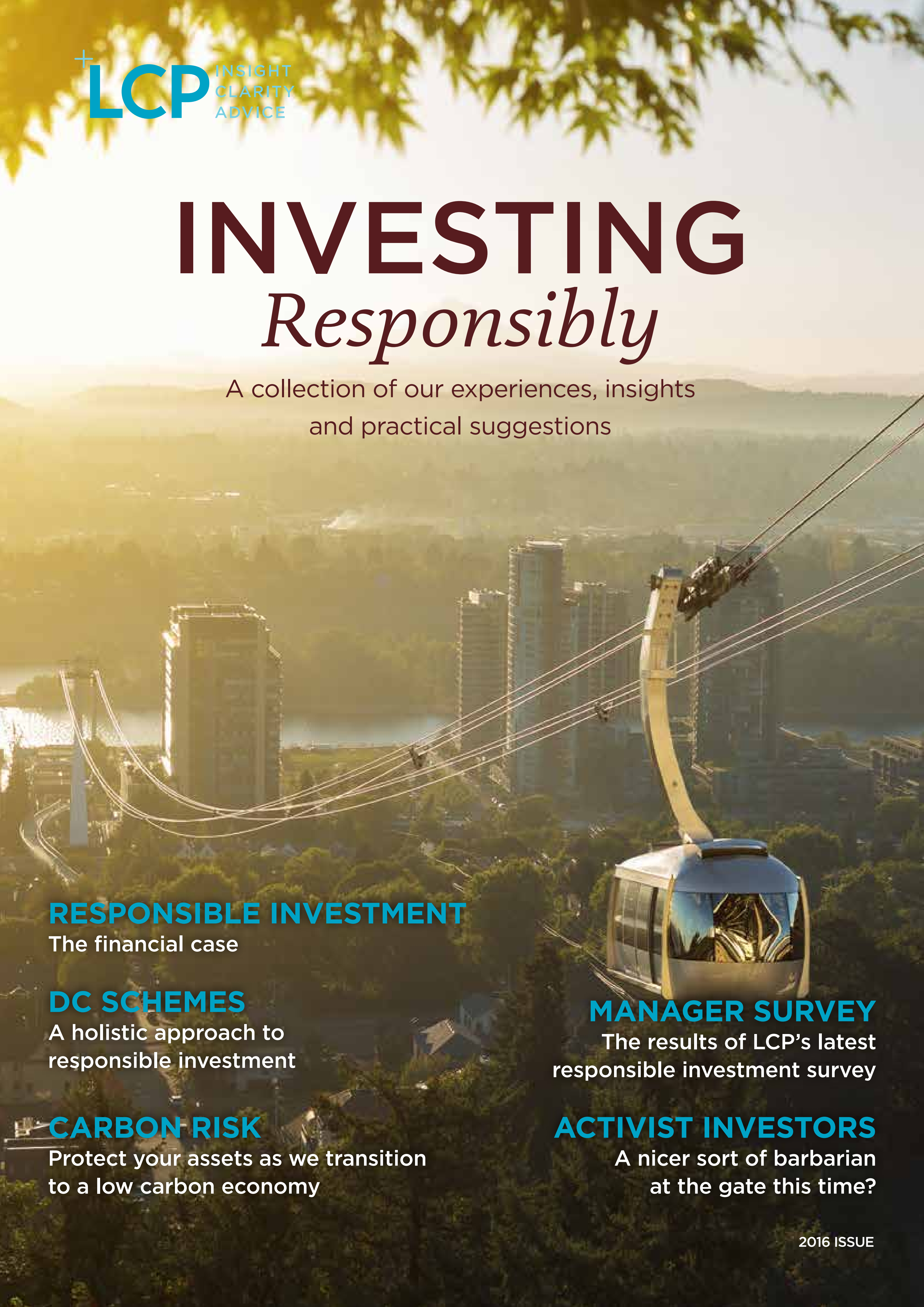

INVESTING *Responsibly*

A collection of our experiences, insights and practical suggestions

RESPONSIBLE INVESTMENT
The financial case

DC SCHEMES
A holistic approach to responsible investment

CARBON RISK
Protect your assets as we transition to a low carbon economy

MANAGER SURVEY
The results of LCP's latest responsible investment survey

ACTIVIST INVESTORS
A nicer sort of barbarian at the gate this time?

2016 ISSUE

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HELPING YOU understand and implement *responsible* INVESTMENT

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We're witnessing a big shift from environmental and social factors being viewed as ethical considerations, to being viewed as financial factors that are a legitimate consideration for all investors. Incorporating environmental and social factors into the investment process is an important part of responsible investment, an approach that focuses on long-term sustainable returns (see opposite). There is an increasing body of evidence that responsible investment may well deliver better financial outcomes for investors, as well as better outcomes for the economy and society as a whole.

As an example of how environmental and social issues can become financial factors, global leaders recently increased their commitments to tackling climate change. As a result, we are likely to see greater policy intervention in this area, which could materially affect the activities of fossil fuel companies and hence the returns of investors in those companies. Responsible investment is therefore something that should interest all investors. Indeed, we are seeing increasing numbers of our clients adopting responsible investment approaches. This magazine caters for this growing interest, by sharing some of our experiences and insights in this area. It will help you understand what responsible investment is, how it is relevant to you, and suggest some practical steps you can take towards implementation.

In the next article, Claire Jones reviews the financial case for responsible investment, including studies which have analysed past performance data and studies which have modelled possible future scenarios. Aidan Goodall then reports on LCP's latest survey of investment managers' responsible investment approaches and capabilities. The ratings that have resulted from our survey provide an easy way of including responsible investment in manager selection exercises.

Identifying beliefs about environmental, social and governance (ESG) and active ownership provides a starting point for considering responsible investment approaches. Mike Cranfield explains how interactive polling can help trustees to reach a consensus view on these and other investment beliefs. Meanwhile Nick Cooney encourages defined contribution schemes to go beyond offering members a self-select "ethical" fund and actively consider incorporating responsible investment throughout members' investment options.

Climate change continues to be one of the top environmental concerns for investors. John Clements reviews the risks of the transition to a low carbon economy, as policymakers seek to limit temperature rises. He outlines three practical steps to understand and reduce your investments' exposure to these risks.

A new initiative from the Association of Member Nominated Trustees is targeted at asset owners who want to exercise their voting rights but are constrained by the use of pooled funds. As Robin Howard explains, Red Line Voting offers a simple way of instructing managers on how to vote on your behalf. Other trustees may wish to go further and investigate activist funds. Paul Gibney describes how these use shareholder influence to create value by seeking to improve corporate governance and efficiency over the longer term.

This issue of Investing Responsibly covers a wide range of topics, reflecting the diversity of our clients' interests in this area. I hope it provides some food for thought and actions for you to consider. Please send us your feedback. If there are topics you would like us to cover in future issues, do let us know.

Responsible investment explained

Responsible investment takes a broader, long-term perspective by:

- incorporating environmental, social, corporate governance (ESG) and long-term factors into investment decisions; and/or
- exercising oversight of investee companies by voting at AGMs and engaging in dialogue with company management in an attempt to improve investment performance.

LONG-TERM PERSPECTIVE

Investment decisions (asset allocation, buy/sell decisions)

Active ownership (vote at AGMs, dialogue with management)

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) FACTORS

In 2014, the Law Commission provided welcome clarification of pension scheme trustees' fiduciary duties in relation to investment decisions. They concluded that trustees can take account of any factors that they consider financially relevant, including ESG ones. Indeed, they should take account of financially material risks. Trustees can also take account of factors for non-financial (eg ethical) reasons if they have good reason to think scheme members share their views and the decision does not involve a risk of significant financial detriment.

Meet LCP's responsible investment team

We help companies and trustees navigate responsible investment and sustainability by providing research and advice that integrates the consideration of Environmental, Social and Governance (ESG) factors.

Visit **www.lcp.uk.com/responsibleinvestment** to learn more

Does the FINANCIAL CASE for *responsible* INVESTMENT stack up?

Supporters of responsible investment claim that it can improve returns and reduce risk exposure. In other words, responsible investment makes financial sense. But do their claims stack up?

It is not possible to say categorically whether responsible investment will deliver better financial performance; however, that is true of many investment approaches – their effectiveness can only be analysed with hindsight. On balance, we consider that there is a strong financial case for integrating environmental, social and governance (ESG) factors in investment decisions and adopting active ownership practices. A recent World Economic Forum survey found that all five global risks of highest concern for the next ten years relate to social and environmental issues[1]. Therefore responsible investment should be on every investor's agenda.

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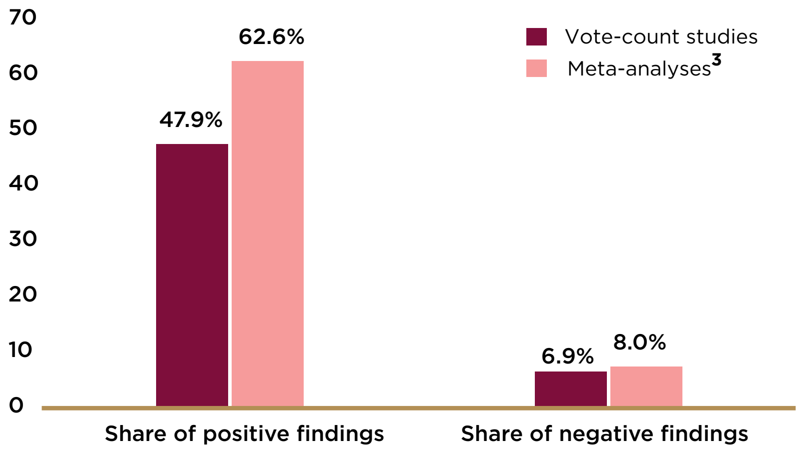
Empirical data in support of ESG integration

Vast numbers of studies have investigated the relationship between ESG factors and corporate financial performance using statistical analysis of historic investment market data. In December 2015, a peer-reviewed academic journal published "by far the most exhaustive overview of academic research on this topic"[2]. The paper aggregated the results of over 2,200 studies which had analysed the link between combinations of environmental, social and governance factors with various financial measures such as share price, profitability, cost of debt and portfolio returns. Over half of the studies found a positive relationship, less than 10% found a negative relationship and the rest had inconclusive or mixed results (see Chart 1). The authors concluded that "the business case for ESG investing is empirically very well founded".

Chart 1: Summary results from major review of empirical ESG studies[2]

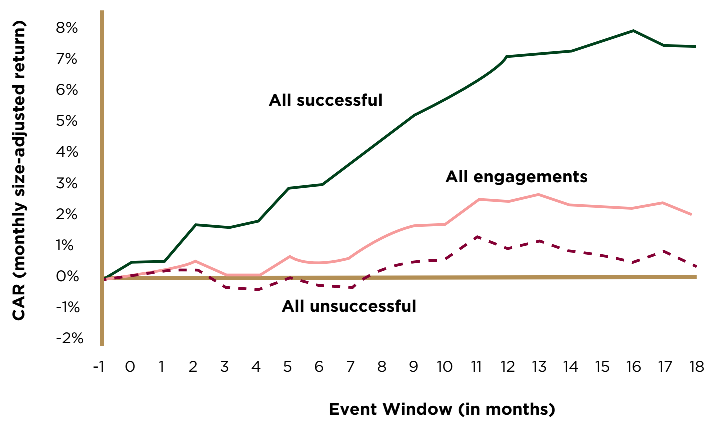


It is difficult to assess the impact of the relationship between active ownership practices and financial performance. Here, much of the data is anecdotal, eg investment managers reporting on successful engagements in their quarterly reports to trustees. However, one recent study – published by Elroy Dimson and colleagues in August 2015 – analysed the results of one investor's 2,152 ESG engagement sequences with publicly-listed US companies between 1999 and 2009[4]. The authors stated that they believed this was the most complete engagement data available.

[1]World Economic Forum (2016) "The Global Risks Report 2016, 11th Edition"
[2]Gunnar Friede, Timo Busch and Alexander Bassen (2015) "ESG and financial performance: aggregated evidence from more than 2000 empirical studies", Journal of Sustainable Finance & Investment, Vol. 5 No. 4, p.210-233.
[3]Vote-count studies give equal weight to each of the underlying studies; meta-analyses combine the results of the underlying studies using statistical techniques.

For the 18% of engagements that were successful, the cumulative outperformance[5] of the targeted companies was around 7% during the year following the initial engagement (see Chart 2). The remaining 82% of targeted companies performed broadly in line with market returns, indicating that engagement had not done any harm. Combined across all engagements, the one-year cumulative outperformance was +2.3%.

Chart 2: Cumulative abnormal returns after ESG engagements[4]



[4]Elroy Dimson, Oğuzhan Karakaş and Xi Li (2015) "Active ownership", Review of Financial Studies (forthcoming)
[5]Cumulative abnormal returns, adjusted for the market capitalisation of target companies (which tend to be larger than average)
[6]Johan Rockström and 28 colleagues (2009) "A safe operating space for humanity", Nature, Vol. 461, p.472-475
[7]The Economist Intelligence Unit (2015) "The cost of inaction: Recognising the value at risk from climate change"
[8]University of Cambridge Institute for Sustainability Leadership (2015) "Unhedgeable risk: How climate change sentiment impacts investment"

Forward-looking arguments

As we're often reminded, past performance is not necessarily a good guide to future performance. So will the relationships revealed by the empirical data described above continue to hold? There are good reasons to think that ESG, particularly environmental issues, will become more important to investment performance in future.

There is increasing concern about climate change, for example, and a whole host of other environmental issues such as water scarcity, loss of biodiversity and availability of good quality agricultural land. Global population and per capita consumption continue to grow, and yet we are supported by finite natural resources. In an extensively cited paper, Johan Rockström and colleagues warned that we've already crossed several "planetary boundaries" which define a "safe operating space for humanity"[6].

The highest profile environmental concern is climate change (see page 10). There is considerable uncertainty about the precise nature and timing of the physical impacts of climate change and the political, commercial and voluntary actions to mitigate these impacts. Several recent studies have confirmed that this poses major financial risks, both for investment markets as a whole and for individual stocks. For example, The Economist Intelligence Unit (which belongs to the same business group as The Economist magazine) found that investments could fall significantly in value over the remainder of this century[7] and a University of Cambridge study concluded that short-term shifts in market sentiment due to changing views on climate risk could cause "substantial losses in financial portfolio value within timescales that are relevant to all investors"[8].

In conclusion, there is plenty of evidence to give investors justification for integrating ESG factors in investment decisions and adopting active ownership practices. Indeed, all investors should consider ESG issues because of the potential risks they pose to the value of investments. In practice, we expect that most trustees will rely on their investment managers to assess ESG issues and exercise ownership rights on their behalf. Trustees should therefore satisfy themselves that their managers have appropriate investment resources and processes to do this. Our responsible investment survey (see page 8) provides an easy way to do this.

LCP incorporates *responsible* INVESTMENT scores into its manager RANKINGS

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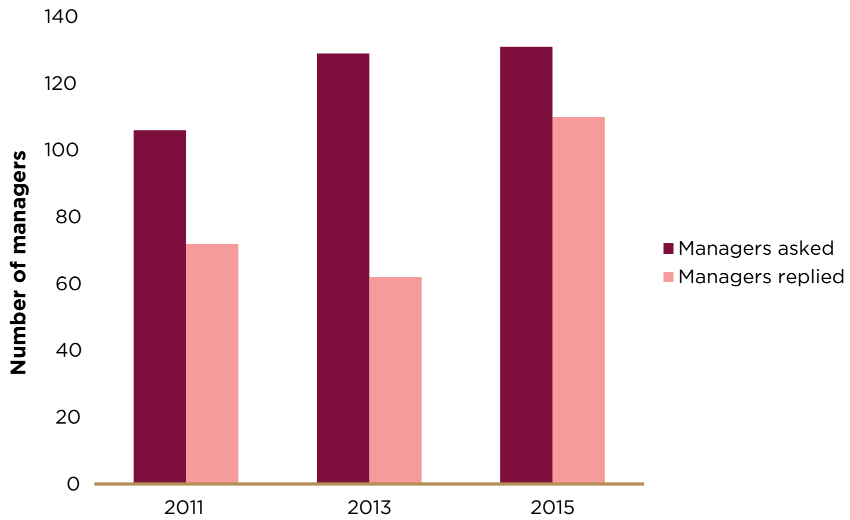
Most pension scheme and charity investors who adopt responsible investment practices rely on investment managers to implement these practices on their behalf. The choice of investment managers is therefore critical, as is communicating clear expectations to managers and monitoring whether these expectations are met. To help our clients do these things, LCP surveys investment managers' responsible investment approaches and resources. The results affect our manager rankings and hence how likely they are to be put forward for new business. The detailed survey answers enable trustees to identify specific aspects of responsible investment to quiz managers about, both before and after appointment. And the answers inform our own dialogue with managers, in which we encourage them to improve their practices and hence deliver better value to our clients.

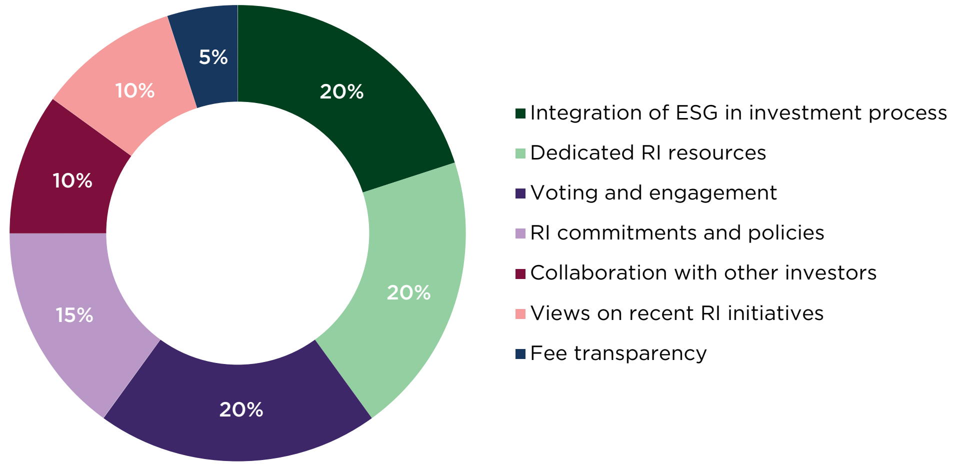
Chart 1: Response rate for LCP's responsible investment survey



We conducted the third LCP responsible investment survey in 2015. We invited all managers in our research universe to complete the survey and 84% did so, a noticeable improvement in the response rate compared with previous years (see Chart 1). The motivation behind the earlier surveys was to understand how managers were tackling responsible investment issues; we have now gone one step further and explicitly incorporated the survey results into our investment managers' rankings for a number of asset classes. This reflects our belief that managers with strong responsible investing credentials will achieve better outcomes for our clients.

It requires relatively little effort for a manager to give the appearance that they are concerned about responsible investment. This can easily be done by producing glossy marketing material, by publishing papers on topical issues such as climate change or executive pay, or by joining relevant industry groups. Such actions only require a small group to be enthusiastic about responsible investing. We believe that a better test is to see the extent to which managers integrate these considerations into the investment process. Our survey sought to do this by looking at the underlying levels of commitment and resources that these managers have in relation to both ESG (environmental, social and governance) issues and active ownership practices.

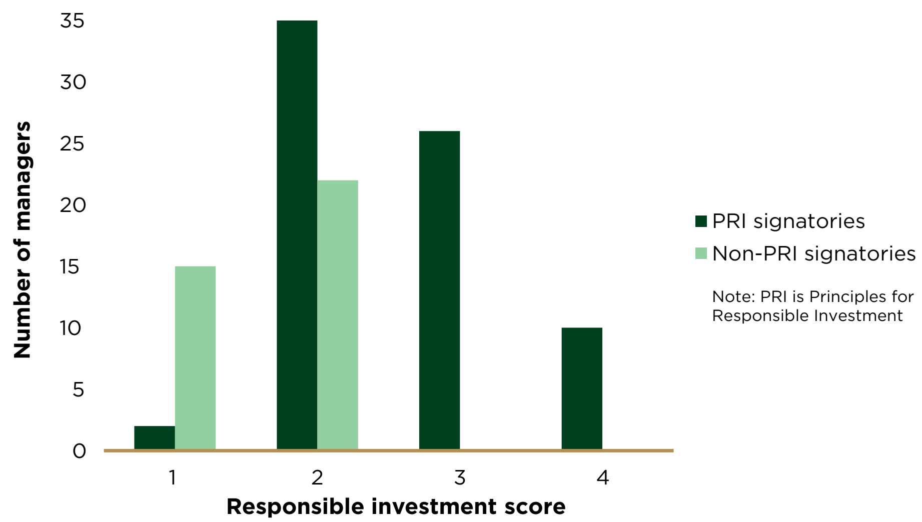
Chart 2: Weightings underlying LCP's overall responsible investment scores



We awarded managers a grade from 1 (weak) to 4 (strong) for their responses to each question. The grades for individual questions were then combined (see Chart 2) to produce an overall score for each manager. However, these scores are just a starting point. We use the survey findings to initiate discussions with managers during the research process and we refine our assessment of their credentials in light of these discussions.

We continue to see a wide range of scores for managers, even among those who have signed up to the UN Principles for Responsible Investment (see Chart 3). This shows the importance of examining managers' responsible investment credentials rather than taking them at face value. The LCP scores provide an easy way of including responsible investment criteria in the manager selection process. The scores are given a default weighting of 10% in our overall research ratings for equity strategies but, for clients wanting to place greater emphasis on responsible investment, we can increase the weighting and further supplement the scores with the rich underlying survey data.

Chart 3: Overall scores from LCP's responsible investment survey



Whilst charities and religious organisations have traditionally had a greater focus on responsible investing, we are finding that ESG and active ownership are becoming more important to a whole range of investors. As such, LCP's third responsible investment survey is helping to give a better-informed view of the appropriateness of each manager for each of our clients. It is also informing our engagement with managers, helping us encourage them to work in our clients' long-term interests and adopt best practice approaches.

If you would like to know how your managers performed in our survey, please contact us.

THREE practical steps to ADDRESS *carbon risk*

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Tackling climate change is the intrinsic requirement of China's sustainable development.

Xi Jinping **President of China**

Climate change, in my view, is by far the greatest financial challenge of the 21st century.

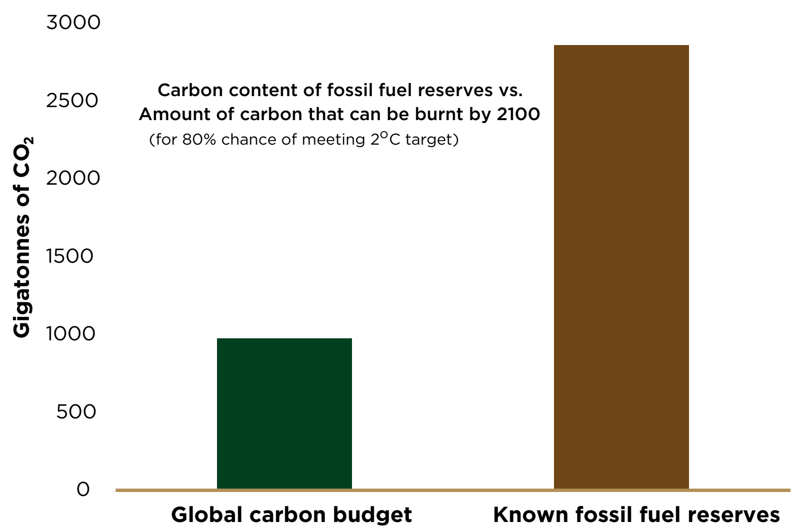
Christine Lagarde **Head of International Monetary Fund**

December 2015's "COP21" climate change conference in Paris sounded the starting gun in the race towards a low carbon global economy, following previous false starts in Kyoto and Copenhagen. Politicians and central bankers now seem to be vying with one another to demonstrate their climate change credentials (see margin quotes), agreeing that sweeping change to our energy system is essential. This change presents so-called "carbon risk" for investors, ie the risk of losing money as the world transitions to a low carbon economy.

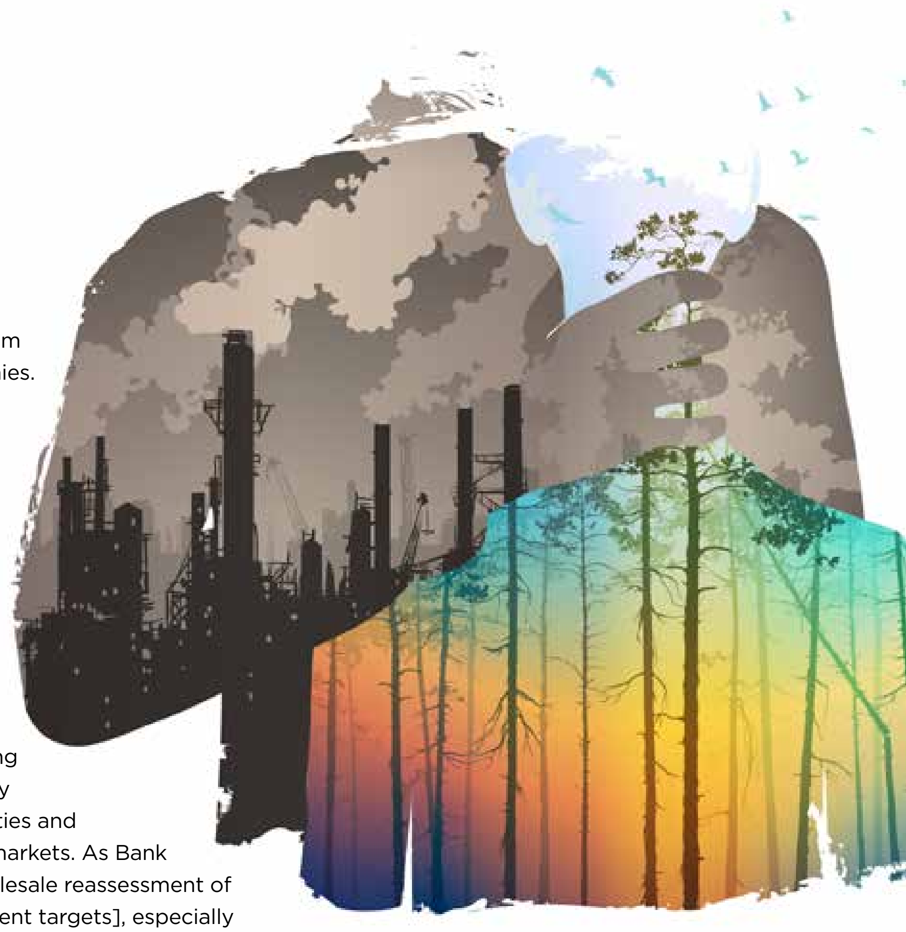
In Paris, 195 nations pledged to work together to "hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C". Importantly, the sleeping giant that was China (by far the biggest contributor to global emissions) seems to be rousing from its climatic slumber. Ironically perhaps, it may have been Beijing's smog-filled air that helped the Chinese government see the issue clearly – take decisive action or risk civil unrest?

Many major investors are starting to take carbon risk seriously, in some cases prompted by a growing number of well publicised public campaigns to disinvest from fossil fuel investments. Several – such as Norway's $800 billion sovereign wealth fund – have already taken action to disinvest from companies with significant fossil fuel exposure.

But even with political and popular support, the transition to a low carbon world will be tough. Based on figures calculated by the International Energy Agency – which were quoted frequently by the key decision makers in Paris – to have an 80% chance of achieving the 2°C target, only around one third of known fossil fuel reserves can be burnt (see chart). The remaining two thirds would in effect become "stranded" assets; unburnable in practice unless some form of carbon capture and storage becomes economically viable.



Source: Carbon Tracker (2013) "Unburnable carbon 2013: Wasted capital and stranded assets"



One rather important group of stakeholders doesn't seem entirely on board with this plan – oil, gas and coal companies. Whilst most do accept the science of climate change, their business plans do not allow for a large proportion of their fossil fuel reserves remaining unused. Indeed, these companies are still spending tens of billions of dollars a year searching for more fossil fuels, exacerbating the mismatch between their plans and those of governments. In effect, energy companies seem to be betting that the (more immediate) need of governments to keep energy affordable will override their (longer term) desire to achieve the 2°C (or lower) target.

For long term investors such as pension schemes and charities, it is important to address the financial risks arising from climate change policy (see page 7). Firms particularly affected by energy costs – such as energy producers, utilities and industrials – represent a large proportion of global stock markets. As Bank of England Governor Mark Carney has highlighted, "a wholesale reassessment of prospects [for the energy industry in the light of government targets], especially if it were to occur suddenly, could potentially destabilise markets".

So what can investors do in practice? Here are three steps you can take to reduce carbon risk:

STEP 1

Engage with your equity managers

We suggest focussing on equity allocations first, since equity owners perhaps bear most risk and have the greatest scope to initiate change.

We believe that investment managers that take account of long term financial risks, such as carbon risk, are likely to achieve better outcomes. As part of our equity manager research process, we expect managers to be able to demonstrate that they have thought deeply about carbon risk and have incorporated the conclusions into their investment decisions. If not, we encourage them to do so.

We can help you to assess whether your equity managers are industry leaders or laggards in this matter and ask targeted questions of them to understand your carbon risk exposure.

STEP 2

Mitigate risk by reducing carbon exposure

The challenges created by climate change have driven significant innovation over the last few years across the investment industry. For example, one positive development has been the launch of "low carbon" equity indices, designed to appeal to mainstream investors looking to reduce carbon risk materially. We can help you to understand the products available and assess if they may be right for you.

STEP 3

Take an integrated risk management approach

For pension schemes, carbon risk could have a wide ranging impact - not just on your investments, but on your covenant and funding position too. This risk will affect different schemes in different ways, with those backed by sponsors with significant exposure to energy prices perhaps most directly at risk. We can help you to consider the impact of different scenarios on your scheme, to give comfort that you are managing properly your long term risks and have contingency plans in place where appropriate.

Pension trustees' duties when setting an investment strategy: Guidance from the Law Commission, July 2014

The Law Commission's conclusion is that there is no impediment to trustees taking account of environmental, social or governance factors where they are, or may be, financially material. … The law goes further: trustees **should** *take account of financially material risks.*

Do your INVESTMENT DECISIONS reflect your *beliefs?*

In their Statement of Investment Principles (SIP), pension trustees are required to state their attitudes to social, environmental and ethical considerations and their policies on voting. All too often this section of the SIP features boilerplate wording which has been included with very little thought.

The reality is that every pension scheme is different. Acknowledging the particular circumstances of your scheme and your own views and beliefs is essential when investing your scheme's assets.

Some of these differences will be obvious, for example whether the scheme is open to accrual. Other differences will be more difficult to identify, for example the strength of the employer covenant. And some differences will be much more personal to the individual trustees, for example whether they believe active asset management will add value. Views on responsible investment fall largely into this last group.

In our experience, trustee boards increasingly want to take time out to examine their objectives and beliefs. We have found interactive technology can be a huge help in this. We have run sessions using iPads to introduce topics with interactive content and to poll participants' views on the issues discussed. The ability to run anonymous polls helps ensure all trustees give input to the consensus view.

From the perspective of responsible investment beliefs, we typically explore a range of issues. Some of these are set out in the image below.

The output from investment objectives and beliefs sessions should include a record of the discussion and poll results. This can then provide clear direction for any review of the Scheme's asset strategy and feed through into manager selections. Trustees should also update their SIP to reflect their views.

Investment decision making is inherently fraught with uncertainty. In this context, good decisions can only be made if you have a clear vision of where you are heading and a well thought out set of principles to get you there.

Clarifying your beliefs will have real consequences for how you invest. In a recent exercise, a client took a positive decision to embrace responsible investing on financial grounds and explored their preferences between different responsible investment styles (integrated, screened, tilted and themed). We are currently working with them to adjust their investment manager mandates accordingly.

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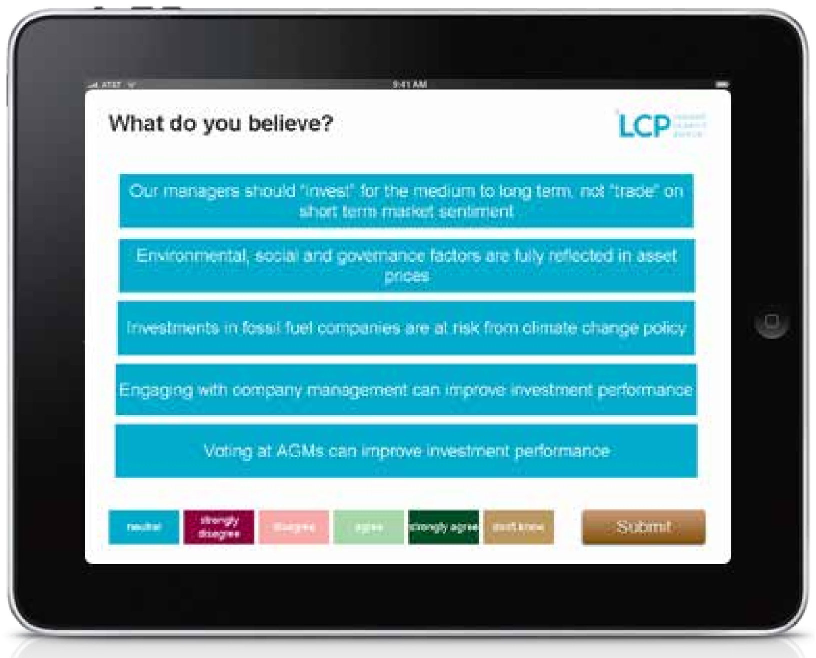

LCP INSIGHT CLARITY ADVICE

A holistic approach to RESPONSIBLE INVESTMENT for *DC schemes*

Defined contribution schemes offering ethical investment options to members is not new. Indeed many DC trustees feel that there is real demand for these funds in a world in which their members are increasingly aware of environmental and social issues (a recent survey of English pension scheme members found that over half wanted their funds invested in industries or companies which show high standards of environmental, social and ethical behaviour[1]). However, responsible investment is much broader than offering an ethically-labelled fund in the self-select range.

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Many funds are now available that incorporate responsible investment techniques; funds with an ethical label are just a small subset of these. To varying degrees, many funds adopt active ownership techniques and (if actively managed) consider environmental, social and governance (ESG) factors when deciding which stocks to hold.

However, in our experience, relatively few DC schemes have actively considered the treatment of ESG issues by the funds they offer.

Is this a big issue? Are DC trustees and their advisers failing in their fiduciary duty by not adopting responsible investment approaches?

We believe that, if not done so already, DC trustees should consider the extent to which responsible investment approaches are being adopted by their appointed investment managers. Trustees should do this for all of the funds they offer, not just those with an ethical label.

Trustees can start this process by defining clearly their own beliefs about responsible investment (see page 13).

They can then consider the extent to which their existing managers and funds are consistent with these beliefs. Are the managers placing the desired level of emphasis on long term responsible investments? Do the managers have appropriate processes and resources to be effective in this area? LCP's manager survey (see page 8) can help with this assessment and identify areas for review. We can help trustees question their managers about responsible investment and, if appropriate, ask them to raise their game. If the answers are not satisfactory, then the trustees may even wish to consider switching managers (perhaps after their next investment strategy review).

Responsible investment does not start and end with offering members an ethical fund choice; responsible investment techniques are relevant for all of the DC funds you offer. If you haven't yet considered responsible investment in the broader sense, we recommend you put it on your agenda.

[1]Price Bailey (2016) - "Workplace Pensions - The Members' Perspective"

Activist INVESTORS - a nicer sort of BARBARIAN at the gate this time?

Responsible investment includes being actively involved with the companies in which you invest, for example by engaging in dialogue with company management. Trustees usually delegate this to their managers, who engage with companies to varying degrees. At one end of the scale are managers who do not engage at all; at the other are "activist" investors who seek out investment opportunities and then act as the catalyst to unlock value through engagement. Such activist investors have been around for a long time. Some have had a bad press, as they are seen as corporate raiders who buy shares in the target company, kick up a stink and then look for a quick profitable exit. But, in recent years, both the tone and the geographical spread of activism have been changing.

Is it time to consider appointing an activist investor as one of your fund managers?

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Many of today's activists start from a more cooperative, conciliatory negotiating position with company management, certainly when compared with their sharp-elbowed predecessors. It's fair to say though that companies still don't exactly roll out the welcome mat to activists when they first hove into view.

A range of factors probably account for why an increasing number of investors now view activists differently. First, the financial crisis shone a poor light on the governance standards of some companies and sectors. Second, rather than a quick smash and grab asset strip, many activists today look to the longer term, seeking to improve corporate governance and efficiency. Third, unlike private equity operators who load up on debt to purchase the entire target firm, activists aim to add value on the basis of a much smaller stake (eg 5%), no takeover premium, lower debt levels and much lower absolute fees. In a world of low expected returns, this alternative offering has obvious attractions.

Activist interventions have risen steadily in the US with the evidence being that, on average, the actions taken have added value. And the trend is gathering pace elsewhere, both in the UK and in Europe. Perhaps most remarkable are the inroads being made by activists in Japan. The land of the rising sun is also the land of the low return. Activism may have a role to play in addressing this - for example, activists last year disclosed a stake in Fanuc, a secretive and very profitable robotics firm, with the apparent blessing of the Japanese authorities. As elsewhere, investors have an appetite for interventions that can improve governance and hence share price.

The environment we face is one in which markets appear in aggregate to be fairly fully valued but where macroeconomic policy is starting to diverge. Whereas most markets (and thus index strategies) have risen nicely over the last few years on a tide of cheap cash, investors now face a different, more uncertain and therefore probably more volatile outlook. In that environment, it will be increasingly important for assets (and managers) to be working hard, rather than just hoping to piggyback off a rising equity market.

A large proportion of assets are passively invested and short-termism seems to be the dominant mind-set of many investors. However, investing in companies whose governance will profit from activists' attentions can deliver an additional return. Therefore those with longer term horizons, such as pension fund trustees and charities, may wish to explore the benefits that activism could bring to their portfolios. If you would like to find out more about the activist funds that are available, please get in touch.

LCP INSIGHT CLARITY ADVICE

Red Line VOTING - facilitating INVESTOR engagement

Exercising voting rights is one of the hallmarks of responsible investment. Equity owners can use their votes to encourage company management to act in line with the owners' interests (which, in the case of trustees, are the interests of the ultimate beneficiaries). However, many pension schemes and charities are invested in pooled funds. Typically, this has meant that they have had no control over voting decisions. Instead, managers have made these decisions on their behalf.

The Association of Member Nominated Trustees (AMNT) is seeking to change this with its new Red Line Voting initiative, launched in December 2015. It's designed to deliver greater influence to trustees – including those responsible for smaller pension schemes and those that invest in pooled funds – by enabling them to direct how their votes are cast on their UK equity holdings.

We welcome this initiative. As ESG concerns become increasingly mainstream and not just the focus of a specialist few, it promises to be a practical way of allowing broader trustee participation in the voting process and improving the quality of investor oversight.

Examples of AMNT Red Line Voting guidelines

Environmental
Vote against the board Chair when there is a major incident of environmental damage in the year under report and the directors' report does not include a substantial account in response.

Social
Vote against the board's remuneration proposals if any staff are paid below the Living Wage and the company has not set out plans to address this.

Governance
Vote against the nomination committee chair if the board Chair and CEO roles are occupied by the same person for over a year.

What are the Red Lines? They are 37 voting guidelines covering environmental, social and governance (ESG) issues. They have been developed to apply to companies listed on the London Stock Exchange – ie to the securities held within UK equity portfolios. The box gives examples of the voting guidelines.

How will the AMNT Red Lines work? Trustees will not necessarily agree with all of the voting guidelines. They can adopt as many or as few of them as they wish. They then pass their chosen guidelines to their investment managers who are encouraged to vote in line with those guidelines on a "comply or explain" basis. Investment managers can still exercise judgement when voting, but where they do not vote in line with the guidelines, they are expected to explain their decision.

What are the potential benefits? The initiative is designed to enable pension schemes of all sizes to direct voting, while at the same time making it easier for investment managers to deal with those requests. By increasing trustees' involvement in voting decisions, it aims to better align corporate activity with scheme members' interests, which will hopefully lead to improved long-term financial performance.

The practicalities of implementation: In our recent responsible investment survey (see page 8), we asked for investment managers' views of the AMNT Red Line Voting initiative. While their responses suggested many managers agree with the Red Lines' overall objectives, it was clear that most are not yet set up to deal with this type of request from clients. As such, enquiries and pressure from clients is likely to expedite change within the investment management industry. If you would like to adopt some or all of the AMNT Red Lines, we would be pleased to liaise with your managers about implementing them on your behalf.

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