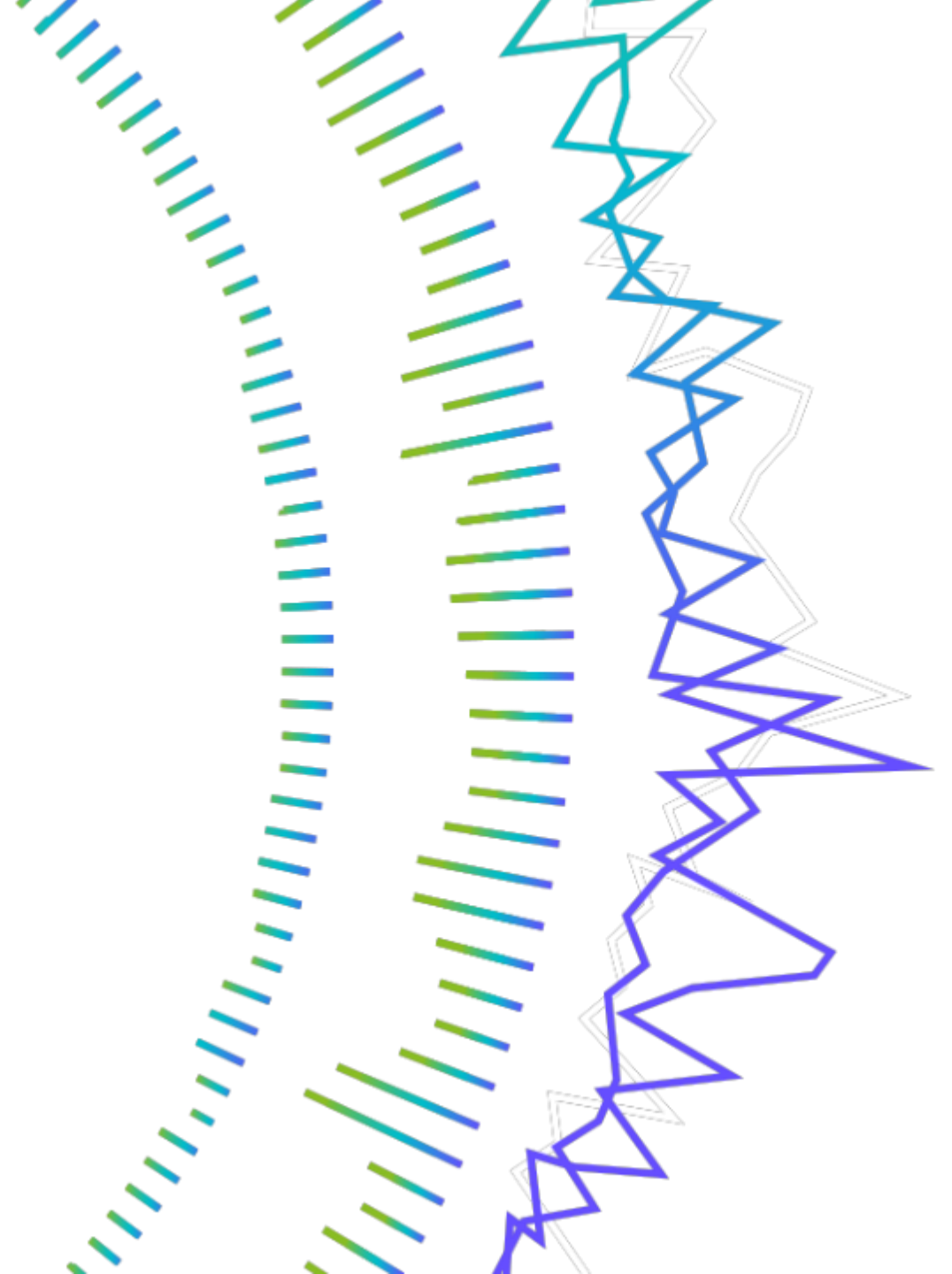


# UK RESPONSIBLE INVESTING STUDY

Wave 3 Proposal

Autumn 2021



## Introducing UKRIS



- An **annual, multi-stakeholder study** into market understanding of, and appetite for, responsible investing
- Digs deeper to reveal **how responsible investments are used, researched and selected** by professional investors
- The first industry study to give asset managers **a meaningful way of measuring and tracking brand perception** in a RI context
- Competitor benchmarking enables stakeholders to learn **who the market leaders are** and **how they have achieved leader status**
- A combination of online quantitative survey and qualitative community research **across retail intermediaries and institutional investors**

## Why UKRIS is valuable to asset managers



### Market trends

Know the real level of overall RI take-up among professional investors, as well as by type of RI strategy and asset class

Assess demand for specific responsible funds vs. fund range-wide ESG integration

Understand differences in attitudes and activity between different investor segments, to tailor sales, marketing and support accordingly

Track progress in RI understanding and adoption over time – what are investors' support needs today, and what are they likely to be in a year's time?

### Benchmarking against peers

See who the perceived top RI communicators are, and what informs this perception

Understand which brands are regarded as leading for ESG integration, sustainable and impact funds, and why

Measure RI performance of your brand versus the peer group. Are you seen to be 'leading', 'among the pack' or 'lagging'? Are you known for a single product, firm-wide ESG integration, strong reporting?

Assess what proportion of professional investors are familiar with your approach to RI, and how that improves over time

### Testing & troubleshooting content

Understand how well-received your thought leadership is, and how it can be improved

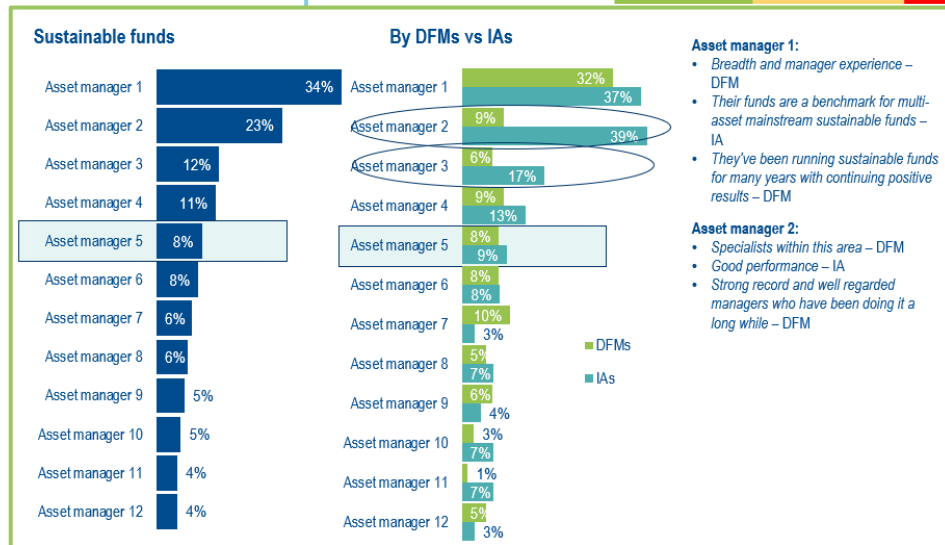
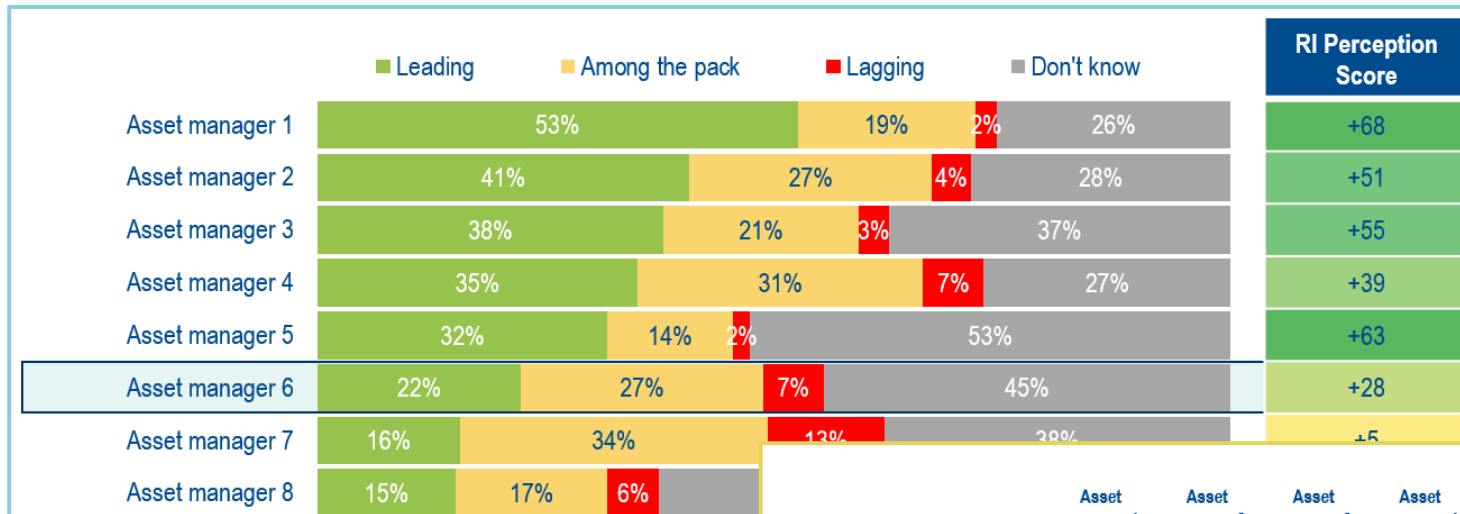
Explore which pieces of information in your RI reporting really capture attention

Learn how your investment literature can read better and avoid financial jargon as far as possible

Ensure that media standing in for face-to-face meetings in the short term – e.g. videos and podcasts – is up to investors' standards and provides the information they expect

# Benchmarking against peers

A WEBINAR BY  
RESEARCH IN FINANCE



	Asset manager 1	Asset manager 2	Asset manager 3	Asset manager 4	Asset manager 5	Asset manager 6	Asset manager 7	Asset manager 8	Asset manager 9	Asset manager 10
A specific range of sustainable/ impact funds	50%	40%	63%	17%	69%	62%	56%	39%	67%	26%
A clear, well-defined ESG investment process	50%	60%	68%	48%	41%	54%	35%	28%	40%	33%
A strong heritage in ESG/ sustainable investing	65%	73%	37%	59%	46%	42%	53%	39%	20%	11%
Strong engagement/ stewardship with companies	20%	53%	47%	31%	38%	23%	35%	33%	20%	33%
Good corporate responsibility (CR) practices/policies	35%	20%	16%	31%	36%	38%	18%	50%	13%	26%
Thought leadership on ESG/ sustainability	50%	27%	37%	38%	26%	38%	18%	28%	7%	15%
High-quality reporting on ESG/stewardship/impact	40%	27%	37%	34%	28%	31%	24%	11%	13%	15%
ESG integration across their whole fund range	35%	47%	16%	41%	15%	4%	9%	11%	13%	19%
A single sustainable/impact fund	25%	0%	11%	3%	13%	12%	12%	6%	20%	15%
Leading on specific ESG issues e.g. plastics, diversity	45%	13%	11%	21%	13%	8%	12%	6%	27%	15%
Buy-in from personnel across the business	30%	7%	11%	17%	5%	12%	3%	11%	20%	7%
None of the above	0%	0%	0%	3%	0%	0%	3%	11%	0%	0%

# Testing & troubleshooting content

A WEBINAR BY  
RESEARCH IN FINANCE



RiF  
RESEARCH  
IN FINANCE

**COMPONENT:**  
ESG Integration<sup>3</sup>

**Definition:**  
The Investment Association adopts the definition of "ESG integration" according to the UN PRI:  
"The systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions"<sup>4</sup>

**Explanatory Note:**  
ESG Integration alone does not prohibit any investments. Such strategies could invest in any business, sector or geography as long as the ESG risks of such investments are identified and taken into account.

**Firm Level**  
ESG integration can be adopted at the firm level, and, in such instances, the commitment to integrate ESG factors into the investment process will include both risk and opportunity.

**Fund Level**  
The precise ways in which ESG factors will be taken into account in investment analysis and in the investment process will differ in practice between investment funds, mandates or strategies. Therefore, the framework reflects the integration undertaken at a firm level articulated by a firm-level policy, the practical application of ESG factors to specific funds, mandates or strategies.

Sven added a pin 2<sup>nd</sup>  
**Confusing**  
I'm not sure what PRI means. Would be good to have it defined.  
20 days ago

Sven added a pin 1<sup>st</sup>  
**Financial services jargon**  
I feel that this is a bit of a cop out. There should be clearer guidelines on this!  
20 days ago

Phil added a pin 1<sup>st</sup>  
I think to every experienced person within the sector the definition is fine but to new entrants, the usage of an acronym with no full description of what it stands for could be confusing. It

## Materials we have tested in UKRIS Waves 1 & 2 included:

- Ad creatives
- Thought pieces
- Fund brochures
- Videos
- Responsible investment & engagement reports
- Webpages
- Marketing concepts

**WARNING : RESTRICTED BUSINESSES**

 NO BOMBS	 NO BOOZE	 NO BETTING	 NO BURNING COAL
 NO BULLDOZING	 NO BLACK GOLD	 NO BONKING	 NO BACCY
 NO BASELESS PAY	 NO BAMBINOS	 NO BRIBERY	 NO BULLYING

**Fundsmith**  
Sustainable Equity Fund

**WILL screen the world to find businesses which:**

- Sustain a high return on operating capital
- Have advantages that are difficult to replicate
- Do not require significant borrowing to generate returns
- Have a high degree of certainty of growth from reinvestment of their cash flows at high rates of return
- Are resilient to change, particularly technological innovation
- Have a valuation which is considered to be attractive

**WILL NOT invest in businesses which have substantial interests in any of the following sectors:**

- Aerospace
- Breweries
- Casinos and Gaming
- Gambling and Entertainment
- Gambling and Mining
- Gambling and Consumable Fuels
- Pornography
- Tobacco

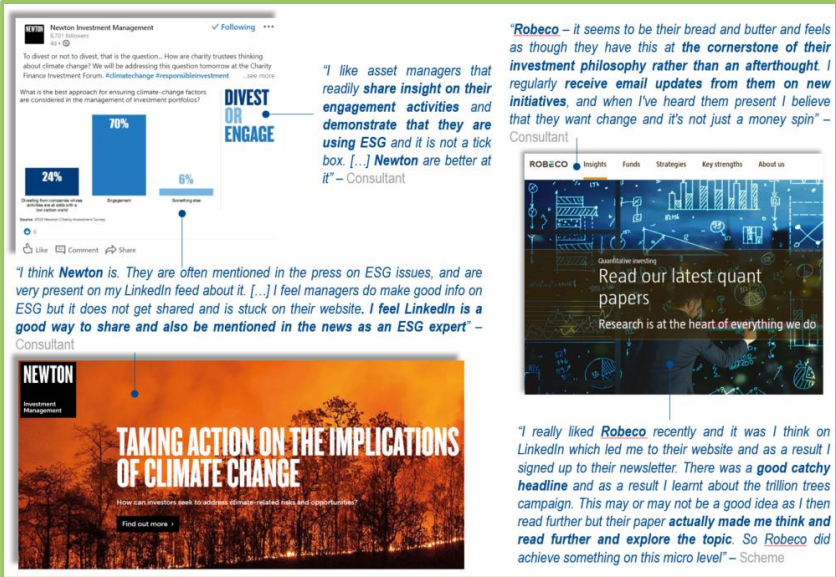
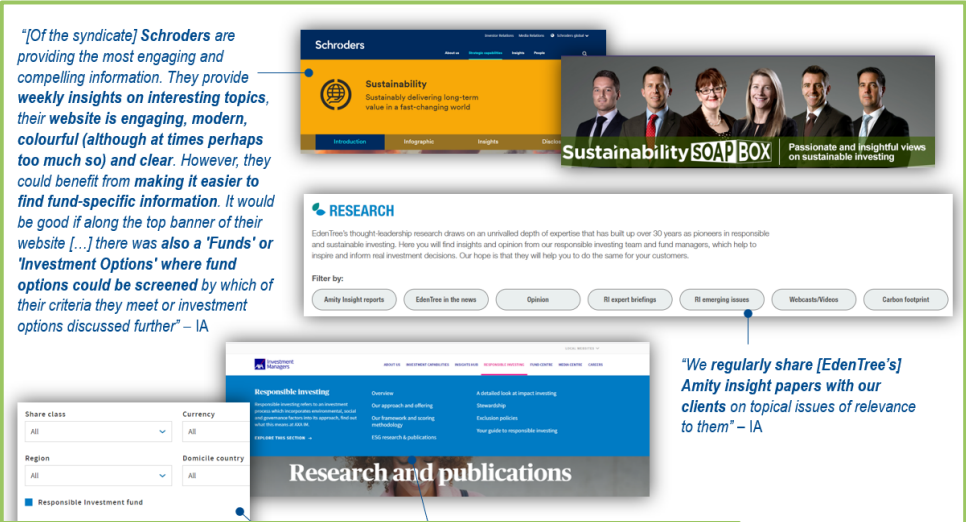
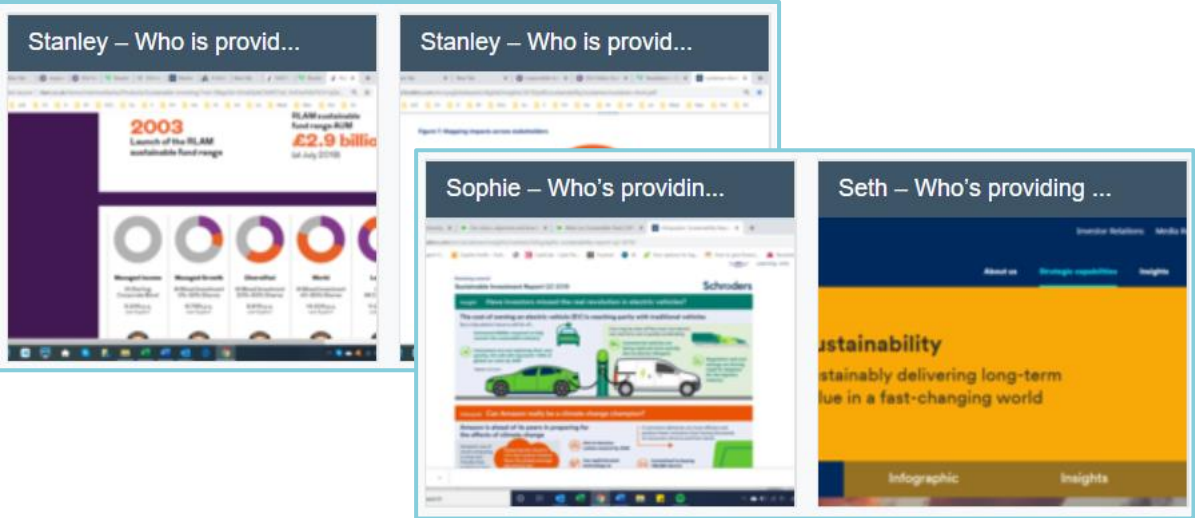
# Identifying best practice

Who is providing the most compelling info on responsible investing?



Which asset managers are producing the most compelling information on ESG, sustainable or positive impact investing? What makes this information particularly engaging/useful? Please upload images/screengrabs and/or add links to the information to support your comments.

Please note that this is an activity where you can come back to at any time over the course of the next 3 weeks. So please feel free to add comments and images whenever you like!



Why they take their responsible investment and on their fund centre it is lot of asset managers do not have

"I really liked Robeco recently and it was I think on LinkedIn which led me to their website and as a result I signed up to their newsletter. There was a good catchy headline and as a result I learnt about the trillion trees campaign. This may or may not be a good idea as I then read further but their paper actually made me think and read further and explore the topic. So Robeco did achieve something on this micro level" – Scheme

## Target audiences



Research in Finance maintains and continually adds to proprietary panels of professional and private investors. The UKRIS participants are recruited from these panels. We ensure that all are involved in investment research or decision making.

### INSTITUTIONAL



**Consultants**



**Professional  
Trustees**



**Scheme  
Managers/  
CIOs**



**Trustees**

**Stage 1: Online survey x150 completes**  
**Stage 2: Online community x10**

*Sample sizes stated may increase, should we  
have 10+ stakeholders*

### RETAIL



**Investment  
Advisers**



**Paraplanners**



**Discretionary  
Fund Managers**

**Stage 1: Online survey x200 completes**  
**Stage 2: Online community x10**

*Sample sizes stated may increase, should we  
have 10+ stakeholders*

## Survey coverage



**We aim to keep the majority of survey questions consistent year-on-year, to enable us to track trends and how perception of asset managers' RI efforts is evolving. Yet we are also eager to garner opinion as new developments in the space arise.**

### Questions we seek to answer include...

- What is the actual take-up of funds under the responsible investment umbrella? How is this changing over time?
- What is the awareness and level of understanding of key terminology, such as 'ESG integration', 'impact investing' and 'engagement'?
- What is the market's perception of your brand? Are you known for responsible investing, and in what way(s) exactly?
- Who are the competitors to watch? Why do investors see them as credible/appealing in a RI context?
- How is the global pandemic affecting RI? How is it impacting on appeal and information/communication needs?
- What has been the *genuine* impact of new ESG regulation and guidance on investor behaviour?
- How are asset managers' ESG credentials being assessed? How can you influence how the market perceives your capabilities in this area?
- Which information sources and ratings are most influential when investors are researching sustainable funds?
- How much do investors examine the Corporate Responsibility activity of asset managers?
- To what extent are advisers aware of and outsourcing to DFM responsible investment services? Which ones should be sales priorities?
- What education and support do professional investors require from asset managers?

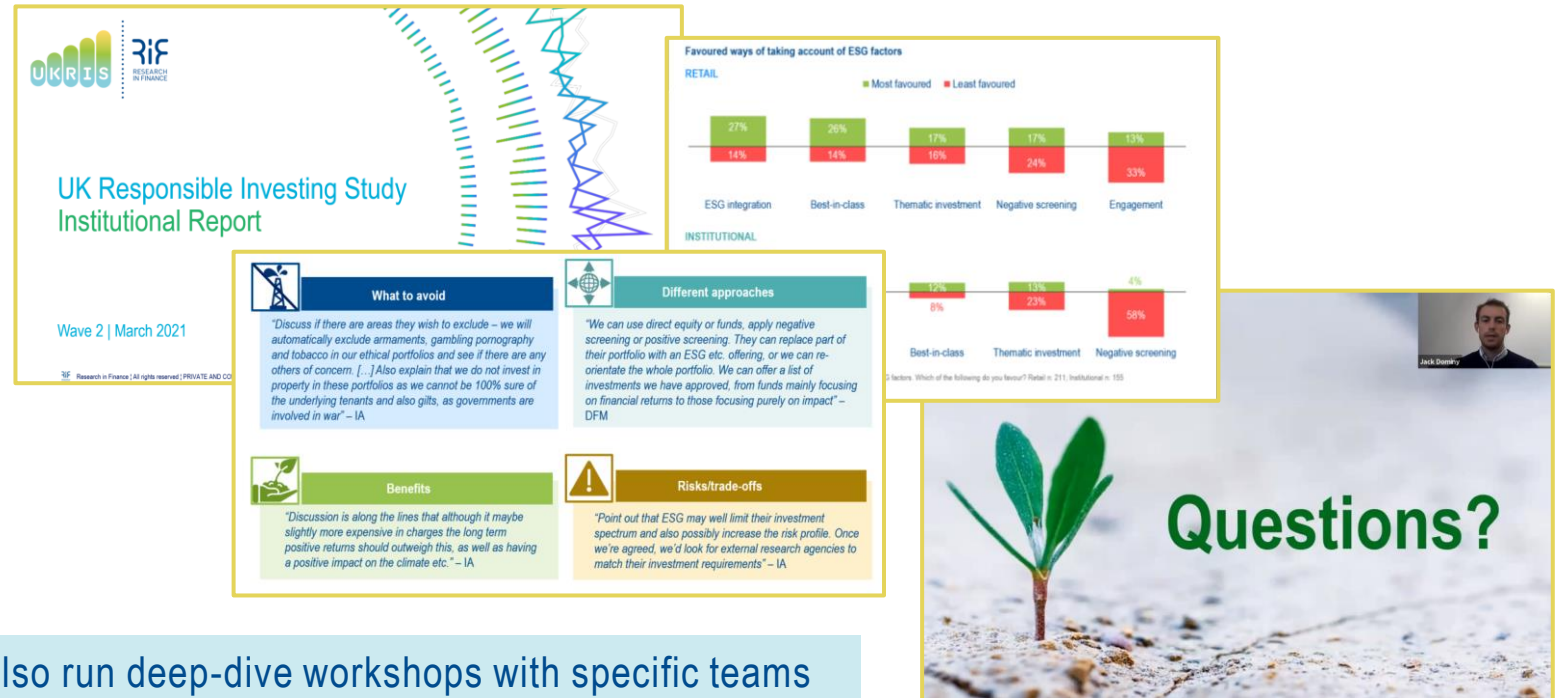
## Deliverables



Research in Finance ensures all reporting provides actionable insights for our clients.

We will provide the following to stakeholders:

- A PowerPoint report of the retail market findings
- A PowerPoint report of the institutional market findings
- A PowerPoint summary presentation of the key findings, delivered via video call or in-person



We have also run deep-dive workshops with specific teams e.g. communications, and presented at stakeholders' events.

## Project timings 2021/22



**UKRIS Wave 3 launches in late October 2021. These are the main project milestones for stakeholders to be aware of...**



Research in Finance will circulate draft questionnaires a couple of weeks before the client feedback deadlines.

## Meet the project team



Annalise Toberman  
Associate Research Director



Annalise has spent her working life intensively researching B2B and B2C audiences in the financial sector. A keen qualitative researcher, she has conducted thousands of interviews across private and professional investors and their respective advisers.

In addition to overseeing qualitative research at Research in Finance, Annalise manages the UK Investment Trust Study (UKITS) and UKRIS, with responsible investment/ESG an area she is particularly passionate about!

Ana Mendes  
Head of Quant



Ana has been working in data analytics and research for the decade, predominantly within the quantitative research team at RiF. She manages the fieldwork and conducts the quantitative analysis and reporting for the retail component of UKRIS.

Ana previously worked as part of Incisive Media's research team running major European and institutional projects. She speaks several languages and has a BSc in Business from University of Pucrs in Brazil.

Jack Dominy  
Research Manager



Jack has extensive experience and knowledge of the institutional market, both pensions schemes and insurers, and is the lead researcher of the UK Institutional Market Study (UKIMS). He manages the fieldwork, analysis and reporting for the institutional component of UKRIS.

Before joining Research in Finance in 2019, Jack was a Senior Research Executive at GfK, where he worked on large-scale studies on behalf of banking and insurance clients.

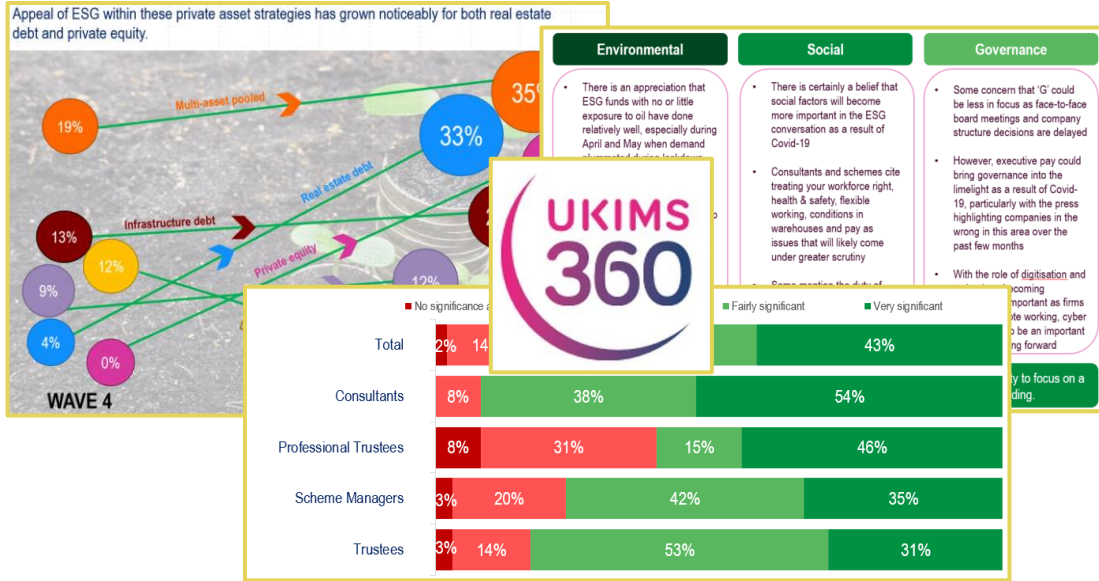
Hilary Macdonald  
Senior Research Manager



Hilary began her financial services career over 20 years ago, firstly working client-side for Ignis Asset Management where she held various marketing roles, ultimately assuming responsibility for market and product intelligence and brand awareness reporting. More recently, Hilary spent six years as Associate Director for qualitative research at Bdifferent, where she was responsible for investment company brand research projects both in the UK and across Europe. Ranging from brand identity exploration in key markets to full scale global rebranding, this area is one which Hilary is highly engaged with.

# Our experience in RI research

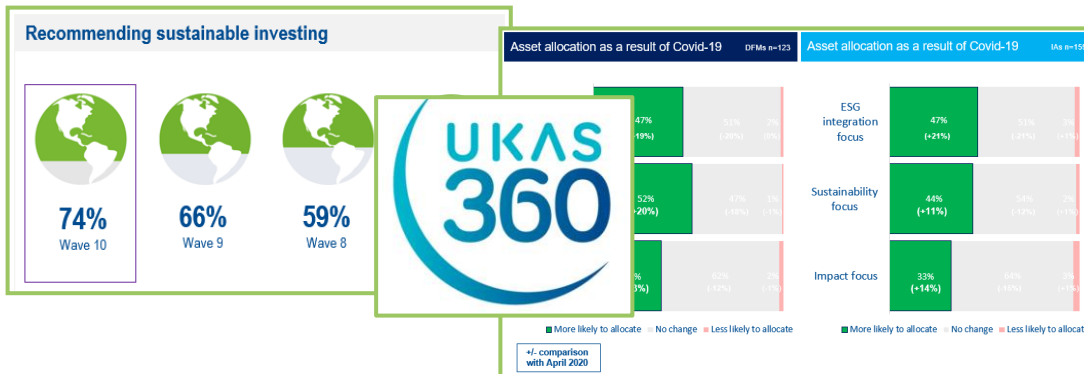
## An important part of our UK Institutional Market Study



## A subject we like to write about



## A topical area in several ongoing retail studies



## The inspiration for a comprehensive report



Some of our  
clients...



AllianceTrust INVESTING FOR GENERATIONS

## About us



Research in Finance is a market intelligence, publishing and business information provider specialising in the UK and European financial services industries. Now with over 70 years' cumulative experience across the wholesale, institutional and private investor markets, we believe our understanding makes us unique and an invaluable partner with any business working in the sector.

The Research in Finance team has expertise across a range of quantitative and qualitative research methodologies, conducting everything from brand tracking and segmentation analysis to in-depth interviews, focus groups and online diary projects. We help financial services companies to refine their sales strategies, improve their marketing and communications, understand how they are perceived by their target market, test new product ideas and creative, benchmark against their peers and gain a deeper understanding of the markets in which they operate. In addition to a series of established syndicated studies, we design bespoke research around clients' specific needs, tapping into our in-house panels of engaged professional and private investors.



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020 7104 2235