The Pension and Life Assurance Plan of the Royal Society

Statement of Investment Principles

December 2021

Contents

1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustees of The Pension and Life Assurance Plan of the Royal Society (the "Plan"). This statement sets down the principles governing decisions about investments for the Plan to meet the requirements of the Pensions Act 1995, as amended by the Pensions Act 2004, and of the Occupational Pension Schemes (Investment) Regulations 2005, as amended by: the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010; the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018; and, the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

1.2. In preparing this statement the Trustees have consulted the Royal Society, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustees' investment advisors. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation, including the Occupational Pension Schemes (Scheme Funding) Regulations 2005 (as amended).

1.4. The Trustees will review this statement at least every three years or if there is a significant change in the policy on any of the areas covered by the statement.

1.5. The investment powers of the Trustees are set out in Clause 21 of the Consolidated Trust Deed & Rules, dated 26 July 2018. This statement is consistent with those powers.

2. Investment objectives

2.1. The Trustees' main investment objectives are:

- to ensure that they can meet the members' entitlements under the Trust Deed & Rules as they fall due;
- to achieve a long term positive real return consistent with the Trustees' assumptions agreed as part of the triennial Scheme Funding valuation;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Plan's required contribution levels;
- to invest in assets of appropriate liquidity which will generate income and capital growth to meet the cost of current and future benefits which the Plan provides;
- to reduce the risk of the assets failing to meet the liabilities over the long term;
- to minimise the long-term costs of the Plan by maximising the return on the assets whilst having regard to the above objectives.

2.2. The Trustees are aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Plan's liabilities at any time. The Trustees have obtained exposure to investments that they expect will meet the Plan's objectives as best as reasonably possible.

3. Choosing Investments

3.1. The Trustees' policy is to set the overall investment target and then monitor the performance of their managers against that target. In doing so, the Trustees consider the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

3.2. The day-to-day management of the Plan's assets is delegated to one or more fund managers, who are selected taking into account the Trustees' policy on financially material considerations (including Environmental, Social, and Governance (ESG) factors) as set out in Clause 9 below, among other factors. The Plan's fund managers are detailed in the Appendix to this Statement. The fund managers are authorised and regulated by the Financial Conduct Authority (or another appropriate body under EU equivalence rules), and are responsible for stock selection and the exercise of voting rights.

3.3. The Trustees review the appropriateness of the Plan's investment strategy on an ongoing basis. This review includes consideration of the continued suitability of the fund managers with respect to performance within any guidelines set. The Trustees will also consult the employer before amending the investment strategy.

4. Kinds of investments to be held

4.1. The Plan can invest in a wide range of asset classes including:

- Equities;
- Bonds;
- Cash;
- Property;
- Alternatives, including private equity, private debt, commodities, hedge funds, infrastructure, currency, high yield debt and derivatives;
- Annuity policies.

4.2. Any investment in derivative instruments is only made to contribute to a reduction in the overall level of risks in the portfolio or for the purposes of efficient portfolio management.

4.3. The Trustees monitor, from time-to-time, the employer-related investment content of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the portfolio.

5. The balance between different kinds of investments

5.1. The Plan invests in assets that are expected to achieve the Plan's objectives. The allocation between different asset classes is contained within the Appendix to this Statement.

5.2. The Trustees consider the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in the Appendix to this Statement.

5.3. From time to time the Plan may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate for any short term cashflow requirements or any other unexpected items.

5.4. The Trustees are aware that the appropriate balance between different kinds of investments will vary over time and therefore the Plan's asset allocation will be expected to change as the Plan's liability profile matures.

6. Risks

6.1. The Trustees have considered the following key risks for the Plan with regard to its investment policy and the Plan's liabilities:

Risk versus the liabilities	The Trustees will monitor and review the investment strategy with respect to the liabilities following each Scheme Funding valuation carried out triennially. The investment strategy will be set with consideration of the appropriate level of risk required for the funding strategy as set out in the Plan's Statement of Funding Principles.
Asset Allocation risk	The asset allocation is detailed in the Appendix to this Statement and is monitored on a regular basis by the Trustees.
Fund manager risk	The Trustees monitor each of the Plan's fund manager's performance on a regular basis. In addition the Plan's investment advisors will meet periodically with each fund manager and make appropriate reports and recommendations to the Trustees. The Trustees have a written agreement with each fund manager, which contains certain restrictions on how each fund manager may operate.
Concentration risk	Each fund manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.
Loss of investment	The risk of loss of investment by each fund manager and custodian is assessed by the Trustees. Each fund manager monitors counterparty credit risk and evaluates counterparty credit quality on a continuous basis.
Liquidity risk	The Plan invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice to meet the Plan's cash flow requirements. The Plan's administrators assess the level of cash held in order to manage the impact of the cash flow requirements on the investment policy.
Covenant risk	The creditworthiness of the employer and the size of the pension liability relative to the employer's earnings are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the employer covenant.
Governance risk	Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustees monitor these and will report on the managers' practices in their annual Implementation Statement.
ESG/Climate risk	The Trustees have considered long-term financial risks to the Plan, including ESG factors and climate risk. The Trustees believe that these are potentially financially material and will continue to develop their policy to consider these, alongside other factors, when selecting or reviewing the Plan's investments in order to avoid unexpected losses.
Solvency and mismatching	Risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustees are aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Plan's funding basis.
Currency risk	The Plan's liabilities are denominated in sterling. The Plan may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.

7. Expected return on investments

7.1. The Trustees have regard to the relative investment return and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the fund managers.

7.2. The Trustees recognise the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

7.3. In considering the expected return from investments, the Trustees recognise that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.

7.4. Having established the investment strategy, the Trustees monitor the performance of each fund manager against an agreed benchmark as frequently as appropriate according to market conditions and the Plan's funding position. This will typically take place quarterly and the Trustees will review each of the chosen fund managers at least once a year. The Plan's investment advisors will meet periodically with each fund manager and make appropriate reports and recommendations to the Trustees.

8. Realisation of investments

8.1. The Trustees have delegated the responsibility for buying and selling investments to the fund managers. The Trustees have considered the risk of liquidity as referred to above.

8.2. Ultimately, the investments will all have to be sold when the Plan's life comes to an end. In this situation, the Trustees are aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Plan financial statements.

9. Socially Responsible Investment, Corporate Governance and Voting Rights

Policy on financially material considerations

9.1. The Trustees are comfortable that the funds currently invested in by the Plan are managed in accordance with their views on financially material factors, as set out below. This position is monitored periodically, at least annually. As part of the monitoring process the Trustees have access to updates on governance and engagement activities of the managers and input from the investment advisors on ESG matters. In the future, the views set out below will be taken into account when appointing and reviewing managers. As part of this, the Trustees will consider UN Principles for Responsible Investment scores when assessing how managers incorporate ESG matters in their investment process.

9.2. The Trustees believe that ESG factors are financially material – that is, they have the potential to impact the value of the members' investments over the length of time until the Plan's life comes to an end, for example through the benefits being bought out with an insurer. This is not likely to be less than 10 years from the date of this Statement of Investment Principles. The Trustees appreciate that the method of incorporating ESG in the investment strategy and process will differ between asset classes. A summary of the Trustees' views for each asset class in which the Plan invests is outlined below.

9.3. **Passive equities** The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Plan's passive equities and therefore decided to invest in funds that incorporate ESG criteria in the index construction process. The Trustees accept that these indices use a 'tilting' methodology and the manager will only be able to fully disinvest in certain circumstances, however the overall ESG risk profile is expected to be a material improvement on a traditional market capitalization approach. The Trustees also require that the fund manager takes into account ESG considerations by engaging with companies and by exercising voting rights. However, the exercise of rights and engagement activities should be consistent with, and proportionate to, the rest of the investment process.

9.4. **Multi-asset funds** The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Plan's multi-asset fund managers. The investment process for any multi-asset fund manager used by the Plan should take ESG issues into account. The Trustees also support engagement activities and, where relevant, the exercise of rights attaching the investments by the Plan's multi-asset fund managers. However, the incorporation of ESG issues, the exercise of rights and engagement activities should be consistent with, and proportionate to, the rest of the investment process.

9.5. **Credit** The Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Plan's credit holdings, across both private and public markets. The Trustees recognise that fixed income assets do not include voting rights, however, they support engagement with companies by their managers, particularly in private markets where the manager may be responsible for a larger share of any investment. However, the incorporation of ESG issues and engagement activities should be consistent with, and proportionate to, the rest of the investment process.

9.6. **Liability Driven Investment (LDI) and money market** The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in these asset classes because of the nature of the instruments used within the LDI funds and the fact that money market investments are short term.

When transacting in LDI and money market funds, the Trustees require due diligence is undertaken to assess the credit worthiness of the counterparty both at the start of and throughout any investment, whilst at the same time looking to achieve best execution. The Trustees believe this is more relevant for longer term trades compared to shorter term trades and should incorporate ESG factors where these assist with the credit worthiness assessment.

Policy on the exercise of voting rights and engagement activities

9.7. The Plan currently invests in pooled investment funds only. The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the relevant fund managers. The Trustees also expect managers to engage with companies in relation to ESG matters. The Trustees recognise their ultimate responsibility but do not conduct these activities direct themselves.

9.8. The Trustees periodically assess the fund managers' strategies and processes for exercising rights and conducting engagement activities, as well as when selecting and reviewing investment managers. In particular, the Trustees assess whether the managers attempt to maximise shareholder value as a long-term investor.

9.9. The Trustees acknowledge the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment managers have discretion over where in an investee company's capital structure they invest (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

9.10. The Trustees are of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustees also recognise that ESG and climate related issues are constantly evolving and, along with them, so too are the products available within the investment management industry to help manage these risks.

9.11. The Trustees consider it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Plan or as part of the pooled fund in which the Plan holds units.

9.12. The Trustees also consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Plan.

9.13. Should an investment manager be failing in these respects, this should be captured in the Plan's regular performance monitoring.

9.14. Through their consultation with the Principal Employer when setting this Statement of Investment Principles, the Trustees have made the Principal Employer aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

9.15. The Plan's investment advisor is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, allows the Trustees to be confident that the investment manager recommendations they make are free from conflict of interest.

9.16. The Trustees expect all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so, the Trustees believe they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustees, the investment manager and the investee companies.

Policy for taking into account non-financial matters

9.17. The Trustees do not take into account Plan members' views on ethical considerations, social impact, or present and future quality of life of the members and beneficiaries of the Plan (i.e. "non-financial matters" in the relevant regulations) in the selection, retention and realisation of investments. The Trustees do not require the investment managers to take these into account either.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustees' investment polices

10.1. Prior to appointing an investment manager, the Trustees will discuss the investment manager's approach to the management of ESG and climate related risks with the Plan's investment advisor, and how their policies are aligned with the Trustees' own investment beliefs.

10.2. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to invest according to their objectives, the Trustees also consider how ESG and climate risk are integrated into these. If the Trustees deem any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

10.3. The Trustees carry out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Plan's membership and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate related risks on an annual basis.

10.4. In the event that an investment manager ceases to meet the Trustees' desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be terminated, subject to any minimum terms of investment. The investment managers understand this and the Trustees' investment advisors will communicate the Trustee's views to the investment managers as appropriate.

10.5. Investment manager ESG policies are reviewed in the context of best industry practice and feedback is provided to the investment manager.

Incentivising assessments based on medium to long term, financial and non-financial considerations

10.6. The Trustees are mindful that the impact of ESG and climate change has a long-term nature. However, the Trustees recognise that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustees acknowledge this in their investment management arrangements.

10.7. When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustees assess these over a rolling timeframe. The Trustees believe the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustees expect this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

10.8. The Trustees expect investment managers to be voting and engaging on behalf of the Plan's holdings and the Trustees monitor this activity within the Implementation Statement in the Plan's Annual Report and Financial Statements. The Trustees do not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

Method and time horizon for assessing performance

10.9. The Trustees monitor the performance of their investment managers over medium to long term periods that are consistent with the Trustees' investment aims, beliefs and constraints.

10.10. The Plan currently invests exclusively in pooled funds. The investment managers are remunerated by the Trustees based on the assets they manage on their behalf. As the funds grow, due to successful investment by the investment managers, they receive more and as values fall they receive less. In some instances, a performance fee may also be applied.

10.11. The Trustees believe that this fee structure, including the balance between any fixed and performance related element, enables the investment managers to focus on long-term performance without being concerned about short term dips in performance significantly affecting their revenue.

10.12. The Trustees ask the Plan's investment advisor to assess if the asset management fee is in line with the market when the managers are selected, and the appropriateness of the annual management charges are considered regularly as part of the review of the Statement of Investment Principles.

Portfolio turnover costs

10.13. The Trustees acknowledge that portfolio turnover costs can impact on the performance of investments. Overall performance is assessed as part of the quarterly investment monitoring process.

10.14. During the investment manager appointment process, the Trustees may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustees acknowledge that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with asset manager

10.15. For the open-ended pooled funds in which the Plan invests, the duration of arrangement is not predetermined under the terms of agreement with the investment managers.

10.16. The suitability of the Plan's asset allocation and its ongoing alignment with the Trustees' investment beliefs is assessed every three years, or when changes make it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

10.17. For closed ended funds, the Trustees review the appointment with the investment manager as the manager releases new iterations of the funds (which the Trustees may consider for investment) and at, or just prior to, maturity of the closed-ended fund.

11. Agreement

11.1. This statement was agreed by the Trustees, and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the Principal Employer, the fund managers, the Actuary and the Plan auditor upon request.

Signed:……A Bostock…………………………………………… **Date:**…20/12/21………………

On behalf of The Pension and Life Assurance Plan of the Royal Society

Appendix 1 Note on investment policy as at December 2020

Choosing investments

The Trustees have appointed the following fund managers to carry out the day-to-day investment of the fund:

- Legal & General Investment Management
- Baillie Gifford
- Partners Group Management

The fund managers are authorised and regulated by the Financial Conduct Authority or another appropriate body under EU equivalence rules.

The Trustees have appointed Barnett Waddingham LLP to advise on investment matters.

Kinds of investments to be held

The Trustees have considered all asset classes and have gained exposure to the following asset classes

- Equities, including UK and overseas equities;
- Bonds, including fixed interest gilts, index linked gilts, corporate bonds, and, private debt;
- Property, swaps, commodities, and other alternative asset classes.

The balance between different kinds of investment and rebalancing

The asset allocation has been agreed after considering the Plan's liability profile, funding position, expected return of the various asset classes and the need for diversification.

The investment benchmarks and objectives for each fund manager are given below:

Fund manager	Benchmark	Objective
Legal & General Investment Management		
Future World Global Equity Index Fund	Solactive L&G ESG Global Markets Index	The fund aims to track the total return of the benchmark (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three.
Future World Global Equity Index Fund – GBP Hedged	Solactive L&G ESG Global Markets Index – GBP Hedged	The fund aims to track the total return of the benchmark (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three.
Matching Core Fixed Long Fund	Markit iBoxx Fixed Long	The fund aims to track the total return of the benchmark.
Matching Core Fixed Short Fund	Markit iBoxx Fixed Short	The fund aims to track the total return of the benchmark.
Matching Core Real Long Fund	Markit iBoxx Real Long	The fund aims to track the total return of the benchmark.
Sterling Liquidity Fund	SONIA	The fund aims to track the total return of the benchmark.
Baillie Gifford		
Multi Asset Growth Fund	UK Base Rate	To outperform the benchmark by 3.5% p.a. net of fees over rolling 5-year periods, positive returns over 3-year periods and with <10% volatility p.a. over rolling 5-year periods.
Partners Group		
Multi-Asset Credit V Fund Multi-Asset Credit VI Fund	SONIA	To outperform its benchmark by 4-6% p.a. net of fees.

The performance of fund managers will be monitored as frequently as the Trustees consider appropriate in light of the prevailing circumstances and at least once a year. The monitoring takes into account both short term and long term performance.

The Plan has a strategic asset allocation as set out in the following table.

Asset class (through pooled investment vehicles)	Allocation
Equities • LGIM Future World Global Equity Index Fund • LGIM Future World Global Equity Index Fund – GBP Hedged	30%
Diversified Growth • Baillie Gifford Multi Asset Growth Fund	20%
Illiquid alternative/Multi Asset Credit (MAC) • Partners Group Multi Asset Credit V Fund • Partners Group Multi Asset Credit VI Fund	15%
Liability Driven Investment (LDI) and cash • LGIM Matching Core Fixed Long Fund • LGIM Matching Core Fixed Short Fund • LGIM Matching Core Real Long Fund • LGIM Sterling Liquidity Fund	35%
Total	**100%**

The Trustees recognise that the asset allocation of investments in different asset classes will vary over time as a result of market movements. The Trustees seek to maintain a balance between maintaining the asset allocation in line with its benchmark and limiting the costs of rebalances. They also seek to preserve the level of interest rate and inflation hedging provided by the LDI portfolio, which may require that the allocation to the LDI portfolio moves away from its strategic allocation. They also acknowledge that they are unable to rebalance the asset allocation to the Partners Group fund given it is a closed-ended fund and that this will have implications for the prevailing allocation to other asset classes.

The Trustees will review the allocation between the equity, diversified growth, multi asset credit and LDI portfolios as frequently as they deem appropriate to determine whether rebalancing between asset classes is required.

Liability Driven Investment (LDI)

The Trustees aims to hedge around 75% of the interest rate and inflation risk to which the liabilities are exposed on the Technical Provisions basis (although this objective may change from time-to-time). The Trustees review the level of hedging achieved by the LDI portfolio as part of regular monitoring of the investment strategy and will consider any opportunities to align the level of hedging with the long-term target in force at any time.

Investment of new money

New money is invested to rebalance the overall asset allocation towards its overall benchmark.

Realisation of investments

The Plan's cash flow requirements are partly to be met by the Principal Employer's contributions where such contributions are payable; and by selling part of its investments, usually to move the overall asset allocation closer in line with the long term asset allocation.

Additional Voluntary Contributions

The Trustees also arrange Additional Voluntary Contributions (AVCs) which are currently invested in the Baillie Gifford Multi Asset Growth Fund. However, members will also be permitted to invest in the LGIM Future World Global Equity Index Fund (GBP Hedged) or the LGIM Sterling Liquidity Fund (in any proportion that they choose).

Annual management charges and expenses for Baillie Gifford AVC holdings are payable by the member (although in practice this is applied through a reduction in the unit price of the fund). The Annual Management Charge (AMC) applicable to AVC members is consistent with the charges applied to the Plan.

The AVC arrangements are reviewed from time to time.

Investment managers' approaches to incorporating ESG considerations

The Trustees are comfortable that the funds currently invested in by the Plan are managed in accordance with their views on financially material factors. Short summaries of the approach to incorporating ESG considerations taken by each manager and fund are set out below.

Legal & General – Passive Equites

As passive investors, LGIM cannot disinvest from companies in the index if they have concerns relating to ESG factors. However, the Trustee's have selected funds which track indices with specific ESG tilts, i.e. an index that favours investment in companies with positive ESG characteristics.

LGIM have a centralized Corporate Governance Team. They vote on all shares across LGIM, ensuring consistency across all votes cast by LGIM, increasing the impact of LGIM's voting.

While they must invest in line with the index, LGIM also engage with index providers to improve the 'health' of the indices and markets in which they invest, not only the companies they hold.

LGIM are considered a market leader in the ESG space, particularly within the larger passive managers.

Baillie Gifford – Diversified Growth Fund

Baillie Gifford are active investors and, while they primarily select investments to meet a return and/or risk objective, they also incorporate ESG as part of their risk management process with a view to avoiding capital loss and providing better risk-adjusted returns over the long-term. Baillie Gifford consider all opportunities to vote and support engagement activities.

While Baillie Gifford do not have any specific non-financial objectives, the fund will not invest in investment products or companies involved in cluster munitions or anti-personnel mines.

Partners Group – Multi Asset Credit funds

Partners Group consider ESG as part of their risk management process to enhance returns over the long-term, and also to identify investment opportunities. Their approach to ESG also incorporates some ethical views through their Responsible Investing Screening Framework, under which they exclude any investments that they believe would have a clear, negative impact on society or the environment.

Partners aim to monitor ESG factors throughout the full duration of their debt investments, including engaging with companies regarding ESG factors through face-to-face meetings.

Legal & General – LDI Portfolio

There is limited scope to improve the risk-adjusted returns for gilts and swaps invested in by the LDI portfolio.