

Mapping the sustainable investment landscape

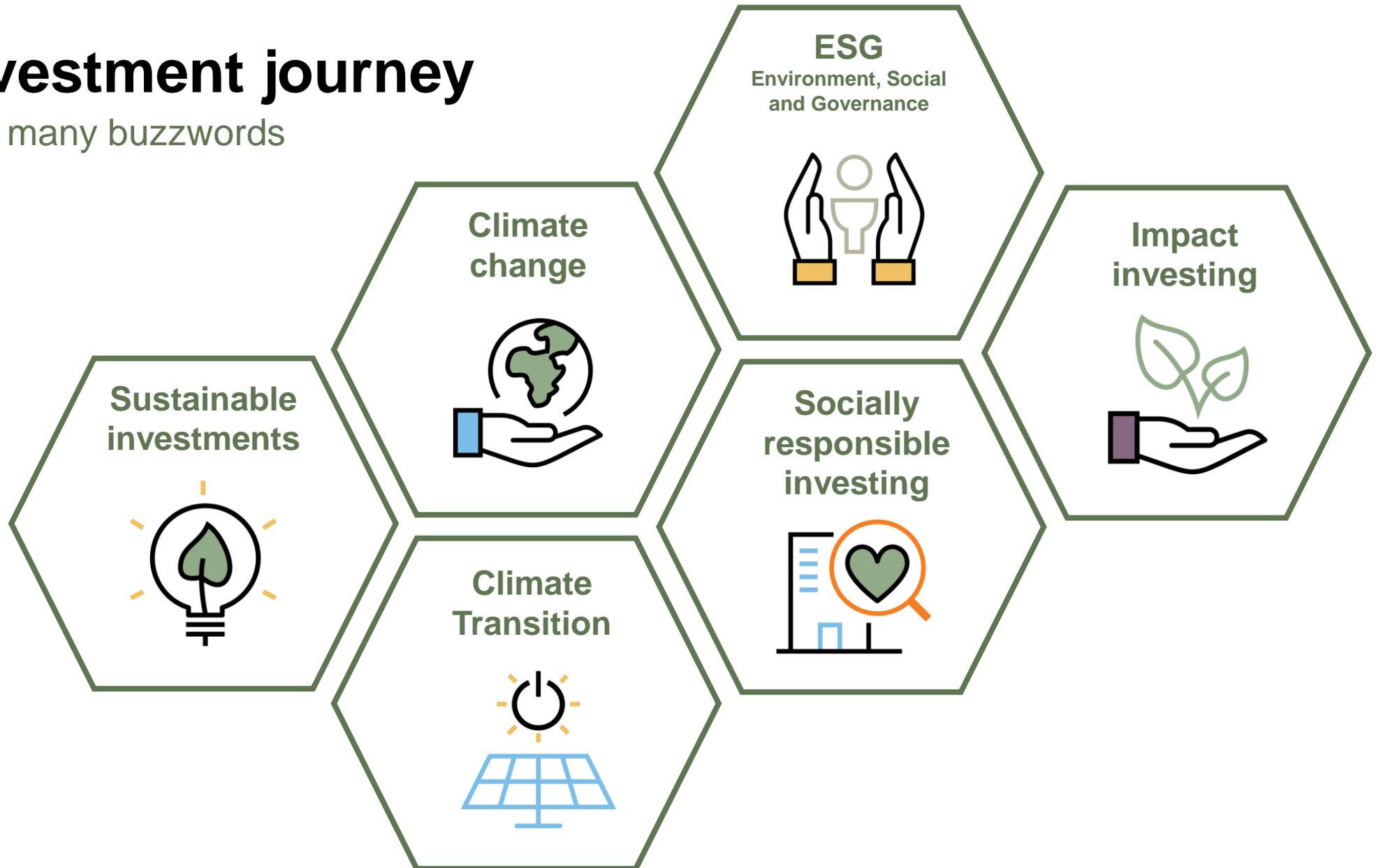
AFM Annual Conference 2021



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An investment journey

There are many buzzwords



Source: Russell Investments. For illustrative purposes only.

What is driving the change?

Society

- Recognition of the climate emergency
- The Peoples' Climate Vote found that two-thirds of people, across 50 countries, believe that climate change is a global emergency
- Demonstrates a desire for comprehensive and urgent climate action

Regulation

- PRA's - Supervisory statement 3/19
- Discussing the management of climate-related financial risks.
- Covering:
 - Governance
 - Risk management
 - Scenario analysis
 - Disclosure

Risk or an opportunity?

The importance of mutuality

- The regulatory world is asking businesses to assess both their business and investment portfolios and to determine impacts of climate-related risks
- **The risk:** To wait for significant stakeholder/ regulatory pressure for considering ESG/climate risks. Moving with the pack.
- **The opportunity:** Mutuals have a long-term focus, that long-term focus means they can be at the forefront of change, differentiating themselves from a companies short term shareholder views.

Mutuals have the potential to be at the forefront of society's changing views, attracting new members looking for forward thinking partners.

As asset owners your investment offers one potential method drive change.

Mapping the sustainable investment landscape

INVESTMENT APPROACH	TRADITIONAL	ESG INTEGRATED	RUSSELL INVESTMENTS “ESG MANAGED” UNIVERSE		
			SUSTAINABLE	THEMATIC	IMPACT
Financial goals	Deliver competitive risk-adjusted returns				
Impact goals			Avoid harm and mitigate ESG risks		
			Benefit all stake holders		
		High impact solutions			
Definition	Limited or no focus on ESG factors of underlying investment analysis and execution	Consider ESG criteria alongside financial analysis in the investment approach to identify risks and return opportunities	Strategies focused on companies that consider diverse stakeholders and follow a high standard of socially conscious principles	Investing focused on themes and sectors positioned to solve global sustainability related challenges	Investing in companies delivering measurable positive social and environmental impacts alongside financial returns

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Key takeaways

1. Change could provide the opportunity to attract new customers
2. Define your strategy - develop goals and targets for the future
3. Work with an investment partner who will help you build a governance structure and develop your strategy, inline with your goals

Forthcoming Investment Forum



Topic: Impact Investing

Register now:

russellinvestments.com/afm

Date:

Wednesday 20 October 2021

Time:

3:00pm – 4:00pm

Digital webinar:

Register by Friday 15 October to receive your complimentary afternoon tea.

Thank you.

Any questions?



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MCI-02631-2021