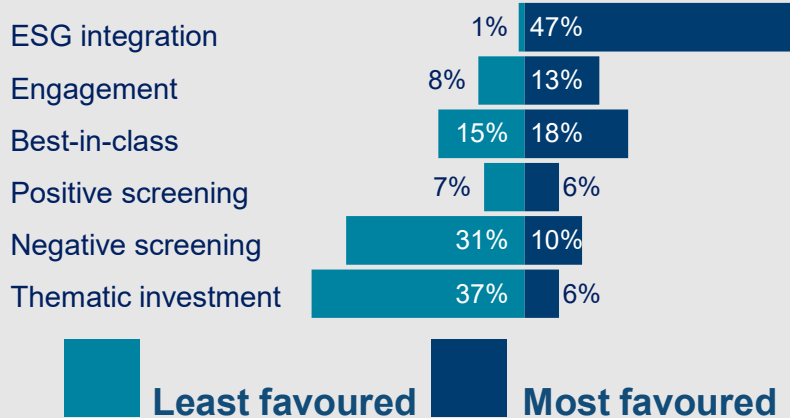
AN ASSET MANAGER'S VOTING & ENGAGEMENT RECORD AND THEIR EXPERIENCE & TRACK RECORD IN ESG ARE THE MOST IMPORTANT FACTORS WHEN ASSESSING ESG CREDENTIALS.

WHEN ASSESSING THE ESG CREDENTIALS OF AN ASSET MANAGER, HOW IMPORTANT ARE THE FOLLOWING?

Top 5 mentions – % regarding each as important



THERE ARE SEVERAL WAYS THAT FUND MANAGERS CAN TAKE ACCOUNT OF ESG FACTORS. WHICH OF THE FOLLOWING DO YOU FAVOUR?



ASKED TO RANK VARIOUS ESG APPROACHES, 'ESG INTEGRATION' IS STILL THE MOST PREFERRED, CONSISTENT WITH THE PREVIOUS YEAR, WHILE THEMATIC INVESTMENT IS THE LEAST FAVOURED.

CLIMATE CHANGE REMAINS THE MOST IMPORTANT ESG ISSUE FOR INSTITUTIONAL INVESTORS, FOLLOWED BY HUMAN RIGHTS AND POLLUTION.

WHICH OF THE FOLLOWING ESG ISSUES DO YOU THINK ARE MOST IMPORTANT?

Most mentioned

Climate change

1

Human rights

2

Pollution

3

Child and forced labour

4

Transparency & disclosure

5

Least mentioned

Executive compensation

5

Animal welfare

4

Shareholder rights

3

Stakeholder relations

2

Community engagement

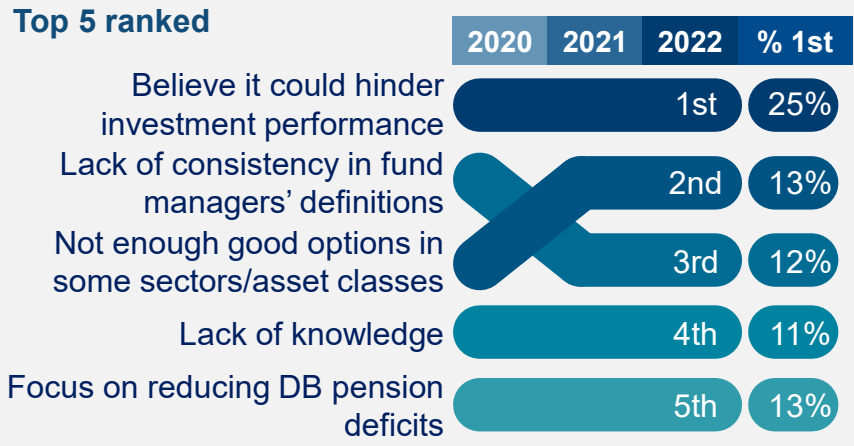
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BARRIERS TO RESPONSIBLE INVESTING

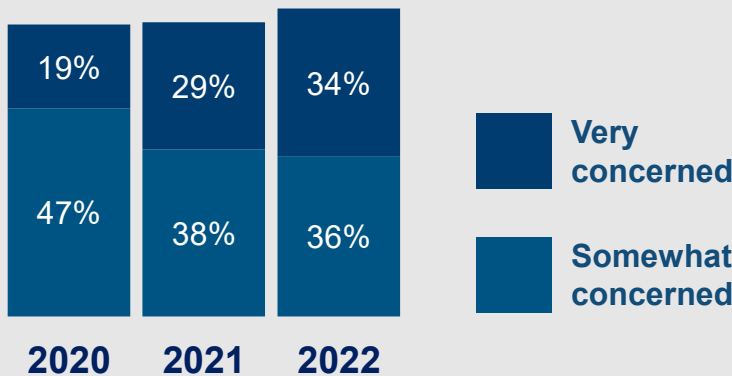


THE BELIEF THAT RESPONSIBLE INVESTING COULD HINDER INVESTMENT PERFORMANCE IS STILL THE BIGGEST BARRIER TO WIDER ADOPTION.

WHICH OF THE FOLLOWING DO YOU SEE AS THE BIGGEST BARRIERS TO WIDER ADOPTION OF RESPONSIBLE INVESTING?



HOW CONCERNED ARE YOU ABOUT "GREENWASHING" IN THE ASSET MANAGEMENT INDUSTRY?



THE PROPORTION OF THOSE 'VERY CONCERNED' ABOUT GREENWASHING HAS INCREASED YEAR ON YEAR.

HOWEVER, ONLY A TENTH HAVE IDENTIFIED MANAGERS OR FIRMS THAT THEY WOULD CLASSIFY AS GREENWASHING.

INSTITUTIONAL INVESTORS FEEL THAT THERE ARE NOT ENOUGH FIXED INCOME OPTIONS IN THE RANGE OF RESPONSIBLE STRATEGIES AVAILABLE.

PRIVATE AND EMERGING MARKETS ARE ALSO PERCEIVED AS GAPS IN OPTIONS FOR RESPONSIBLE FUNDS.

WHERE DO YOU FEEL THERE ARE GAPS IN RESPONSIBLE FUNDS / STRATEGIES?

Funds/ strategies with at least 2 mentions



CONCLUDING REMARKS



Methodology

UKRIS is an annual research study launched in 2019, aimed at giving investment managers a view of what is important in the market, how the responsible investing landscape is evolving over time, and how best to communicate with institutional investors on such an important and dynamic topic.

RiF's annual UKRIS survey of institutional investors takes place in the first quarter of each calendar year, and in the most recent wave surveyed 154 institutional investors.

Charity donations and partners

£260 has been raised for charity from the UK Responsible Investing Study this year.

Thank you to those who completed the survey, for your kind donations and your continued support!

Partner charities:



Contact us



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



Via email:
Jack Dominy, Associate Director
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 Responsible Investing Study in future years.

Share

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

Thank You

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://tinyurl.com/RiFTakePart>