

1 00:00:16:13 00:00:19:01
Obviously I want my investments
to grow,

2 00:00:19:03 00:00:21:07
but if that can happen
while helping the planet

3 00:00:21:09 00:00:22:24
then that's even better.

4 00:00:23:01 00:00:25:09
Why would I ever want to invest
in another way?

5 00:00:25:11 00:00:28:02
It's the best feeling in the world.

6 00:00:35:00 00:00:36:21
Tell me about
your pension investments.

7 00:00:36:23 00:00:39:12
I didn't know much at all
about my pension investments

8 00:00:39:14 00:00:40:21
until about ten years ago.

9 00:00:40:23 00:00:43:16
When I think about my pension,
I just panic.

10 00:00:43:18 00:00:47:12
I retired a couple of years ago, so
I'm living on my pension money now.

11 00:00:47:14 00:00:51:06
Then I found myself a financial
adviser. She's been a lifesaver.

12 00:00:51:08 00:00:52:17
I'm keeping a lot of it invested

13 00:00:52:19 00:00:55:00
because I want those investments
to keep growing,

14 00:00:55:02 00:00:56:22
that's really important for me.

15 00:00:56:24 00:00:59:11
And I think it's also important
for my children.

16 00:00:59:13 00:01:01:13
Do you know what your investments
are actually doing?

17 00:01:01:15 00:01:03:00
Growing, I hope.

18 00:01:03:02 00:01:05:07
To be honest,
I've not really thought about it.

19 00:01:05:09 00:01:07:20
I've made some of
my own investments before,

20 00:01:07:22 00:01:11:03
but I hadn't looked at the actual
companies I was investing in.

21 00:01:11:05 00:01:13:13
I just wouldn't know where to start.

22 00:01:13:15 00:01:16:00
My adviser helped me see
where I'd been...

23 00:01:16:02 00:01:21:14
accidentally investing in things
I didn't agree with.

24 00:01:21:16 00:01:23:23
I think, historically,
people have made money

25 00:01:24:00 00:01:26:16
from investments
that weren't necessarily 'good'.

26 00:01:26:18 00:01:30:20
But actually,
that has really changed.

27 00:01:30:22 00:01:32:21
Maybe you could
speak to a financial adviser.

28 00:01:32:23 00:01:35:00
Yeah, I do need to talk to someone.

29 00:01:35:02 00:01:38:11
My adviser helped me put
more of my money into companies

30 00:01:38:13 00:01:41:11
that are helping create
the future I want to see

31 00:01:41:13 00:01:44:12
and that's really important to me.

32 00:01:44:14 00:01:47:15

Obviously I want my money to grow
and if that means I'm investing

33 00:01:47:17 00:01:50:18
in green energy, education,
better health, then that's fine.

34 00:01:50:20 00:01:54:11
It's equally important to me that
my money has the chance to grow,

35 00:01:54:13 00:01:56:23
it needs to grow and do good
at the same time.

36 00:01:57:00 00:01:59:08
Yes, I do care about the environment,
of course I do.

37 00:01:59:10 00:02:01:00
It's my life savings

38 00:02:01:02 00:02:03:11
and investing my money for good

39 00:02:03:13 00:02:07:17
is actually the biggest impact
I can have on the world.

40 00:02:07:19 00:02:11:13
And, actually, it does feel good.

41 00:02:11:15 00:02:13:22
If I can get hold of
all my investments,

42 00:02:13:24 00:02:15:21
find out what my money's doing,

43 00:02:15:23 00:02:19:11
make sure it's stuff I'm happy with,
stuff I believe in...

44 00:02:19:13 00:02:21:10
I only wish I'd done it sooner.

45 00:02:21:12 00:02:23:00
..that would be amazing.

46 00:02:23:02 00:02:24:16
There are millions of people

47 00:02:24:18 00:02:28:00
investing trillions of pounds
in this way around the world

48 00:02:28:02 00:02:30:17
and we're really going to

make a difference together.

49 00:02:48:19 00:02:50:07
Good morning

50 00:02:50:09 00:02:54:23
and welcome to our PruFund Planet:
A World of Good virtual seminar.

51 00:02:55:00 00:02:58:16
I've Vince Smith-Hughes and I'll be
hosting the session this morning.

52 00:02:58:18 00:03:02:02
Now, before we get going, let's have
a look at some housekeeping points.

53 00:03:03:03 00:03:06:12
We are recording this session
for on-demand replay services.

54 00:03:06:14 00:03:09:04
Now, you'll see here
our usual risk slide.

55 00:03:09:06 00:03:12:10
I'm not going to read this out,
but the slides will be available

56 00:03:12:12 00:03:15:23
after the event, so please take the
time to review them if you want to.

57 00:03:16:00 00:03:17:23
Now, at the end of the session,

58 00:03:18:00 00:03:20:23
you'll receive
a certificate of attendance.

59 00:03:21:00 00:03:22:11
To obtain the certificate,

60 00:03:22:13 00:03:25:19
please ensure you complete
the feedback before leaving us.

61 00:03:25:21 00:03:29:06
You'll find the feedback tab
underneath the broadcast screen.

62 00:03:30:21 00:03:34:23
Our events team will send you
an email by close of play on Friday

63 00:03:35:00 00:03:36:14
with an embedded certificate,

64 00:03:36:16 00:03:40:09
so please make sure you
save this email for your records.

65 00:03:40:11 00:03:42:12
If you haven't received it by Friday,

66 00:03:42:14 00:03:44:17
please check
your spam or junk folder.

67 00:03:44:19 00:03:49:11
If you can't find it, please email
prudential.events@prudential.co.uk,

68 00:03:49:13 00:03:52:06
that's
prudential.events@prudential.co.uk

69 00:03:52:08 00:03:55:03
or, of course, you can speak
to your account manager.

70 00:03:56:14 00:03:58:11
We always get questions
about the slides.

71 00:03:58:13 00:04:00:14
You'll be able to download
a copy of the slides

72 00:04:00:16 00:04:02:24
and access the replay recording
of today's session

73 00:04:03:01 00:04:05:08
on our PruAdviser seminar page.

74 00:04:05:10 00:04:07:17
A link to this page
will also be in the email.

75 00:04:09:01 00:04:11:05
So, here's how we're going to run this
this morning -

76 00:04:11:07 00:04:13:21
we'll be presenting
for approximately an hour

77 00:04:13:23 00:04:15:16
followed by a 30-minute Q&A,

78 00:04:15:18 00:04:18:02
so when we reach the end of the hour,
please don't leave us.

79 00:04:18:04 00:04:19:21

If you want to stay on,
ask questions,

80 00:04:19:23 00:04:22:11
hear the answers
from our experts on those questions,

81 00:04:22:13 00:04:24:01
please stay on.

82 00:04:24:03 00:04:27:15
We are keen to have your input so
we'll be posting a few poll questions

83 00:04:27:17 00:04:29:12
for you to answer as we go along.

84 00:04:29:14 00:04:30:20
Now, this is important.

85 00:04:30:22 00:04:34:04
You'll see the polling tab
underneath this broadcast screen.

86 00:04:34:06 00:04:35:19
Please click the polling tab

87 00:04:35:21 00:04:38:21
and submit your response
when we set up a poll question.

88 00:04:38:23 00:04:42:16
OK, let's give this a try now.

89 00:04:42:18 00:04:45:04
If we can bring up
the first poll question, guys.

90 00:04:46:14 00:04:48:02
So, the first poll question -

91 00:04:48:04 00:04:52:07
are your clients starting to show
an interest in ESG Funds?

92 00:04:52:09 00:04:54:02
A simple yes or no.

93 00:04:54:04 00:04:56:04
Now, while we wait for these results,

94 00:04:56:06 00:04:59:17
you'll also have the opportunity
to ask the questions,

95 00:04:59:19 00:05:02:16
so please submit these
using the Q&A tab.

96 00:05:02:18 00:05:05:07
Make sure you get those coming in
and we'll answer those at the end.

97 00:05:05:09 00:05:07:11
Once we are finished
with our presentation,

98 00:05:07:13 00:05:08:22
do stay online with us
and, as I said,

99 00:05:08:24 00:05:10:18
we'll spend time
answering those questions.

100 00:05:12:05 00:05:15:17
OK, let's get started with
introducing our guests today.

101 00:05:15:19 00:05:18:13
So, our investment experts are -

102 00:05:18:15 00:05:22:02
Cat McInally, who's our Investment
Business Development Manager.

103 00:05:23:17 00:05:27:02
A late substitute, but let me
tell you, he's also a super-sub,

104 00:05:27:04 00:05:28:18
Ciaran Mulligan.

105 00:05:28:20 00:05:30:11
Now, both he and Olivia Trevor

106 00:05:30:13 00:05:33:01
are from our Treasury
and Investment Office.

107 00:05:33:03 00:05:36:12
And we've also got Michael Watt
there, who's an Investment Director.

108 00:05:36:14 00:05:39:04
Now, all of our experts
will be providing insight

109 00:05:39:06 00:05:41:24
on our newly-launched
PruFund Planet Fund range.

110 00:05:42:01 00:05:44:20
Thank you to everybody
for joining us today.

111 00:05:44:22 00:05:49:08
Right, let's have a look at those
poll results and see what you think.

112 00:05:50:17 00:05:52:01
I see them coming in.

113 00:05:52:03 00:05:54:19
OK, actually that's really good

114 00:05:54:21 00:05:58:04
because you're already seeing
around three quarters of people,

115 00:05:58:06 00:06:00:00
advisers who are voting here,

116 00:06:00:02 00:06:03:05
saying they've got clients
who are interested in ESG.

117 00:06:03:07 00:06:05:00
That's a real positive for me

118 00:06:05:02 00:06:08:02
and actually endorses something
in an article

119 00:06:08:04 00:06:10:10
that Cat actually wrote recently.

120 00:06:10:12 00:06:13:17
Now, in this article
Cat basically summed it up,

121 00:06:13:19 00:06:16:03
you can find this on PruAdviser
or a number of sites,

122 00:06:16:05 00:06:22:09
Cat actually summed this up by saying
that ignoring ESG is effectively

123 00:06:22:11 00:06:25:04
like trying to defy gravity.

124 00:06:25:06 00:06:26:22
But I don't want to dwell on that

125 00:06:26:24 00:06:29:02
because gravity
always brings me down.

126 00:06:30:12 00:06:33:09
Now, Cat, let me come to you first.

127 00:06:33:11 00:06:36:14
I guess these results

lead into a couple of questions.

128 00:06:36:16 00:06:39:02
ESG's been around for a while now

129 00:06:39:04 00:06:42:02
and you've been looking at it
on our behalf for some time.

130 00:06:42:04 00:06:44:14
What are you seeing and
how are advisers dealing with it?

131 00:06:44:16 00:06:47:12
Secondly, perhaps
you could talk us through

132 00:06:47:14 00:06:53:04
how leading in a clients meeting
from an ESG perspective

133 00:06:53:06 00:06:55:09
fits with our
other financial objectives

134 00:06:55:11 00:06:57:07
because I think
it's absolutely essential

135 00:06:57:09 00:07:00:10
you've got to make sure that you're
meeting those first and foremost.

136 00:07:00:12 00:07:03:13
And perhaps you could give us an idea
of the pitfalls to avoid.

137 00:07:03:15 00:07:05:12
Sure. Thanks very much, Vince,

138 00:07:05:14 00:07:08:15
and a warm welcome
from myself this morning.

139 00:07:08:17 00:07:10:09
The poll doesn't surprise me,

140 00:07:10:11 00:07:15:13
that's typically what we tend to see
when we ask advisers that question.

141 00:07:15:15 00:07:18:14
But before I answer the questions
you've just posed there,

142 00:07:18:16 00:07:22:06
I just want to set the scene quickly
on my behalf when it comes to ESG,

143 00:07:22:08 00:07:24:14
sort of share the way
that I see that.

144 00:07:24:16 00:07:27:21
I think it's really safe to say that
when discussing ESG

145 00:07:27:23 00:07:30:24
there is so much information
out there

146 00:07:31:01 00:07:33:21
and press commentary is definitely
much further down the line

147 00:07:33:23 00:07:36:04
than where a lot of advisers
currently are

148 00:07:36:06 00:07:37:19
with their own ESG journey.

149 00:07:37:21 00:07:41:12
Many, many press articles
around about this subject,

150 00:07:41:14 00:07:44:23
emails, et cetera,
all focusing on this subject

151 00:07:45:00 00:07:47:20
and it can be overwhelming,
especially for advisers

152 00:07:47:22 00:07:51:00
who are busy running their own
businesses at the same time.

153 00:07:51:02 00:07:53:14
And I think if we have a look
at the reason for this,

154 00:07:53:16 00:07:55:00
it's very topical.

155 00:07:55:02 00:07:57:13
It's really hard to ignore the risks
of global warming,

156 00:07:57:15 00:08:00:19
social factors,
how companies treat their people,

157 00:08:00:21 00:08:02:20
carbon footprints, et cetera.

158 00:08:02:22 00:08:05:01
And I think this week's been
a perfect example of that

159 00:08:05:03 00:08:07:19
with the release of
the IPCC climate report,

160 00:08:07:21 00:08:11:04
which directly linked
the warming of our planet

161 00:08:11:06 00:08:13:06
to our activities as human beings

162 00:08:13:08 00:08:18:05
and that's now directly linked to
every single corner of the planet,

163 00:08:18:07 00:08:20:13
land, air and sea.

164 00:08:20:15 00:08:26:17
So ESG now not only is in our
industry, but in other industries

165 00:08:26:19 00:08:28:18
so every advert on the television now

166 00:08:28:20 00:08:31:21
doesn't only focus on the products
that they're selling,

167 00:08:31:23 00:08:33:07
but their ESG campaigns

168 00:08:33:09 00:08:37:01
or how environmentally friendly
their packaging is, et cetera.

169 00:08:37:03 00:08:38:17
If a company gets it wrong,

170 00:08:38:19 00:08:41:17
then that social media
makes it viral in minutes

171 00:08:41:19 00:08:45:18
and then watch the share price
be very vulnerable soon after.

172 00:08:45:20 00:08:48:04
So we've seen that on
quite a few occasions recently.

173 00:08:48:06 00:08:50:13
In our world then,
in financial services,

174 00:08:50:15 00:08:54:00
we have seen an increase in
clients wanting more information

175 00:08:54:02 00:08:57:08
on how and where
their money is invested.

176 00:08:57:10 00:09:00:23
You could say it's our fiduciary duty
to look after this planet

177 00:09:01:00 00:09:03:04
and its people, trees, animals,
et cetera.

178 00:09:03:06 00:09:05:19
And I think that fiduciary duty's
really important

179 00:09:05:21 00:09:08:08
when it comes to investing
on behalf of customers

180 00:09:08:10 00:09:11:09
and partially the reason why
I think we've seen a rise

181 00:09:11:11 00:09:14:23
in the number of ESG solutions
available to meet that demand.

182 00:09:15:00 00:09:18:08
Let's just use our PruFund
as an example here.

183 00:09:18:10 00:09:20:13
We aim to deliver
the best return we can

184 00:09:20:15 00:09:23:16
for a level of risk
that the clients are willing to take

185 00:09:23:18 00:09:26:15
and we do this by creating
a diversified portfolio,

186 00:09:26:17 00:09:28:15
allocating to
a range of asset classes

187 00:09:28:17 00:09:30:11
that will help hedge against risk.

188 00:09:30:13 00:09:34:08
And as a long-term investor,

we understand that environmental

189 00:09:34:10 00:09:37:23
and social factors may be
financially material over time,

190 00:09:38:00 00:09:40:12
so it makes absolute sense
to factor these in

191 00:09:40:14 00:09:42:16
when investing for that longer term.

192 00:09:43:19 00:09:45:04
What I have found, though,

193 00:09:45:06 00:09:48:16
is the concentration of ESG
information out there for advisers

194 00:09:48:18 00:09:52:09
focuses on the why -
why you should incorporate ESG.

195 00:09:52:11 00:09:54:22
There is very little information
out there

196 00:09:54:24 00:09:57:10
on how, as an adviser,
you actually do this.

197 00:09:57:12 00:10:00:24
And I think this is where I feel
we need to help advisers

198 00:10:01:01 00:10:04:16
and offer you some help and guidance
around about this.

199 00:10:04:18 00:10:07:09
And it's something that
we've been really mindful of

200 00:10:07:11 00:10:10:20
when we've evolved our family
of funds to include PruFund Planet.

201 00:10:10:22 00:10:12:23
So that sort of
partially answers your question

202 00:10:13:00 00:10:15:21
around about how advisers
are dealing with this subject matter.

203 00:10:15:23 00:10:17:19
As I said, lots of information.

204 00:10:17:21 00:10:19:24
You mentioned at the start there,

205 00:10:20:01 00:10:23:11
I seem to spend about
five days a week currently on ESG

206 00:10:23:13 00:10:25:19
and every day I learn something new.

207 00:10:25:21 00:10:30:03
There's so much to process out there
and almost it becomes restrictive

208 00:10:30:05 00:10:33:14
in terms of you place in on
the too-hard-to-deal-with pile

209 00:10:33:16 00:10:35:12
perhaps for a rainy day.

210 00:10:35:14 00:10:38:23
So I really do sympathises with
advisers, there's a lot to process

211 00:10:39:00 00:10:42:17
and what you need to do is figure out
what fits in with your business

212 00:10:42:19 00:10:45:00
and then how do you take that
to your clients.

213 00:10:45:02 00:10:47:10
As I said, we've been mindful
when coming to market

214 00:10:47:12 00:10:50:02
with our Planet range
and we've really taken that on board

215 00:10:50:04 00:10:53:10
when creating the likes of our ESG
framework and supporting material,

216 00:10:53:12 00:10:56:12
making sure that it's really easy
to understand and incorporate.

217 00:10:56:14 00:10:59:16
And that will become clear
when we hear from Ben,

218 00:10:59:18 00:11:02:18
sorry from Olivia and Ciaran
in just a second.

219 00:11:02:20 00:11:08:05
The second part of your question
around about client ESG objectives

220 00:11:08:07 00:11:10:09
and fitting that in with
their financial objectives

221 00:11:10:11 00:11:12:24
is a really interesting one.
And I think, again,

222 00:11:13:01 00:11:15:17
we need to continue to
support advisers in this area.

223 00:11:15:19 00:11:20:17
According to NextWealth,
68% of advisers are expected to see

224 00:11:20:19 00:11:24:18
a continued increase
in assets in ESG solutions.

225 00:11:24:20 00:11:28:10
I'm starting to see an increase
in the number of adviser firms

226 00:11:28:12 00:11:32:11
that are now including ESG within
their factfind, which is great.

227 00:11:32:13 00:11:35:19
However, the conversation
tends to land with, "I'm uncertain

228 00:11:35:21 00:11:39:02
as to what I do with that information
that the client gives me."

229 00:11:39:04 00:11:43:03
Remember, currently
there is no regulatory requirement

230 00:11:43:05 00:11:46:11
for you to obtain your client's
ESG preferences in a factfind.

231 00:11:46:13 00:11:49:08
In Europe, under MiFID II
regulations, there is.

232 00:11:49:10 00:11:52:10
But as you know, we got a hall pass
from recent EU regulation

233 00:11:52:12 00:11:54:17
due to Brexit and leaving the EU.

234 00:11:54:19 00:11:59:00
However, it is regarded as good
practice to obtain this information,

235 00:11:59:02 00:12:01:15
it's classified as
non-financial information

236 00:12:01:17 00:12:05:05
and is useful to help you
understand your client fully.

237 00:12:05:07 00:12:09:01
We are expecting the FCA and
the UK Treasury to follow Europe

238 00:12:09:03 00:12:12:19
and make asking ESG preferences
mandatory in the factfind.

239 00:12:12:21 00:12:16:02
Don't have a date on that yet, but
we are expecting them to follow suit.

240 00:12:16:23 00:12:19:17
The big question here is
what takes precedence?

241 00:12:19:19 00:12:23:18
Is it the investment objective,
such as retirement in ten years time,

242 00:12:23:20 00:12:26:00
or the ESG preferences?

243 00:12:26:24 00:12:30:22
I suppose this really will depend on
how philanthropic your client is,

244 00:12:30:24 00:12:34:17
but the general rule is that the
investment objectives must come first

245 00:12:34:19 00:12:37:08
and this distinction
is really important

246 00:12:37:10 00:12:40:23
in order to avoid unsuitable
solutions that might arise

247 00:12:41:00 00:12:42:18
if you consider the ESG preferences

248 00:12:42:20 00:12:44:24
over their personal
investment objective.

249 00:12:45:01 00:12:50:00
So, with that in mind, you would only
look at the ESG preferences

250 00:12:50:02 00:12:52:20
once you've identified
the client's investment objectives

251 00:12:52:22 00:12:54:03
and you've addressed those.

252 00:12:54:05 00:12:59:09
In terms of pitfalls, I guess the
biggest one, I sort of mentioned it,

253 00:12:59:11 00:13:02:23
is asking the question but not
knowing what to do with the answer.

254 00:13:04:02 00:13:06:18
The question you ask is probably
going to be a bit more in depth

255 00:13:06:20 00:13:11:17
than say a one-question "Do you want
to invest in ESG Funds, yes or no?"

256 00:13:11:19 00:13:14:19
That's not really going to tell you
enough to make that decision.

257 00:13:14:21 00:13:17:23
So when deciding whether or not
you want to incorporate

258 00:13:18:00 00:13:21:02
a client's suitability preferences
in your factfind,

259 00:13:21:04 00:13:23:09
first of all consider
what you're going to do

260 00:13:23:11 00:13:25:20
with that information
that you're given back.

261 00:13:25:22 00:13:27:24
You want to avoid asking
that question

262 00:13:28:01 00:13:30:21
in a way that
you'll then struggle to incorporate.

263 00:13:30:23 00:13:32:20
You want to avoid asking the question

264 00:13:32:22 00:13:35:10
that a client gives you
all this information back

265 00:13:35:12 00:13:37:04
and then you're left thinking,

266 00:13:37:06 00:13:40:13
"How on earth do I find a fund
that meets those preferences?"

267 00:13:40:15 00:13:43:04
That can be quite challenging.

268 00:13:43:06 00:13:46:03
What it could lead to
is advisers having to build

269 00:13:46:05 00:13:49:23
bespoke portfolios based on
individual client preferences

270 00:13:50:00 00:13:53:14
and that's really time-consuming
and probably pretty expensive.

271 00:13:55:00 00:13:57:23
Another issue that I believe
advisers face just now

272 00:13:58:00 00:14:00:23
is the challenge of
researching ESG solutions.

273 00:14:01:00 00:14:04:10
There's lots of gaps out there

274 00:14:04:12 00:14:07:18
and advisers don't yet have the tools
that they need to do this.

275 00:14:07:20 00:14:10:02
For example,
if you just take ESG ratings.

276 00:14:10:04 00:14:13:12
ESG ratings rely on
public information

277 00:14:13:14 00:14:16:15
so the output might be
subject to data gaps

278 00:14:16:17 00:14:18:10
if that information isn't public.

279 00:14:18:12 00:14:21:04

Also, different tools
have different methodologies

280 00:14:21:06 00:14:25:14
which can lead and does lead to
a wide variation in ESG ratings.

281 00:14:25:16 00:14:30:00
So I think what's crucial is whatever
solution you choose for your clients,

282 00:14:30:02 00:14:31:08
is that they understand

283 00:14:31:10 00:14:33:23
the sustainable products
that they're offered

284 00:14:34:00 00:14:36:17
and they understand
the differences between them

285 00:14:36:19 00:14:39:07
and how they match up
to their own preferences.

286 00:14:39:09 00:14:42:07
Now, that might sound
straightforward,

287 00:14:42:09 00:14:45:05
but I know it is very crucial
that clients fully understand

288 00:14:45:07 00:14:47:00
the ESG funds
that they're offered

289 00:14:47:02 00:14:49:06
and the differences between them.

290 00:14:49:08 00:14:50:14
Pass back to you, Vince.

291 00:14:51:15 00:14:54:24
Great stuff, thanks, Cat.
Yeah, really good introduction

292 00:14:55:01 00:14:57:01
and I totally endorse
what Cat said there.

293 00:14:57:03 00:15:00:21
We sort of set out
on this ESG mission a while ago

294 00:15:00:23 00:15:03:12
with the intention of

helping advisers as to

295 00:15:03:14 00:15:07:11
how they embed it in their process
if they haven't already done so.

296 00:15:07:13 00:15:09:14
There's plenty of information
around the why

297 00:15:09:16 00:15:11:12
and there's plenty of
new fund launches

298 00:15:11:14 00:15:13:19
and we've been trying to come at it
from a different angle.

299 00:15:13:21 00:15:17:02
Turning to PruFund Planet
in particular,

300 00:15:17:04 00:15:19:06
I think now's probably a good time
to bring Michael in.

301 00:15:19:08 00:15:21:17
Michael, can you just explain
what PruFund Planet is

302 00:15:21:19 00:15:24:17
and where it sits
within the wider PruFund universe?

303 00:15:25:19 00:15:28:09
Sure, Vince. Good morning, everyone.

304 00:15:28:11 00:15:33:02
Firstly, I think it's important
to point out that PruFund Planet

305 00:15:33:04 00:15:36:11
is run by the same team
at Treasury and Investment Office,

306 00:15:36:13 00:15:40:06
the same team that's responsible
for in excess of 118 billion

307 00:15:40:08 00:15:43:05
of multi-asset funds
on behalf of Prudential.

308 00:15:43:07 00:15:45:06
It's very much the same process,

309 00:15:45:08 00:15:48:00
starting with the Long-Term

Investment Strategy team

310 00:15:48:02 00:15:50:12
that set
the strategic asset allocation.

311 00:15:50:14 00:15:52:21
It's the same approach
from Ciaran's team

312 00:15:52:23 00:15:56:02
to manage our selection and
ongoing investment due diligence.

313 00:15:56:04 00:15:58:04
And the same portfolio managers

314 00:15:58:06 00:16:01:09
that oversee
the day-to-day running of the funds.

315 00:16:01:11 00:16:03:09
So, what is PruFund Planet?

316 00:16:03:11 00:16:05:08
Well, it's a range of five funds

317 00:16:05:10 00:16:09:07
aiming to deliver positive
environmental and social outcomes

318 00:16:09:09 00:16:13:02
and with similar returns,
volatility and costs

319 00:16:13:04 00:16:15:15
as the existing PruFund range.

320 00:16:15:17 00:16:19:07
There's a 0.65%
annual management charge,

321 00:16:19:09 00:16:21:20
same risk profiles
or volatility ceilings

322 00:16:21:22 00:16:23:17
as the risk-managed PruFunds.

323 00:16:23:19 00:16:26:18
So this is really for clients
who want their savings

324 00:16:26:20 00:16:29:20
to have a positive societal,
environmental impact

325 00:16:29:22 00:16:32:02

with competitive investment returns

326 00:16:32:04 00:16:36:08
and are perhaps more comfortable
with a smoothed investment journey.

327 00:16:36:10 00:16:38:12
The funds have a broad flexibility

328 00:16:38:14 00:16:41:16
across the environmental
and societal spectrum,

329 00:16:41:18 00:16:46:01
covering responsible,
sustainable and impact approaches.

330 00:16:46:03 00:16:51:19
Planet will look to manage ESG
risks, pursue ESG opportunities

331 00:16:51:21 00:16:55:24
and create high-impact solutions
wherever possible

332 00:16:56:01 00:17:00:15
and there are six main areas or
themes that we're looking to target.

333 00:17:00:17 00:17:03:18
On the environmental side,
circular economy,

334 00:17:03:20 00:17:06:17
environmental solutions
and climate action,

335 00:17:06:19 00:17:12:00
and on social outcome areas,
inclusion, better work and education

336 00:17:12:02 00:17:16:00
and better health and we'll hear more
about that specifically later.

337 00:17:16:02 00:17:19:04
As I alluded to earlier,
from a returns perspective

338 00:17:19:06 00:17:21:15
we don't believe there needs to be
a trade-off.

339 00:17:21:17 00:17:23:19
The Long-Term
Investment Strategy team

340 00:17:23:21 00:17:26:02

have set the initial
expected growth rates

341 00:17:26:04 00:17:29:20
at the same level as
the risk-managed PruFunds.

342 00:17:29:22 00:17:32:00
Clearly that could change over time,

343 00:17:32:02 00:17:34:17
Planet is a very different
set of objectives.

344 00:17:34:19 00:17:37:06
The majority of the building blocks
are new,

345 00:17:37:08 00:17:41:14
so underlying performance of the
ranges will likely diverge over time,

346 00:17:41:16 00:17:43:07
with unit price adjustments

347 00:17:43:09 00:17:46:17
potentially occurring
at different times and magnitude.

348 00:17:46:19 00:17:49:02
Having said that,
the consistent approach

349 00:17:49:04 00:17:51:04
across our multi-asset fund ranges,

350 00:17:51:06 00:17:55:07
as you'd expect, the strategic
asset allocation is very similar

351 00:17:55:09 00:17:57:15
to the existing
risk-managed PruFunds,

352 00:17:57:17 00:18:01:01
investing across all of the major
asset classes and regions.

353 00:18:01:03 00:18:05:08
You'll see the same themes coming
through, not just in public markets,

354 00:18:05:10 00:18:09:11
but also leveraging on M&G's
private markets franchise.

355 00:18:09:13 00:18:12:11
Planet does have

a slightly higher allocation,

356 00:18:12:13 00:18:14:11
as you'll see, to alternatives

357 00:18:14:13 00:18:17:12
and that's funded from property,
very much down to

358 00:18:17:14 00:18:21:22
the additional opportunity to target
impact in the alternative space.

359 00:18:21:24 00:18:25:01
In the US, equity exposure
is slightly higher

360 00:18:25:03 00:18:29:10
given that global impact strategies
tend to have a bias towards the US.

361 00:18:29:12 00:18:31:22
Again, you'll hear more about that
later.

362 00:18:31:24 00:18:36:05
But overall, I would say that
both ranges are distinct,

363 00:18:36:07 00:18:38:18
driven by the same investment engine,

364 00:18:38:20 00:18:41:13
with ESG and sustainability
at their core,

365 00:18:41:15 00:18:45:01
but PruFund Planet
has a more targeted approach

366 00:18:45:03 00:18:46:20
to ESG as an opportunity

367 00:18:46:22 00:18:50:13
and a clear focus
on people and planet.

368 00:18:51:15 00:18:53:05
Back to you, Vince.

369 00:18:53:07 00:18:57:13
Great stuff. Thank you, Michael,
that's a really good intro.

370 00:18:57:15 00:19:00:00
I think at this stage
let's bring Olivia into the debate.

371 00:19:00:02 00:19:03:04
Olivia, when it comes to
ESG-friendly funds,

372 00:19:03:06 00:19:05:00
as we said,
there's been a lot of launches,

373 00:19:05:02 00:19:06:11
a lot of different approaches,

374 00:19:06:13 00:19:10:01
a lot of different terminology
that's being used in the marketplace.

375 00:19:10:03 00:19:12:08
How would you position
PruFund Planet?

376 00:19:14:01 00:19:16:13
Yeah, it's a really good question,
Vince.

377 00:19:16:15 00:19:20:12
I think the really important thing
to emphasise is that

378 00:19:20:14 00:19:24:06
Planet itself is not
an Impact fund with a capital I,

379 00:19:24:08 00:19:27:14
but instead, as Michael said,
we're really looking to create

380 00:19:27:16 00:19:30:02
positive impact outcomes
wherever possible

381 00:19:30:04 00:19:33:12
through the investments and
the strategies that we've selected.

382 00:19:34:16 00:19:38:12
In order to do this, I think
it's really helpful to understand

383 00:19:38:14 00:19:42:14
Planet on the impact management
projects spectrum of impact,

384 00:19:42:16 00:19:44:12
as you can see on this slide.

385 00:19:44:14 00:19:48:06
This spectrum ranges
from financial-only objectives

386 00:19:48:08 00:19:50:01
on the far left-hand side

387 00:19:50:03 00:19:53:07
to philanthropy on the other end
of the spectrum,

388 00:19:53:09 00:19:56:05
where the investor
may be happy to accept

389 00:19:56:07 00:19:59:19
a total trade-off
in return for positive impact.

390 00:19:59:21 00:20:03:07
As you can see,
whilst our flagship PruFund product

391 00:20:03:09 00:20:07:13
focuses on financial
and responsible objectives primarily,

392 00:20:07:15 00:20:10:18
and you can see that
by the dashed green box on the left,

393 00:20:10:20 00:20:13:21
PruFund Planet exists
in this space in the middle

394 00:20:13:23 00:20:17:22
where you are able to invest client
money to create positive outcomes

395 00:20:17:24 00:20:19:10
with your investments,

396 00:20:19:12 00:20:22:07
but importantly,
we do not believe that this requires

397 00:20:22:09 00:20:24:12
a financial trade-off
in order to do so.

398 00:20:26:21 00:20:29:20
As you can imagine,
one of our primary concerns

399 00:20:29:22 00:20:33:08
when we were constructing
the fund range from first principles

400 00:20:33:10 00:20:35:10
was avoiding greenwashing.

401 00:20:35:12 00:20:38:07

So the way that we actually
communicate those investments

402 00:20:38:09 00:20:41:05
becomes extremely important
as part of this.

403 00:20:42:08 00:20:45:10
From work that we've done,
it was actually really clear

404 00:20:45:12 00:20:47:18
that customers
are maybe less concerned

405 00:20:47:20 00:20:51:07
with some of the more academic
arguments surrounding impact,

406 00:20:51:09 00:20:53:12
but are really just
wanting to understand

407 00:20:53:14 00:20:55:20
how exactly their money
is being put to work

408 00:20:55:22 00:20:58:14
for the causes that they care about.

409 00:20:59:20 00:21:02:08
So, to hold us accountable to this,

410 00:21:02:10 00:21:05:04
we use the T&IO
ESG Product Framework,

411 00:21:05:06 00:21:07:08
as you can see in front of you.

412 00:21:07:10 00:21:11:24
This not only informs our selection
processes for the building blocks,

413 00:21:12:01 00:21:14:04
and we can come onto those
in due course,

414 00:21:14:06 00:21:18:02
but also our ongoing monitoring of
the building blocks as well.

415 00:21:19:17 00:21:22:21
As you can see,
the categories are as shown,

416 00:21:22:23 00:21:27:12
which leverages the insights

from the impact management project

417 00:21:27:14 00:21:32:11
as best practice in both impact
management and impact measurement

418 00:21:32:13 00:21:35:14
to determine
the intentionality of impact.

419 00:21:35:16 00:21:37:24
So, what do I mean by this?

420 00:21:38:01 00:21:40:10
Taking you from left to right,

421 00:21:40:12 00:21:46:03
the first category is ESG risk focus
where it does as it says on the tin,

422 00:21:46:05 00:21:49:24
we view ESG as a risk to be managed.

423 00:21:50:01 00:21:52:14
In the middle you have
opportunity focussed,

424 00:21:52:16 00:21:55:15
where instead ESG is viewed as
an opportunity

425 00:21:55:17 00:21:58:07
that we can harness
via some of the strategies.

426 00:21:58:09 00:22:01:11
And then finally, solution focussed,

427 00:22:01:13 00:22:04:09
where you're actively trying to
contribute to the solution

428 00:22:04:11 00:22:08:07
for many of the pressing
environmental and social issues

429 00:22:08:09 00:22:09:22
that Michael outlined as well.

430 00:22:11:06 00:22:14:03
The last thing just to say
is to emphasise again

431 00:22:14:05 00:22:18:16
the fact that we've deliberately not
used the terminology of 'impact'

432 00:22:18:18 00:22:21:24

as what we really wanted to
be able to do was to highlight

433 00:22:22:01 00:22:25:07
that all building blocks deliver
some form of impact,

434 00:22:25:09 00:22:29:16
it's really the intentionality
and the scope of that that changes.

435 00:22:32:06 00:22:34:17
Great stuff. Thanks, Olivia.

436 00:22:34:19 00:22:38:06
Now, before we bring Ciaran
into the mix as well,

437 00:22:38:08 00:22:41:10
I'm just keen to understand
where all of the audience are

438 00:22:41:12 00:22:43:18
so I'm going to run
our second poll question here

439 00:22:43:20 00:22:45:08
if we can bring this up, please?

440 00:22:45:10 00:22:49:09
Remember to click on the poll tab
underneath the broadcast screen

441 00:22:49:11 00:22:51:23
and follow the instructions
to submit your answer.

442 00:22:52:00 00:22:55:04
The second poll question is -
where do you think the majority

443 00:22:55:06 00:22:58:11
of your clients would sit
from an ESG category perspective?

444 00:22:58:13 00:23:01:15
Is it ESG risk focussed,
is it opportunity focussed

445 00:23:01:17 00:23:03:09
or is it solution focussed?

446 00:23:03:11 00:23:06:05
And if we can show the results
as they come up.

447 00:23:06:07 00:23:08:21
While we're waiting

for those to come through,

448 00:23:08:23 00:23:11:03
just a quick tip from me.

449 00:23:11:05 00:23:15:23
Even if you've embedded ESG
into your advice process

450 00:23:16:00 00:23:18:06
or if you're even
just thinking about it,

451 00:23:18:08 00:23:20:18
a really excellent
independent document

452 00:23:20:20 00:23:24:22
is the PFS Practical Guide
to Sustainable Investing.

453 00:23:24:24 00:23:28:06
Some of you may have seen it,
it came out a few months ago.

454 00:23:28:08 00:23:30:11
But it is excellent as a guide,

455 00:23:30:13 00:23:34:00
as I said, even if it's just a case
of sense checking where you are

456 00:23:34:02 00:23:36:04
in terms of your own advice process.

457 00:23:36:06 00:23:39:03
It covers a whole multitude of
different aspects,

458 00:23:39:05 00:23:40:17
very complementary, actually,

459 00:23:40:19 00:23:43:00
to the sort of things
we're talking about today.

460 00:23:43:02 00:23:45:12
If you're looking for
an independent guide on something,

461 00:23:45:14 00:23:47:14
I strongly suggest
you go and have a read of that.

462 00:23:47:16 00:23:51:12
OK, if we could show the results
and where we've got to?

463 00:23:51:14 00:23:54:09
Can see the results coming in.

464 00:23:56:09 00:23:58:04
I'm not sure what everybody else
is seeing,

465 00:23:58:06 00:24:00:10
all I'm seeing is a blank screen
with nothing on it.

466 00:24:00:12 00:24:02:20
So that's going to be difficult
to comment on.

467 00:24:05:00 00:24:07:15
Here we go, I think it's...

468 00:24:07:17 00:24:10:00
No, it doesn't look like
it's appearing.

469 00:24:10:02 00:24:13:07
Hopefully that means that
it's a glitch

470 00:24:13:09 00:24:16:07
rather than no-one's actually voted
because that would be disappointing.

471 00:24:17:15 00:24:20:03
We'll come back to another
poll question later on.

472 00:24:21:13 00:24:23:09
Before we do that though,

473 00:24:23:11 00:24:27:16
I think perhaps this is a joint one
for Ciaran and Olivia.

474 00:24:27:18 00:24:32:19
Can you take us through
the building blocks of PruFund Planet

475 00:24:32:21 00:24:34:20
and the manager's oversight journey

476 00:24:34:22 00:24:38:02
in terms of identifying
the right solutions to investing?

477 00:24:40:22 00:24:43:08
Sure, Vince.
Never trust technology, eh?

478 00:24:43:10 00:24:44:14
Absolutely.

479 00:24:44:16 00:24:46:09
When we look to build products,

480 00:24:46:11 00:24:49:12
I guess I'd go back to
Michael's comments at the start,

481 00:24:49:14 00:24:52:07
it's key to remember here that
this PruFund Planet

482 00:24:52:09 00:24:55:07
is the same investment engine
that we use for PruFund

483 00:24:55:09 00:24:57:03
from an asset allocation perspective,

484 00:24:57:05 00:24:59:05
for the day-to-day
management of the funds.

485 00:24:59:07 00:25:00:17
The key issue and the key difference

486 00:25:00:19 00:25:02:24
is when we actually look
to select the building blocks.

487 00:25:03:01 00:25:04:02
As Olivia mentioned,

488 00:25:04:04 00:25:07:13
we're looking for not just financial
returns within PruFund Planet,

489 00:25:07:15 00:25:11:00
but there's also the environmental
and the societal outcomes

490 00:25:11:02 00:25:12:17
that we are looking to achieve
as well

491 00:25:12:19 00:25:16:20
and therefore what's key here is the
selection of those building blocks.

492 00:25:16:22 00:25:19:13
So when we thought about actually
how we would go about this,

493 00:25:19:15 00:25:23:06
we've landed on four ways
in terms of manager selection.

494 00:25:23:08 00:25:25:13

First of all, taking a step back,

495 00:25:25:15 00:25:29:03
we have a very, very capable
internal manager in M&G

496 00:25:29:05 00:25:32:11
with very high quality
existing solutions

497 00:25:32:13 00:25:37:07
and as a result we've looked to M&G
as the bedrock to PruFund Planet.

498 00:25:37:09 00:25:40:05
Now, those existing skillsets
that exist within the building

499 00:25:40:07 00:25:42:23
are areas such as
the M&G Positive Impact fund,

500 00:25:43:00 00:25:44:23
which we'll talk about in a second,

501 00:25:45:00 00:25:46:20
M&G Impact Financing Fund,

502 00:25:46:22 00:25:50:21
M&G have strong, strong capabilities
in alternative assets,

503 00:25:50:23 00:25:52:21
in private equity, in infrastructure,

504 00:25:52:23 00:25:55:18
which obviously plays very well
to providing solutions.

505 00:25:55:20 00:25:58:08
And then most recently
the Catalyst Fund,

506 00:25:58:10 00:26:01:12
which is the five billion mandate
that we've awarded

507 00:26:01:14 00:26:04:15
from the Investment Office
to a specific team at M&G

508 00:26:04:17 00:26:07:20
who go about their business investing
in a way that's trying to contribute

509 00:26:07:22 00:26:12:02
to solutions on a societal level
or indeed on an environmental level.

510 00:26:13:11 00:26:16:17
As that existing skillset was in M&G,
we've also worked internally

511 00:26:16:19 00:26:19:03
with the fund manager
to develop new solutions.

512 00:26:19:05 00:26:22:19
ESG, as Cat mentioned earlier on,
is a continually-evolving area

513 00:26:22:21 00:26:25:06
and there's continually
new areas of innovation

514 00:26:25:08 00:26:26:20
and development within M&G.

515 00:26:26:22 00:26:29:02
And our ability to work with M&G
to actually identify

516 00:26:29:04 00:26:31:12
these gaps in the marketplace
and develop new products

517 00:26:31:14 00:26:34:01
is key to the success
of PruFund Planet.

518 00:26:34:03 00:26:37:06
Some of the areas that I mean in
this area are the Better Health Fund

519 00:26:37:08 00:26:40:05
and again, we'll come onto
speaking about the Better Health Fund

520 00:26:40:07 00:26:41:10
in more detail later on,

521 00:26:41:12 00:26:44:21
but when we canvassed the marketplace
and saw other health

522 00:26:44:23 00:26:48:03
or pharmaceutical products
that were available to us,

523 00:26:48:05 00:26:50:02
we didn't really feel that
they met the bill as to

524 00:26:50:04 00:26:52:20
what we wanted to philosophically
achieve within PruFund Planet,

525 00:26:52:22 00:26:56:03
so again, working with that internal
manager to develop these solutions

526 00:26:56:05 00:26:58:18
enhances the overall building blocks
that are available to us

527 00:26:58:20 00:27:02:10
that meet the need of PruFund Planet.

528 00:27:02:12 00:27:04:03
I guess thirdly, what I would say is

529 00:27:04:05 00:27:06:10
this is a continually-evolving
product set,

530 00:27:06:12 00:27:09:19
it is a continually-evolving themes
that we are looking to invest in

531 00:27:09:21 00:27:12:19
and continually-evolving themes
that we are looking to research,

532 00:27:12:21 00:27:14:13
so we will continue to
work with M&G

533 00:27:14:15 00:27:16:23
and continue to innovate
and develop products.

534 00:27:17:00 00:27:20:07
More recently you will have seen
in the press M&G have launched

535 00:27:20:09 00:27:23:18
a Climate Solutions Fund,
they launched an M&G Diversity Fund,

536 00:27:23:20 00:27:27:08
these are key areas of societal
issues and climate change issues

537 00:27:27:10 00:27:30:03
that we will research
and look to develop with M&G

538 00:27:30:05 00:27:32:09
and, as a result,
could actually find a place

539 00:27:32:11 00:27:34:13
in the starting line-up
of PruFund Planet.

540 00:27:36:03 00:27:37:23
We're not saying that M&G
is the answer to everything.

541 00:27:38:00 00:27:40:05
I think that one of the key areas
of excitement for me

542 00:27:40:07 00:27:41:14
in terms of manager selection

543 00:27:41:16 00:27:43:08
is that we have actually
looked to partner

544 00:27:43:10 00:27:45:19
with a number of
market-leading external providers

545 00:27:45:21 00:27:48:22
who we see as being absolutely
key players in this space.

546 00:27:48:24 00:27:51:20
When I look at the likes of
Wellington Asset Management,

547 00:27:51:22 00:27:54:01
who are at the very forefront
of climate research

548 00:27:54:03 00:27:55:20
from a fund management perspective,

549 00:27:55:22 00:27:59:16
I look at Pictet, who again are
market leaders in climatic funds,

550 00:27:59:18 00:28:03:21
and Robeco, again, like Pictet, very
much market leaders in their field

551 00:28:03:23 00:28:06:20
in terms of actually
thought innovation and research.

552 00:28:06:22 00:28:10:14
So, when we blend those managers of
external and internal capability

553 00:28:10:16 00:28:13:07
and the continual evolution of ideas,

554 00:28:13:09 00:28:14:16
I think what we've got here

555 00:28:14:18 00:28:17:19

is a proposition that where
financial returns are paramount,

556 00:28:17:21 00:28:21:10
but also you've got positive outcomes
for society and environment

557 00:28:21:12 00:28:23:20
utilising successful engine,
the asset allocation

558 00:28:23:22 00:28:26:16
within the Investment Office
that we're used to from PruFund,

559 00:28:26:18 00:28:29:06
and also the capabilities
of the building blocks

560 00:28:29:08 00:28:31:02
to get not only financial returns,

561 00:28:31:04 00:28:34:01
but also those from a societal
and environmental level.

562 00:28:35:17 00:28:38:03
So, if we continue on
to bring this together,

563 00:28:38:05 00:28:41:03
what does the full asset allocation
look like?

564 00:28:41:05 00:28:44:14
What we have on this slide is, again,
like any PruFund product,

565 00:28:44:16 00:28:47:21
we've got equity and property,
alternative investments,

566 00:28:47:23 00:28:51:22
we've got asset allocation,
fixed income and we've got cash.

567 00:28:51:24 00:28:55:10
But the key difference is actually
what makes up those components.

568 00:28:55:12 00:28:57:23
So if we look at some of these
in turn, within equities,

569 00:28:58:00 00:29:00:07
the key building block
within the equity component

570 00:29:00:09 00:29:01:16
is the Positive Impact Fund,

571 00:29:01:18 00:29:04:01
again, I'll speak about that
in detail later on.

572 00:29:04:03 00:29:07:04
That is a fund that we are very proud
of, there has been a long legacy

573 00:29:07:06 00:29:10:09
of delivering both financial returns
and environmental returns.

574 00:29:10:11 00:29:12:16
But again, supplementary with that,

575 00:29:12:18 00:29:15:05
we have five additional
thematic funds,

576 00:29:15:07 00:29:17:18
again, a mix of internal
and external funds,

577 00:29:17:20 00:29:20:16
investing in key areas
such as climate change,

578 00:29:20:18 00:29:25:10
ensuring diversity and inclusion,
sustainable water, circular economy,

579 00:29:25:12 00:29:28:01
all of the good things that Michael
and Cat spoke about earlier on

580 00:29:28:03 00:29:31:09
that really complements
the Positive Impact Fund.

581 00:29:31:11 00:29:33:11
Again,
because of that investment engine,

582 00:29:33:13 00:29:35:10
we do look to invest
on a regional basis.

583 00:29:35:12 00:29:36:17
What we're really proud of here,

584 00:29:36:19 00:29:38:23
we've actually developed,
codeveloped with Blackrock,

585 00:29:39:00 00:29:41:11

some ESG regional building blocks.

586 00:29:41:13 00:29:45:12
And these reflect our own views
on certain sectors such as tobacco,

587 00:29:45:14 00:29:50:07
such as coal producers, thermal coal,
et cetera, to exclude those

588 00:29:50:09 00:29:52:03
and to overweight those stocks

589 00:29:52:05 00:29:55:15
that we feel are benefiting
from scoring high on ESG levels.

590 00:29:55:17 00:29:58:16
Again, good climate outcomes,
good societal outcomes

591 00:29:58:18 00:30:01:20
and giving us that ability
to meet our regional asset allocation

592 00:30:01:22 00:30:03:11
that you'd expect from PruFund.

593 00:30:03:13 00:30:06:05
Moving down through some of
the other asset classes.

594 00:30:06:07 00:30:09:00
Again, leveraging off M&G's
well-renowned skillset

595 00:30:09:02 00:30:11:02
in alternative assets
and in property,

596 00:30:11:04 00:30:15:13
not only have we invested
alongside core European, Asian and UK

597 00:30:15:15 00:30:18:06
property building blocks
that are very high ESG levels,

598 00:30:18:08 00:30:20:22
but supplemented again,
residential solutions,

599 00:30:20:24 00:30:22:13
shared ownership solutions.

600 00:30:22:15 00:30:23:21
What do I mean by shared ownership?

601 00:30:23:23 00:30:26:05

We've got a slide on that later on that we'll take you through.

602 00:30:26:07 00:30:29:21

Again, providing a societal benefit to the economy.

603 00:30:31:09 00:30:33:23

If we move further down into the alternative space,

604 00:30:34:00 00:30:35:22

an area that obviously very well lends itself

605 00:30:35:24 00:30:37:03

to sustainable investing,

606 00:30:37:05 00:30:38:18

here we are thinking about private equity,

607 00:30:38:20 00:30:40:05

we're thinking about infrastructure,

608 00:30:40:07 00:30:43:04

we are thinking about wind farms, we are thinking about solar investments,

609 00:30:43:06 00:30:44:21

we are thinking about all of the things that

610 00:30:44:23 00:30:47:20

we should be investing into to create that better environmental outcomes.

611 00:30:47:22 00:30:50:12

Again, building on M&G's long and successful track record

612 00:30:50:14 00:30:51:22

in alternative investment,

613 00:30:51:24 00:30:56:09

a very easy building block to incorporate into PruFund Planet.

614 00:30:56:11 00:30:58:15

If we move onto the right-hand side of the slide,

615 00:30:58:17 00:31:00:04

you will see, again, we are looking at

616 00:31:00:06 00:31:02:15
tactical asset allocation
in the same way we do in PruFund,

617 00:31:02:17 00:31:05:09
but the differences we are looking
at this in a more sustainable way.

618 00:31:05:11 00:31:08:12
Where we want to overweight equity
markets or fixed income markets,

619 00:31:08:14 00:31:11:14
we are building baskets of
sustainable equity, sustainable bonds

620 00:31:11:16 00:31:14:15
to actually allow us to move our
portfolio in the way that we want to.

621 00:31:14:17 00:31:16:23
And again, finally,
on the fixed income side,

622 00:31:17:00 00:31:20:17
the bedrock of this proposition
is the Wellington Impact Bond Fund

623 00:31:20:19 00:31:22:23
and again, we've got a slide later on
on that

624 00:31:23:00 00:31:25:24
just to say exactly what it is we are
investing in from that perspective.

625 00:31:26:01 00:31:30:15
And again, what we feel is, not just
stopping at core fixed incomes,

626 00:31:30:17 00:31:32:24
but the supplement that
with ESG high yield,

627 00:31:33:01 00:31:37:13
supplementing it
with ESG emerging market debt.

628 00:31:37:15 00:31:40:14
Again, supplementing with
alternative assets with Catalyst,

629 00:31:40:16 00:31:43:04
as I mentioned before,
and the Impact Financing Fund,

630 00:31:43:06 00:31:46:01
to really build a rounded,

diverse, global,

631 00:31:46:03 00:31:48:13
sustainable fixed income offering.

632 00:31:48:15 00:31:52:08
So, my point on this slide is, again,
going back to what Michael said,

633 00:31:52:10 00:31:53:21
financial outcomes are paramount,

634 00:31:53:23 00:31:56:01
but also the societal
and the environmental outcomes

635 00:31:56:03 00:31:58:09
are playing a key part
in the building block selection.

636 00:31:58:11 00:32:00:10
Key for me, it doesn't stop there.

637 00:32:00:12 00:32:02:21
If we go back to what I mentioned
earlier about innovation,

638 00:32:02:23 00:32:04:24
we will continue to explore
other opportunities

639 00:32:05:01 00:32:07:10
in line with positive outcomes
in the areas.

640 00:32:07:12 00:32:08:22
One of the areas
that is very exciting

641 00:32:08:24 00:32:11:03
that we are looking at at the moment
is to ensure that

642 00:32:11:05 00:32:13:12
we are at the forefront of the market
is biodiversity.

643 00:32:13:14 00:32:14:21
Now, if we actually get to a stage

644 00:32:14:23 00:32:17:04
where we feel we have
a building block for biodiversity,

645 00:32:17:06 00:32:20:01
that is something that
we will add to the mix as well

646 00:32:20:03 00:32:22:00
as the fund continues to evolve.

647 00:32:25:04 00:32:29:21
Thanks, Ciaran. Just to pick up on
that as well and to bring that life.

648 00:32:29:23 00:32:33:15
I wanted to just explain
the way that we have constructed

649 00:32:33:17 00:32:36:15
our equity allocation
as an example of that.

650 00:32:36:17 00:32:40:09
So, as the group has said so far,

651 00:32:40:11 00:32:43:04
within Planet,
we have a focus on themes.

652 00:32:43:06 00:32:45:15
In that space,
that really lends itself

653 00:32:45:17 00:32:49:05
to having more global funds
rather than regional sleeves,

654 00:32:49:07 00:32:53:05
given the development of
the underlying universe.

655 00:32:53:07 00:32:58:02
So, in addition, as you can see
in the bottom-left pie chart,

656 00:32:58:04 00:33:02:12
the US is really leading the way
in sustainability and impact

657 00:33:02:14 00:33:06:12
so you also see a tilt towards these
regions in global thematic funds.

658 00:33:06:14 00:33:10:12
However, we do expect to be able to
explore those other areas in time

659 00:33:10:14 00:33:13:18
and have ample opportunities
there too.

660 00:33:13:20 00:33:16:10
In line with our standard
PruFund approach,

661 00:33:16:12 00:33:19:11
as you can see
in the bottom right-hand pie chart,

662 00:33:19:13 00:33:23:24
we really wanted to have a higher
allocation to Europe and the UK

663 00:33:24:01 00:33:25:19
versus the US

664 00:33:25:21 00:33:29:10
and so there was a real need to try
and balance that to fill the gaps.

665 00:33:29:12 00:33:31:23
Not only that,
but what you tend to see

666 00:33:32:00 00:33:34:11
in these thematic strategies as well

667 00:33:34:13 00:33:37:21
is that they tend to be
a bit more concentrated too.

668 00:33:37:23 00:33:42:04
So we also wanted to ensure that
we have the degree of diversification

669 00:33:42:06 00:33:46:04
and exposure to the broad index,
as you expect from the PruFund range.

670 00:33:47:15 00:33:50:00
So, as a result,
we have looked at allocating

671 00:33:50:02 00:33:52:15
to a range of regional
passive equity sleeves

672 00:33:52:17 00:33:54:12
and we will use those as levers

673 00:33:54:14 00:33:57:20
to help us balance back
to the regional SAA over time.

674 00:33:59:00 00:34:02:12
But we didn't just use any passive,
we really wanted to show

675 00:34:02:14 00:34:06:17
what we stand for when it comes to
ESG and sustainability investing.

676 00:34:06:19 00:34:12:13

So as Ciaran says, we have codesigned
bespoke Blackrock regional funds

677 00:34:12:15 00:34:17:05
which look to invest in low carbon
emitters and optimise the portfolios

678 00:34:17:07 00:34:19:01
to overweight those stocks

679 00:34:19:03 00:34:22:22
that have greater social
and environmental credentials,

680 00:34:22:24 00:34:27:10
as well as being able to use
our own ESG exclusions as well

681 00:34:27:12 00:34:30:21
and exercise our own views
on certain sectors too.

682 00:34:30:23 00:34:34:05
So, as you can see in the diagram
on the right-hand side,

683 00:34:34:07 00:34:36:08
this gives you the output of this.

684 00:34:36:10 00:34:39:07
We will use the example
of the S&P 500,

685 00:34:39:09 00:34:42:22
but you see a very similar result
for all of the regions too.

686 00:34:42:24 00:34:45:24
So the key thing is that
the financial return

687 00:34:46:01 00:34:49:10
is very much aligned with
the board market index.

688 00:34:49:12 00:34:53:00
If you believe that there is
a structural tailwind

689 00:34:53:02 00:34:55:10
behind some of these ESG themes,

690 00:34:55:12 00:34:58:06
then you may see some up performance
over the long term,

691 00:34:58:08 00:35:00:14
but this is really not

what they intend to do,

692 00:35:00:16 00:35:04:15
we are just trying to reach that
broad market exposure.

693 00:35:04:17 00:35:07:02
The other thing to draw out, though,

694 00:35:07:04 00:35:10:18
is that you do have
a significantly higher ESG score.

695 00:35:10:20 00:35:15:20
In the middle diagram on the right,
the index is the yellow bar

696 00:35:15:22 00:35:20:06
and the portfolio is the red bar,
so you have significant ESG pickup

697 00:35:20:08 00:35:22:16
and importantly as well,
the carbon score

698 00:35:22:18 00:35:26:01
is significantly lower
in the bottom right-hand chart too.

699 00:35:28:03 00:35:30:11
To bring out another example...

700 00:35:31:16 00:35:33:14
Wellington Global Impact Bond,

701 00:35:33:16 00:35:37:06
this is a great example
of us working with external managers,

702 00:35:37:08 00:35:39:11
this time in the fixed income space.

703 00:35:39:13 00:35:44:12
When we were looking for impact, ESG
and sustainability in fixed income,

704 00:35:44:14 00:35:46:24
we really felt that
Wellington had an edge here.

705 00:35:48:13 00:35:50:21
This fund gives you
the same broad exposures

706 00:35:50:23 00:35:53:05
as you would expect
from a global bond fund.

707 00:35:53:07 00:35:56:15
As you can see
in the bottom-left pie chart,

708 00:35:56:17 00:36:00:15
the strategy will be lending money
to corporate, supranationals

709 00:36:00:17 00:36:02:11
and sovereigns for example.

710 00:36:02:13 00:36:05:13
However, what really
makes this fund different

711 00:36:05:15 00:36:08:19
is that it is targeting a slightly
different area of the market

712 00:36:08:21 00:36:11:02
to your more traditional
global bond fund.

713 00:36:11:04 00:36:13:19
It is really looking
to lend to companies

714 00:36:13:21 00:36:17:11
that are generating genuine impact
in life essentials,

715 00:36:17:13 00:36:19:20
human empowerment
and the environment.

716 00:36:19:22 00:36:23:12
On this slide here you can also see
some subcategories of that too.

717 00:36:25:02 00:36:28:00
But specifically what do we mean
by that in practice?

718 00:36:28:02 00:36:30:24
As you can see
on the right-hand side,

719 00:36:31:01 00:36:36:08
from the impact report Wellington
creates on an annual basis,

720 00:36:36:10 00:36:40:22
this is really tracked
in measurable key indicators as well.

721 00:36:40:24 00:36:42:15
Over the time of this fund,

722 00:36:42:17 00:36:45:22
companies that we have lended to
via this strategy

723 00:36:45:24 00:36:50:21
have provided or cleaned
142 billion cubic metres of water

724 00:36:50:23 00:36:55:12
and provided educational services
to more than 300 million people,

725 00:36:55:14 00:37:00:00
which is obviously a great impact
to be making via your investments.

726 00:37:00:02 00:37:03:21
But not only that, this fund
is also bespoke to our needs.

727 00:37:03:23 00:37:08:05
Not just via the ESG exclusions
that we are able to apply,

728 00:37:08:07 00:37:11:12
but also by applying
a bespoke benchmark to, again,

729 00:37:11:14 00:37:16:04
allow us to achieve our financial as
well as our sustainable objectives.

730 00:37:18:01 00:37:20:09
Great stuff. Thanks, Olivia.

731 00:37:20:11 00:37:23:20
I think that answered some of
the questions that are coming through

732 00:37:23:22 00:37:26:17
because there is a real interest
in what makes up the fund

733 00:37:26:19 00:37:28:05
and what makes it different.

734 00:37:28:07 00:37:30:03
I guess that's a really good dovetail

735 00:37:30:05 00:37:32:19
for me to look more closely
at those building blocks

736 00:37:32:21 00:37:35:18
that we categorise
as solutions focussed.

737 00:37:35:20 00:37:37:03

Staying with Ciaran and Olivia,

738 00:37:37:05 00:37:39:16
can you give us a highlight of
a few of those things please?

739 00:37:41:08 00:37:43:21
Sure. No problem, Vince.

740 00:37:43:23 00:37:47:22
So I think if we start with one of
the core equity building blocks

741 00:37:47:24 00:37:50:24
I mentioned earlier,
the Positive Impact Fund.

742 00:37:51:01 00:37:54:14
Again, this is a global equity fund
at its heart,

743 00:37:54:16 00:37:56:23
looking to outperform
the global equity index

744 00:37:57:00 00:37:58:13
from a financial standpoint.

745 00:37:58:15 00:38:00:17
Where it's different is that

746 00:38:00:19 00:38:04:06
its co-target is to create
positive outcomes.

747 00:38:04:08 00:38:07:08
We've selected Posi
for that exact reason,

748 00:38:07:10 00:38:10:04
it's our key core
equity building block

749 00:38:10:06 00:38:13:05
and we've got a very strong view
on their capabilities

750 00:38:13:07 00:38:15:18
in terms of
how they go about their business.

751 00:38:15:20 00:38:18:07
What they do is they focus on
investing in companies

752 00:38:18:09 00:38:20:15
that explicitly aim to have
a positive impact

753 00:38:20:17 00:38:23:03
on both environmental issues
that face the world

754 00:38:23:05 00:38:25:10
and society are issues
that face the world.

755 00:38:25:12 00:38:27:08
How do they actually classify that?

756 00:38:27:10 00:38:28:22
Well, they target a broad range

757 00:38:28:24 00:38:31:04
of those UN sustainable
development goals.

758 00:38:31:06 00:38:34:05
I won't go through all of them,
but on the left-hand side

759 00:38:34:07 00:38:36:14
you can see that they range from
12 o'clock,

760 00:38:36:16 00:38:39:04
poverty issues
and hunger issues in the world,

761 00:38:39:06 00:38:43:14
right up to three o'clock of gender
equality, clean water and sanitation,

762 00:38:43:16 00:38:47:24
Right down to the bottom,
making sure that sustainability

763 00:38:48:01 00:38:51:18
in terms of cities
and communities that we live in

764 00:38:51:20 00:38:54:03
and again, life of land,
life below water,

765 00:38:54:05 00:38:57:12
are we developing sustainable
solutions for those areas?

766 00:38:57:14 00:39:00:09
When they go about researching
their investment universe,

767 00:39:00:11 00:39:03:10
yes, they look at the broad market,
but then they will focus down

768 00:39:03:12 00:39:05:22
and say, "OK, fine,
where are we aiming to find stocks

769 00:39:05:24 00:39:08:20
in companies that are really
targeting to provide a solution

770 00:39:08:22 00:39:12:13
and give a positive impact on
key areas that the UN has identified

771 00:39:12:15 00:39:16:07
as things that we should be investing
in from an ESG perspective?"

772 00:39:16:09 00:39:19:15
Now, in terms of actually going about
their day-to-day role,

773 00:39:19:17 00:39:21:19
what they follow
on the right-hand side of the slide

774 00:39:21:21 00:39:23:10
is what they call
a Triple I framework,

775 00:39:23:12 00:39:26:02
investment, intention and impact.

776 00:39:26:04 00:39:30:01
By investment, financially, it's
fundamentally is it a good business?

777 00:39:30:03 00:39:32:04
Is this something that
we would want to invest in?

778 00:39:32:06 00:39:35:18
And if it passes that key criteria,
we move on to intention.

779 00:39:35:20 00:39:37:20
Is there a purpose to deliver impact?

780 00:39:37:22 00:39:40:02
Where are they trying to
deliver impact?

781 00:39:40:04 00:39:43:02
Which one of these UN SDGs
are they trying to target?

782 00:39:43:04 00:39:44:18
And once that's determined,

783 00:39:44:20 00:39:48:06
are you able to measure the actual
materiality of that impact?

784 00:39:48:08 00:39:51:01
For example, as Olivia mentioned
in one of her earlier slides,

785 00:39:51:03 00:39:53:24
one of the key things that we are
focussed on is carbon emissions.

786 00:39:54:01 00:39:58:19
Can we say that they have managed to
reduce the carbon emissions

787 00:39:58:21 00:40:02:16
of a portfolio
by investing in certain companies?

788 00:40:02:18 00:40:06:14
Now, I guess what is also important
for M&G when we look at ESG

789 00:40:06:16 00:40:10:13
and absolutely for the
Positive Impact Fund is engagement.

790 00:40:10:15 00:40:13:03
Even impact for companies
can do more.

791 00:40:13:05 00:40:18:11
If you think of a wind turbine maker,
that's a great ESG story,

792 00:40:18:13 00:40:20:15
positive renewable energy,

793 00:40:20:17 00:40:22:18
but even the manufacturing
of the wind turbine

794 00:40:22:20 00:40:24:17
could actually have
a large CO2 footprint

795 00:40:24:19 00:40:26:17
because we are looking at
large steel structures

796 00:40:26:19 00:40:28:02
and heavy manufacturing costs.

797 00:40:28:04 00:40:29:16
So we will engage
with these companies

798 00:40:29:18 00:40:31:20
to ensure that at all levels
of the production chain

799 00:40:31:22 00:40:36:06
they are actually ensuring that
they have a very positive impact

800 00:40:36:08 00:40:39:11
and also continue to improve
on a carbon level,

801 00:40:39:13 00:40:43:10
on an societal level or
on an environmental level as well.

802 00:40:43:12 00:40:48:06
Again, the core bedrock
of our equity proposition

803 00:40:48:08 00:40:50:17
and a fund that we are
very, very excited about.

804 00:40:50:19 00:40:53:18
One of the somatic funds that
we are actually looking at, again,

805 00:40:53:20 00:40:56:06
we developed with M&G
and I mentioned this earlier on,

806 00:40:56:08 00:40:57:14
is the Better Health Fund.

807 00:40:57:16 00:41:00:14
So, when we looked at
the marketplace, as I said,

808 00:41:00:16 00:41:02:23
a lot of health funds
typically invest

809 00:41:03:00 00:41:06:08
in 50-60 pharmaceutical companies,
the big ones that we'll all know,

810 00:41:06:10 00:41:09:14
put them together in a fund and say,
"Fine, that's a health fund."

811 00:41:09:16 00:41:11:20
But to me
from a philosophical standpoint,

812 00:41:11:22 00:41:14:13
that doesn't go to the nth degree
of actually ensuring

813 00:41:14:15 00:41:17:13
we have a proposition
that is genuinely differentiating.

814 00:41:17:15 00:41:19:06
I think
when we looked to develop this fund

815 00:41:19:08 00:41:20:22
in conjunction with
the asset manager,

816 00:41:20:24 00:41:22:18
we actually did feel that
they have the skills,

817 00:41:22:20 00:41:24:11
but the product
wasn't there at the moment.

818 00:41:24:13 00:41:27:20
What we did was we sat down and said,
"OK, what does this fund look like?"

819 00:41:27:22 00:41:30:05
We were delighted with this product,
we really feel

820 00:41:30:07 00:41:32:22
as a stand-alone health product,
this is a market leader.

821 00:41:32:24 00:41:36:22
Yes, it will invest, on the top right
of the circular diagram,

822 00:41:36:24 00:41:38:12
you see it has better healthcare,

823 00:41:38:14 00:41:41:19
it will invest in some biotechnology
and pharmaceutical companies,

824 00:41:41:21 00:41:43:01
but it goes further than that.

825 00:41:43:03 00:41:45:16
It looks at lifestyle
and it looks at hygiene and safety.

826 00:41:45:18 00:41:48:17
And within lifestyle, it says,
"OK, what can we actually target

827 00:41:48:19 00:41:51:18
from a stock level so we actually
ensure this fund comes together

828 00:41:51:20 00:41:53:13
to create better health solutions?"

829 00:41:53:15 00:41:56:21
One of the key investments
a better lifestyle is gyms,

830 00:41:56:23 00:42:00:06
so they invest in a portfolio of gyms
around the country

831 00:42:00:08 00:42:02:19
that gives low cost access to gyms

832 00:42:02:21 00:42:05:23
to a number of
different parts of society.

833 00:42:06:00 00:42:07:16
And again,
on better hygiene and safety,

834 00:42:07:18 00:42:09:02
they are looking at personal care,

835 00:42:09:04 00:42:11:00
they are looking at clean water
and clean air.

836 00:42:11:02 00:42:13:20
When you put all this together
from a healthcare perspective,

837 00:42:13:22 00:42:17:16
a lifestyle perspective
and a hygiene safety perspective,

838 00:42:17:18 00:42:20:07
I think what we are seeing is
a very holistic solution,

839 00:42:20:09 00:42:23:03
very much differentiated solution
than the marketplace

840 00:42:23:05 00:42:25:09
and then taking that back
to the planet level,

841 00:42:25:11 00:42:27:15
really in line
with our philosophical goals

842 00:42:27:17 00:42:32:07
of providing societal
or climate change solutions,

843 00:42:32:09 00:42:35:06
in this case societal outcomes.

844 00:42:35:08 00:42:37:11
Again, with Posi and Better Health,

845 00:42:37:13 00:42:40:02
great innovation,
leveraging off that internal manager

846 00:42:40:04 00:42:43:18
and, again, Olivia has some examples
on the more illiquid assets

847 00:42:43:20 00:42:46:15
and indeed the external managers
that we've partnered with.

848 00:42:48:00 00:42:49:09
Thanks, Ciaran.

849 00:42:49:11 00:42:51:17
So, yeah, just to look a bit further

850 00:42:51:19 00:42:55:12
than some of the equities examples
that we've used so far.

851 00:42:55:14 00:43:00:15
Another great example is the M&G
Real Estate Shared Ownership Fund.

852 00:43:00:17 00:43:03:11
Given the end of
the Help to Buy scheme,

853 00:43:03:13 00:43:06:00
there is an increasing disconnect

854 00:43:06:02 00:43:09:03
between house prices
and affordability.

855 00:43:09:05 00:43:13:05
This is only being exacerbated
by the pandemic.

856 00:43:13:07 00:43:17:03
As a result, we really feel that
this fund directly contributes

857 00:43:17:05 00:43:21:00
towards fulfilling a huge social need
when it comes to home ownership

858 00:43:21:02 00:43:23:18
and helping people get their feet
on the housing ladder.

859 00:43:25:07 00:43:29:06
Importantly, you actually also need
to have a registered provider status

860 00:43:29:08 00:43:32:09
in order to actually offer
this service to communities,

861 00:43:32:11 00:43:36:03
so we think this strategy
is also really differentiated

862 00:43:36:05 00:43:39:22
and is supported by a strong team
within M&G Real Estate.

863 00:43:39:24 00:43:43:13
This is an example of
a solution focussed fund,

864 00:43:43:15 00:43:47:02
but on the opportunity focussed
aside, we are also working with

865 00:43:47:04 00:43:50:01
M&G Real Estate
on their Residential Fund as well,

866 00:43:50:03 00:43:52:00
which has very similar
characteristics,

867 00:43:52:02 00:43:54:04
just a slightly different
opportunity set.

868 00:43:56:23 00:44:00:07
And then finally, to touch on
one of our external managers.

869 00:44:00:09 00:44:02:16
Pictet, as Ciaran said earlier,

870 00:44:02:18 00:44:07:13
we really feel that Pictet is
a market leader in thematic investing

871 00:44:07:15 00:44:10:08
and has been doing this
for a very long time,

872 00:44:10:10 00:44:12:03
as you can see on the slide.

873 00:44:12:05 00:44:13:23
So we have chosen to invest

874 00:44:14:00 00:44:17:09
in the Global Environmental
Opportunities Fund.

875 00:44:18:17 00:44:23:09
If you think back to the six outcome
areas that Michael spoke to earlier,

876 00:44:23:11 00:44:26:07
this is really focusing on
the circular economy.

877 00:44:26:09 00:44:30:05
What this means is ensuring that
they are investing in areas

878 00:44:30:07 00:44:34:06
such as waste management
and creating new products from old,

879 00:44:34:08 00:44:38:02
but also considers the impact of this
more broadly.

880 00:44:38:04 00:44:42:01
As you can see on a diagram there,
it spans topics such as

881 00:44:42:03 00:44:45:23
ocean acidification and biodiversity,
for example.

882 00:44:47:02 00:44:50:18
However, what is different
about the way that Pictet do this

883 00:44:50:20 00:44:54:13
is that they have taken
the Planetary Boundaries framework.

884 00:44:54:15 00:44:58:05
This was created by
a group of scientists in Stockholm

885 00:44:58:07 00:45:01:19
and they use this when they are
constructing the portfolio

886 00:45:01:21 00:45:04:09
and considering
any names for investment.

887 00:45:05:14 00:45:08:11
So, this is quite neat
as it gives a safety net.

888 00:45:08:13 00:45:10:09
So, outside of the boundary,

889 00:45:10:11 00:45:14:02
as you can see by the red bars
in this diagram for example,

890 00:45:14:04 00:45:19:04
there would be an increased risk of
irreversible environmental damage.

891 00:45:19:06 00:45:21:20
So the team are really
looking to only invest

892 00:45:21:22 00:45:24:18
in companies
whose entire life-cycle emissions

893 00:45:24:20 00:45:27:18
are within that space,
that safe operating space,

894 00:45:27:20 00:45:31:00
as you can see by the green circle
in the middle as well.

895 00:45:33:18 00:45:36:17
Great stuff. Thanks, Olivia
and thanks, Ciaran.

896 00:45:36:19 00:45:38:16
I think that was
a really interesting take

897 00:45:38:18 00:45:40:11
on some of the things
we're looking at.

898 00:45:40:13 00:45:42:00
Now I've got some good news.

899 00:45:42:02 00:45:45:05
We believe we have got
the poll questions working.

900 00:45:45:07 00:45:46:17
I saw many questions coming through

901 00:45:46:19 00:45:49:16
saying, "We'd like to vote, but you
haven't actually opened up the poll."

902 00:45:49:18 00:45:51:12
So clearly it was a technical glitch,

903 00:45:51:14 00:45:54:23
which actually is probably the better
option than people having left.

904 00:45:55:00 00:45:57:13
If we can rerun the last poll,
that would be good.

905 00:45:59:11 00:46:01:01
Let's bring that up on the screen.

906 00:46:01:03 00:46:03:12
Here we go. Oh, there we go.

907 00:46:04:10 00:46:06:21
44% ESG Risk Focussed.

908 00:46:06:23 00:46:08:09
Oh, it's changing as we speak.

909 00:46:08:11 00:46:11:12
I must admit, I am relieved
that there are people voting on this

910 00:46:11:14 00:46:12:24
and you haven't all left.

911 00:46:13:01 00:46:16:04
It does remind me of a time, actually,
that one of my colleagues -

912 00:46:16:06 00:46:18:19
who I really shouldn't say
the name of so I won't,

913 00:46:18:21 00:46:20:16
but let's pretend it was Les Cameron -

914 00:46:20:18 00:46:24:07
was actually presenting to a group
via xxx for about 45 minutes

915 00:46:24:09 00:46:26:09
and had lost his internet connection
after about 15 minutes

916 00:46:26:11 00:46:27:22
but it didn't stop him, he just continued.

917 00:46:27:24 00:46:30:02
So, that just reminded me of that.

918 00:46:30:04 00:46:33:24
Actually, excellent,
43-44% ESG Risk Focussed,

919 00:46:34:01 00:46:37:00
so I think that's good news,
and actually a very sensible take.

920 00:46:38:07 00:46:41:05
Kat, let me bring you

back in at this point.

921 00:46:41:07 00:46:43:17
Any sort of views on that particular poll?

922 00:46:44:06 00:46:48:11
And also a couple of key questions I think
we probably need to address which is:

923 00:46:48:13 00:46:50:13
can you summarise the key points

924 00:46:50:15 00:46:52:17
that an adviser
should take away from today?

925 00:46:53:06 00:46:55:01
Including how you would decide

926 00:46:55:03 00:46:57:08
what propositions go
with PruFund and PruFund Planet?

927 00:46:57:10 00:47:00:15
And, as I said, I think that links in
to the last poll question.

928 00:47:00:17 00:47:02:00
And secondly, can you describe

929 00:47:02:02 00:47:05:01
the key support
that's available for advisers?

930 00:47:09:21 00:47:10:24
You're on mute, Kat.

931 00:47:20:08 00:47:23:17
There we go.
Technical glitch is alive this morning.

932 00:47:23:19 00:47:25:00
Okay, sorry about that, guys.

933 00:47:25:02 00:47:27:21
Yeah,
I thought the poll was quite interesting

934 00:47:27:23 00:47:32:04
and not something that I wasn't expecting.

935 00:47:32:06 00:47:35:05
Hopefully you've all
found this session really interesting.

936 00:47:35:07 00:47:38:15
I find it fascinating to have a look
at the underlying investments

937 00:47:38:17 00:47:40:14
within the new Planet range.

938 00:47:40:16 00:47:44:12
I think what Planet does is it enhances
the choice of smooth solutions

939 00:47:44:14 00:47:47:14
that we're able to offer
to advisers and their clients

940 00:47:47:16 00:47:54:03
who are looking to invest more aligned
with their own preferences and values.

941 00:47:54:05 00:47:59:17
But that decision on whether to invest
in our existing PruFund range or Planet,

942 00:47:59:19 00:48:02:12
you could argue,
should be quite an easy one

943 00:48:02:14 00:48:05:11
given that it should be driven
by the client preferences

944 00:48:05:13 00:48:09:20
and is based on the questions
you ask the clients in that Fact Find,

945 00:48:09:22 00:48:12:05
and the following discussion thereafter.

946 00:48:12:07 00:48:16:22
So, it's quite difficult to compare Planet
and the existing PruFund range

947 00:48:16:24 00:48:18:08
because, effectively, they are aimed

948 00:48:18:10 00:48:21:03
at different client
preferences requirements.

949 00:48:21:23 00:48:24:16
I think it's important to go back
to what Michael said at the start

950 00:48:24:18 00:48:27:01
and remind ourselves what's the same

951 00:48:27:03 00:48:31:04
about both ranges
of PruFund Risk Managed and Planet.

952 00:48:31:19 00:48:34:15

Planet is effectively just building
on the excess,

953 00:48:34:17 00:48:37:15
it's the evolution
of our existing PruFund range

954 00:48:37:17 00:48:42:07
in that it uses the same investment engine
to determine that asset allocation,

955 00:48:42:09 00:48:46:00
selection of best-in-class
underlying funds and managers.

956 00:48:46:02 00:48:47:24
We've got the choice
of five first-rated funds

957 00:48:48:01 00:48:50:13
that will match up
to your client's attitude to risk

958 00:48:50:15 00:48:52:20
and they have that expected growth rate

959 00:48:52:22 00:48:55:09
which will help manage
clients' expectations.

960 00:48:56:00 00:49:00:19
Both ranges utilise that same tried
and tested smoothing process that we have

961 00:49:00:21 00:49:04:10
and that can help
with short-term market volatility.

962 00:49:04:24 00:49:07:07
So, I suppose if your client preferences

963 00:49:07:09 00:49:11:05
are more geared towards investing
in a way that avoids harm

964 00:49:11:07 00:49:14:04
by intentionally reducing
or mitigating risks,

965 00:49:14:06 00:49:18:03
then the existing PruFund range
already and continues to do this

966 00:49:18:05 00:49:21:10
and the results of that poll
that we just ran there, Vince,

967 00:49:21:12 00:49:25:19

suggests that roundabout 40%
of our clients still sit in that category.

968 00:49:25:21 00:49:27:24
Therefore, the existing range,

969 00:49:28:01 00:49:30:12
which focusses
on delivering financial return

970 00:49:30:14 00:49:32:17
through strong due diligence and research,

971 00:49:32:19 00:49:36:13
investing to avoid harm
by mitigating risky ESG practices,

972 00:49:36:15 00:49:39:16
by excluding certain sectors or companies,

973 00:49:40:22 00:49:43:19
referring to that impact
management project outcomes

974 00:49:43:21 00:49:46:06
mentioned by Olivia earlier,

975 00:49:46:08 00:49:52:09
the PruFund range currently
might be more suited towards those clients

976 00:49:52:11 00:49:54:15
that are aiming to protect the planet.

977 00:49:55:18 00:49:56:21
If you want more information

978 00:49:56:23 00:49:59:15
on the ESG credentials
of the existing PruFund range,

979 00:49:59:17 00:50:01:20
then please speak to your account manager

980 00:50:01:22 00:50:06:13
or we do have a really good Q&A
on PruAdviser that helps with that.

981 00:50:07:03 00:50:11:16
PruFund Planet, on the other hand,
is, as we've discussed this morning,

982 00:50:11:18 00:50:15:16
is aiming to deliver positive outcomes
that not only protect the planet

983 00:50:15:18 00:50:18:18
but also looking at solutions

that help improve the planet.

984 00:50:18:20 00:50:21:10
And, as I've said,
we've developed that Planet range

985 00:50:21:12 00:50:24:23
by building on our experience
and strengths in asset allocation,

986 00:50:25:00 00:50:28:14
combining this
with the high-quality asset managers,

987 00:50:28:16 00:50:32:24
leveraging M&G skillset
in sustainable and impact investing

988 00:50:33:01 00:50:35:14
by not only investing in existing funds

989 00:50:35:16 00:50:38:18
but, as Kieran has said,
building new funds

990 00:50:38:20 00:50:41:00
to help us deliver
those positive outcomes.

991 00:50:41:14 00:50:45:20
I think partnering up with some
of the market leaders in this field

992 00:50:45:22 00:50:48:23
has really helped
enhance the Planet offering

993 00:50:49:00 00:50:51:06
using their skillset and expertise,

994 00:50:51:08 00:50:54:06
building solutions,
some of them bespoke to the Planet range

995 00:50:54:08 00:50:57:04
and therefore aligning
to their specific needs

996 00:50:57:06 00:51:00:19
and trying to meet
those positive outcomes.

997 00:51:00:21 00:51:02:23
In terms of support available to you,

998 00:51:03:00 00:51:06:22
we've created a range of materials
that can be found on PruAdviser.

999 00:51:06:24 00:51:09:10
We've got a really good interactive guide

1000 00:51:09:12 00:51:11:24
which is a step-by-step guide
to the Planet range

1001 00:51:12:01 00:51:15:04
and gives you more information
on the underlying funds

1002 00:51:15:06 00:51:19:15
and in general help you
position the range with your clients.

1003 00:51:20:04 00:51:21:17
We've also got the due diligence document

1004 00:51:21:19 00:51:24:04
which helps
with the compliance side of things

1005 00:51:24:06 00:51:26:13
and use that
alongside with the key reasons,

1006 00:51:26:15 00:51:30:18
which will help you
with those all-necessary client reports.

1007 00:51:30:20 00:51:35:01
Finally, the client guide
is available to use with your clients

1008 00:51:35:03 00:51:37:05
and give them more information
on this range

1009 00:51:37:07 00:51:39:13
and what it is
that we're trying to achieve.

1010 00:51:39:15 00:51:42:20
Another document
I just want to refer to quickly

1011 00:51:42:22 00:51:46:10
is the intergenerational guide
that is available on PruAdviser.

1012 00:51:46:12 00:51:47:19
And I see this as an area

1013 00:51:47:21 00:51:51:14
where ESG solutions
can perhaps be explored more.

1014 00:51:51:16 00:51:53:20

So that guide,
which is on PruAdviser,

1015 00:51:53:22 00:51:58:15

you'll see the figure there we use,
expected 5.5 trillion

1016 00:51:58:17 00:52:01:06

expects to be passed down
to the next generation.

1017 00:52:01:23 00:52:06:05

We also know, from recent HMRC stats,
that IHT receipts are up,

1018 00:52:06:07 00:52:10:16

which means more people,
more estates, are pairing IHT.

1019 00:52:10:18 00:52:15:19

So, bear that in mind and typically,
again, the recent external surveys

1020 00:52:15:21 00:52:17:24

have shown that the younger generation

1021 00:52:18:01 00:52:21:14

might be more concerned
about where their money is invested

1022 00:52:21:16 00:52:23:23

rather than those in retirement.

1023 00:52:24:00 00:52:28:03

This is just one area
where you could discuss ESG with clients

1024 00:52:28:05 00:52:32:17

and perhaps combining that with IHT
in terms of pensions for others,

1025 00:52:32:19 00:52:34:12

so, say, pensions for the children.

1026 00:52:34:14 00:52:36:19

You want to help out the next generation

1027 00:52:36:21 00:52:39:04

but maybe you don't trust them
enough right now

1028 00:52:39:06 00:52:44:03

to squander it on the latest paddle board
from the middle isle of Lidl or Aldi.

1029 00:52:44:21 00:52:47:24

You might want to consider pension

contributions on their behalf,

1030 00:52:48:01 00:52:52:11
not only creating maximum tax efficiency
by using your IHT exemptions,

1031 00:52:52:13 00:52:54:18
tax relief on pension contributions,

1032 00:52:54:20 00:52:56:13
you're helping improve and protect

1033 00:52:56:15 00:53:00:04
the wealth of the future
or next generations

1034 00:53:00:06 00:53:03:10
and helping protect
and improve the planet, as well.

1035 00:53:03:12 00:53:05:11
And surely that will leave
you and your clients

1036 00:53:05:13 00:53:07:23
with that fuzzy good feeling
in your tummies.

1037 00:53:08:00 00:53:10:04
So, don't forget also
in retirement account

1038 00:53:10:06 00:53:12:24
that there are a number
of other ESG solutions available for,

1039 00:53:13:01 00:53:16:12
say, clients that may be looking
for something a little bit more bespoke.

1040 00:53:16:14 00:53:19:05
So, we do have
the M&G Climate Solutions Fund

1041 00:53:19:07 00:53:23:16
the Positive Impact Fund, which again,
sit within the PruFund range.

1042 00:53:23:18 00:53:26:24
But there's also a wide range
of external funds available.

1043 00:53:27:01 00:53:29:16
So, I want to go back
to one of the comments I made

1044 00:53:29:18 00:53:32:19
right at the start

of this presentation on ESG,

1045 00:53:32:21 00:53:38:05
and that is that we need to help advisers
with more of the how, not the why,

1046 00:53:38:07 00:53:43:05
and we need to help advisers put ESG
into their client propositions.

1047 00:53:43:07 00:53:47:20
So, with that I mind,
we have developed a client Fact Find

1048 00:53:47:22 00:53:50:23
which is designed to help you
with your client conversations

1049 00:53:51:00 00:53:53:15
when trying to assess what level

1050 00:53:53:17 00:53:57:09
of financial and ESG outcomes
your client's looking to achieve.

1051 00:53:57:11 00:54:02:19
So, this will help you determine
and keep a record of this conversation.

1052 00:54:02:21 00:54:05:08
It's designed to be used in conjunction

1053 00:54:05:10 00:54:08:08
with your own compliance
and Fact Find processes,

1054 00:54:08:10 00:54:10:22
but it will help determine
where your client sits

1055 00:54:10:24 00:54:12:12
from an the ESG perspective.

1056 00:54:12:14 00:54:15:14
So, using our framework,
either risk-focussed,

1057 00:54:15:16 00:54:18:06
opportunity-focussed,
to solution-focussed.

1058 00:54:18:23 00:54:20:13
It's not a one-stop shop.

1059 00:54:20:15 00:54:23:17
It's not going to give you
the final answer,

1060 00:54:23:19 00:54:26:14
but what it will give you
is the ability to segment clients

1061 00:54:26:16 00:54:29:14
at least based
on their ESG preferences

1062 00:54:29:16 00:54:33:01
and will help you develop
those conversations further with clients.

1063 00:54:33:03 00:54:37:01
Now, it's nearly ready
and available for you to use.

1064 00:54:37:16 00:54:39:23
We will release this
through your account manager,

1065 00:54:40:00 00:54:44:06
so please be sure to keep in touch
with your local and usual contact.

1066 00:54:44:08 00:54:45:18
Vince, back to you.

1067 00:54:46:14 00:54:48:06
Great, thanks Kat.

1068 00:54:48:08 00:54:50:16
Yeah, I saw a few questions
coming through already

1069 00:54:50:18 00:54:53:16
talking about the difference
between PruFund Planet and PruFund,

1070 00:54:53:18 00:54:55:20
so I think you've covered
that really well there Kat,

1071 00:54:55:22 00:54:59:08
as well as, of course,
the actual support that's available

1072 00:54:59:10 00:55:02:04
and also what's coming from ourselves.

1073 00:55:02:22 00:55:08:05
Okay, I think what we'll do, touch wood,
is run the last poll question

1074 00:55:09:01 00:55:11:17
just to get a take on where you are
having heard all of that.

1075 00:55:11:19 00:55:14:02

So, if we can bring that up on the screen.

1076 00:55:15:03 00:55:20:06
Have you already, or will you in future
embed ESG as part of your advice process?

1077 00:55:20:08 00:55:21:11
Yes or no.

1078 00:55:21:13 00:55:22:14
So, if you could answer for that

1079 00:55:22:16 00:55:25:04
and we'll keep the results
coming through on the screen.

1080 00:55:25:06 00:55:27:15
But I would summarise
just a couple of points here.

1081 00:55:27:17 00:55:31:07
So, we think this
is a really exciting fund range complement

1082 00:55:31:09 00:55:32:13
to the existing PruFund range.

1083 00:55:32:15 00:55:33:20
Hopefully you agree.

1084 00:55:33:22 00:55:36:20
PruFund itself
is a growing range of funds.

1085 00:55:36:22 00:55:40:06
It's got assets
of over 57 billion already

1086 00:55:40:08 00:55:43:05
with 370 billion
managed by M&G in total.

1087 00:55:44:03 00:55:47:02
Now, I should just point out here,
initially this is on retirement accounts

1088 00:55:47:04 00:55:49:23
but we will be adding
all the other tax wrappers

1089 00:55:50:00 00:55:52:07
to have this available in due course.

1090 00:55:52:09 00:55:53:15
So, initially on retirement accounts,

1091 00:55:53:17 00:55:56:20
but will be available

for other products in due course.

1092 00:55:57:23 00:56:01:01
And, as Kat said there, PruFund
has already got strong ESG overlay,

1093 00:56:01:03 00:56:04:11
and that's actually been BAU
for a long, long time.

1094 00:56:04:13 00:56:07:01
PruFund Planet, I think,
adds a new dimension to it,

1095 00:56:07:03 00:56:10:02
and actually the results of the screen
there, I think, are really reassuring.

1096 00:56:10:04 00:56:12:13
97% of you are saying

1097 00:56:12:15 00:56:15:22
that you are actually going to embed this
in your advice process.

1098 00:56:15:24 00:56:19:00
I think that's really positive
and that's really what we wanted to see.

1099 00:56:19:02 00:56:22:17
So, thank you for voting
and thank you for your time.

1100 00:56:22:19 00:56:24:23
I'm just going to finish off
with the housekeeping

1101 00:56:25:00 00:56:27:12
before we move on to questions.

1102 00:56:27:14 00:56:29:17
So, let me just remind you,

1103 00:56:29:19 00:56:31:00
and I know I said
some of this at the beginning,

1104 00:56:31:02 00:56:33:11
but we've had one
or two queries around this,

1105 00:56:33:13 00:56:36:21
please make sure you complete
the feedback before leaving us today.

1106 00:56:36:23 00:56:39:13
The feedback tab
is underneath the broadcast screen.

1107 00:56:40:03 00:56:43:07
Once we have your feedback,
our events team will send you an email

1108 00:56:43:09 00:56:45:04
which will have an embedded
certificate of attendance,

1109 00:56:45:06 00:56:48:18
so please make sure
you save the email for your records.

1110 00:56:48:20 00:56:50:14
So, you'll get that email by Friday.

1111 00:56:51:06 00:56:54:07
Sometimes the email does go astray,
so if you haven't received it,

1112 00:56:54:09 00:56:57:14
then please make sure you contact
the email address mentioned earlier

1113 00:56:57:16 00:56:59:17
or, of course,
speak to your account manager

1114 00:56:59:19 00:57:00:24
and, again, just to remind you,

1115 00:57:01:01 00:57:03:01
next week you'll be able to download
a copy of the slides

1116 00:57:03:03 00:57:05:22
and access the replay recording
of this session.

1117 00:57:06:14 00:57:10:02
So diarise a visit to the PruAdviser site
and you'll be able to pick that up.

1118 00:57:10:04 00:57:13:06
Finally, that just leaves me to say
thank you very much for attending.

1119 00:57:13:08 00:57:15:20
We really appreciate
you all dialling in this morning.

1120 00:57:15:22 00:57:18:04
There's a really good number
coming in this morning

1121 00:57:18:06 00:57:20:04
and if you'd like to stay on
for the questions and answers,

1122 00:57:20:06 00:57:21:11
we'd love for you to do so.

1123 00:57:22:02 00:57:25:24
Right. So, let's start picking up
on some of those questions.

1124 00:57:26:01 00:57:28:15
I'm just going to have a look
at the questions tab

1125 00:57:28:17 00:57:31:04
and see what's the most popular ones
of the ones we haven't voted.

1126 00:57:31:06 00:57:34:19
But a question we have had
from a lot of advisers

1127 00:57:34:21 00:57:39:07
over the last few weeks, in fact,
since the launch of PruFund Planet

1128 00:57:39:09 00:57:43:15
has been: do you expect
the PruFund Planet range

1129 00:57:43:17 00:57:46:19
to be more volatile
than ordinary PruFund?

1130 00:57:46:21 00:57:49:21
Michael, if I could throw that one
at you to start off with.

1131 00:57:49:23 00:57:52:13
I think that's probably one that people
would find interest in,

1132 00:57:52:15 00:57:55:01
bearing in mind
the number of questions we've had on it.

1133 00:57:55:03 00:57:58:04
Feel free to chip in, anybody else,
if you've got anything to add.

1134 00:57:58:23 00:58:01:00
Yeah, I think there's a number
of things to consider.

1135 00:58:01:02 00:58:04:11
Obviously, from the long-term investment
strategy team's perspective.

1136 00:58:05:02 00:58:06:13
Looking at...

1137 00:58:08:13 00:58:13:24
If you're looking at more themed-focussed
or impact-focussed solutions

1138 00:58:14:01 00:58:17:15
you maybe have
a more concentrated exposure.

1139 00:58:18:02 00:58:21:10
On the other hand, perhaps that could have

1140 00:58:21:12 00:58:24:22
a lower correlation
to a standard building block.

1141 00:58:26:01 00:58:28:17
And then, obviously,
Kieran mentioned earlier on,

1142 00:58:28:19 00:58:35:14
the ability of what we've done,
building these bespoke regional exposures,

1143 00:58:35:16 00:58:39:02
is that they have
extremely low tracking errors,

1144 00:58:39:04 00:58:42:07
deliberately because of the way
that we've looked to build them,

1145 00:58:42:09 00:58:45:00
because there's a number
of different ways of approaching that.

1146 00:58:45:02 00:58:47:11
So, overall,

1147 00:58:47:13 00:58:50:20
the long-term investment strategies
team's perspective at the moment

1148 00:58:50:22 00:58:55:17
is that they believe
that we will experience similar volatility

1149 00:58:55:19 00:58:57:09
to the existing PruFund range.

1150 00:58:58:11 00:58:59:16
Thanks, Michael.

1151 00:59:00:19 00:59:03:14
Kieran, pop this over to yourself,
I think.

1152 00:59:03:16 00:59:06:24

I know we've covered some of this,
but nonetheless it is a question

1153 00:59:07:01 00:59:10:06
that's been rated quite highly
on the Q&As.

1154 00:59:10:08 00:59:13:17
So, when you discussed
the building blocks of the Planet funds

1155 00:59:13:19 00:59:15:19
it sounds
like you were starting from scratch.

1156 00:59:15:21 00:59:17:12
How much is that true?

1157 00:59:18:00 00:59:22:01
And how much of it
is just making a few adjustments

1158 00:59:22:03 00:59:23:18
to the existing PruFund range?

1159 00:59:24:19 00:59:26:04
Yep. It's a good question.

1160 00:59:26:06 00:59:28:02
I think very much starting from scratch.

1161 00:59:28:04 00:59:29:14
I think if you look at the overlap

1162 00:59:29:16 00:59:34:05
between the existing PruFund range
and PruFund Planet, it is very low.

1163 00:59:34:07 00:59:36:08
And I think we needed to do that
to be credible

1164 00:59:36:10 00:59:40:24
in terms of actually having
a sustainable/impactful solution.

1165 00:59:41:01 00:59:44:03
If you can remember back to the slide
that Olivia showed

1166 00:59:44:05 00:59:46:16
in terms of that impact economy
where PruFund sits

1167 00:59:46:18 00:59:49:04
and purposely we're targeting
further along the impact economy

1168 00:59:49:06 00:59:52:09
and towards sustainable
and impact or solution-focussed

1169 00:59:53:22 00:59:56:05
building blocks and overall objectives.

1170 00:59:56:07 00:59:59:24
What we've done is go through line by line
from an asset-allocation perspective,

1171 01:00:00:01 01:00:02:00
what is the best building block
for this area?

1172 01:00:02:02 01:00:04:05
What is the best for equities,
what is the best for fixed income,

1173 01:00:04:07 01:00:06:20
what is the best for the alternatives,
and so on.

1174 01:00:06:22 01:00:10:11
So, when I look at that in terms
of the difference

1175 01:00:10:13 01:00:11:21
in terms of the two ranges,

1176 01:00:11:23 01:00:13:13
whilst the overall objectives
are the same,

1177 01:00:13:15 01:00:16:16
because they're still equity funds,
they're still fixed-income funds,

1178 01:00:16:18 01:00:18:10
how they're actually constructed
and how they're put together

1179 01:00:18:12 01:00:20:06
is materially different.

1180 01:00:20:08 01:00:22:18
That's not to say that over time
there won't be some building blocks

1181 01:00:22:20 01:00:23:22
that I look at in Planet

1182 01:00:23:24 01:00:26:01
and say actually well actually
maybe that has a home in PruFund,

1183 01:00:26:03 01:00:29:06
and Michael mentioned the BlackRock funds

has been a good example.

1184 01:00:29:19 01:00:33:12
But materially different, and have to be
so because of that dual objective,

1185 01:00:33:14 01:00:34:18
not just the financial returns,

1186 01:00:34:20 01:00:37:17
but also the environmental
and societal outcomes as well.

1187 01:00:39:10 01:00:41:00
- If I could...
- Sorry, go ahead.

1188 01:00:41:02 01:00:42:16
Just add to that, as well.

1189 01:00:42:18 01:00:44:22
I think one
of the key differences, as well,

1190 01:00:44:24 01:00:49:10
is our focus on the six outcome areas
that Michael touched on at the beginning.

1191 01:00:49:12 01:00:52:24
Really trying to look
into those environmental and social areas

1192 01:00:53:01 01:00:55:24
and see how can we address those
via this fund.

1193 01:00:56:20 01:01:01:09
The other thing, as well, is the focus
based on that focus on the themes

1194 01:01:01:11 01:01:04:23
is using the global funds
rather than the regional funds.

1195 01:01:05:00 01:01:07:10
So, when constructing Planet
from the first principle,

1196 01:01:07:12 01:01:10:17
what you actually see
is that within asset classes,

1197 01:01:10:19 01:01:12:04
that actually looks slightly different.

1198 01:01:12:06 01:01:15:06
Rather than having
regional funds and strategies,

1199 01:01:15:08 01:01:18:05
having more of a global focus,
which is then balanced back

1200 01:01:18:07 01:01:20:13
to that regional
strategic asset allocation.

1201 01:01:21:22 01:01:22:24
Thanks, Olivia.

1202 01:01:23:01 01:01:26:16
And, Olivia, perhaps I can stay with you
for the next one.

1203 01:01:26:18 01:01:29:00
I think this is a fair question.

1204 01:01:30:00 01:01:33:11
I noticed that during the presentation
the phrase "wherever possible"

1205 01:01:33:13 01:01:36:08
was used when considering
the underlying assets.

1206 01:01:36:10 01:01:40:20
Does this mean that the funds
will contain non-ESG investments?

1207 01:01:42:05 01:01:44:06
No, it's a really good question.

1208 01:01:44:08 01:01:49:10
I think that the "wherever possible"
was actually more relating to the impact,

1209 01:01:49:12 01:01:52:00
so the furthest right on that spectrum.

1210 01:01:52:13 01:01:57:01
So, that's obviously
when we think of our hierarchy of aims,

1211 01:01:57:03 01:02:00:24
we are really looking to create impact
first and foremost,

1212 01:02:01:01 01:02:04:01
and that's via
those solution-focussed funds.

1213 01:02:04:03 01:02:07:08
But we do recognise
that we can't build a PruFund Planet

1214 01:02:07:10 01:02:10:09

entirely constructed
of solution-focussed funds

1215 01:02:10:11 01:02:14:18
and still give it
the right amount of diversification

1216 01:02:14:20 01:02:17:10
and the broad exposures
that you would expect.

1217 01:02:17:12 01:02:19:06
So, we've also looked to leverage

1218 01:02:19:08 01:02:22:11
a lot of the opportunity-focussed
and the risk-focussed funds

1219 01:02:22:13 01:02:23:24
as part of that, too.

1220 01:02:24:01 01:02:26:23
And what I would say in addition to that,
as Olivia mentioned,

1221 01:02:27:00 01:02:29:18
the ESG risk-focussed,
the ESG opportunity-focussed,

1222 01:02:29:20 01:02:32:11
and the ESG solution-focussed,

1223 01:02:32:13 01:02:34:22
there's a lot of funds
that don't even meet that criteria.

1224 01:02:34:24 01:02:37:01
There's a lot of funds
that are not ESG aware,

1225 01:02:37:03 01:02:40:16
do not integrate ESG policies
into their portfolio construction,

1226 01:02:40:18 01:02:44:12
and there are no funds that don't
meet that bar within PruFund Planet,

1227 01:02:44:14 01:02:47:10
so all of those funds will,
at the very least, be ESG risk-focussed,

1228 01:02:47:12 01:02:51:16
and in many cases will be
opportunity-focussed or solution-focussed.

1229 01:02:52:19 01:02:53:21
Thanks, Kieran.

1230 01:02:53:23 01:02:54:18

If I could stick with you

1231 01:02:54:20 01:02:58:23

because I think the next question
is actually a subset of that.

1232 01:02:59:00 01:03:02:00

You mentioned investing in property,

1233 01:03:02:02 01:03:04:03

but this is quite often
avoided with ESG funds

1234 01:03:04:05 01:03:07:09

as you can never be sure what type
of companies are renting the space.

1235 01:03:07:11 01:03:09:06

How do you address that?

1236 01:03:09:20 01:03:11:17

Yeah, again, two ways really.

1237 01:03:11:19 01:03:14:11

I think we look at the property portfolio
that we have.

1238 01:03:14:13 01:03:15:19

It typically scores very well

1239 01:03:16:12 01:03:18:17

versus industry standards
in terms of its green ratings,

1240 01:03:18:19 01:03:21:02

our core funds
such as the UK property fund,

1241 01:03:21:04 01:03:24:13

the European property fund
and the Asia property fund.

1242 01:03:24:15 01:03:27:19

And then let's not forget
the benefits of diversification

1243 01:03:27:21 01:03:30:12

that property gives us
from a financial outcome.

1244 01:03:30:14 01:03:33:00

I think we've also looked
to work with M&G real estate

1245 01:03:33:02 01:03:36:04

in terms of what we can include

in terms of our ESG credentials

1246 01:03:36:06 01:03:38:02
and our ESG criteria for property.

1247 01:03:38:04 01:03:40:14
And that's an ongoing piece of work
that we continue to do.

1248 01:03:40:16 01:03:42:09
And then supplementing the core exposures

1249 01:03:42:11 01:03:44:21
with the shared ownership exposures
and the residential exposures,

1250 01:03:44:23 01:03:48:11
I think we feel that if you look
at that property portfolio in the round,

1251 01:03:48:13 01:03:53:13
it really is a compelling property
portfolio in terms of its ESG credentials

1252 01:03:53:15 01:03:56:14
but again I think the person
who asked the question is right.

1253 01:03:56:16 01:03:58:11
It's a key area to focus on

1254 01:03:58:13 01:04:00:10
and it's a key area
that the market is evolving in

1255 01:04:00:12 01:04:01:08
and we'll continue to look at that

1256 01:04:01:10 01:04:04:03
and see how we can develop
our property exposures as we go through.

1257 01:04:04:23 01:04:06:11
Thanks, Kieran.

1258 01:04:06:13 01:04:08:11
Michael, let me come back
to you for the next one,

1259 01:04:08:13 01:04:11:15
and Kat I'll bring you in
with some additional thoughts in a moment

1260 01:04:11:17 01:04:13:13
relating to a similar subject.

1261 01:04:13:15 01:04:18:00
Michael, have you any concerns

relaunching ESG funds

1262 01:04:18:02 01:04:21:17
when another company promoted
a new launch, that was Lion Trust,

1263 01:04:21:19 01:04:23:00
and then pulled the launch

1264 01:04:23:02 01:04:25:09
because of lack
of institutional investment?

1265 01:04:27:08 01:04:30:11
I think there's clearly evidence,

1266 01:04:30:13 01:04:36:15
and we look at the inflows
that these funds are attracting,

1267 01:04:36:17 01:04:40:08
I think there clearly
is momentum in that space,

1268 01:04:40:10 01:04:42:17
so I think it's definitely something,

1269 01:04:42:19 01:04:47:17
and I guess as well
from an M&G perspective

1270 01:04:47:19 01:04:54:05
in terms of our commitment
to environmental and societal areas,

1271 01:04:54:07 01:04:58:09
building out our range of solutions

1272 01:04:59:11 01:05:01:23
to deliver on that is key as well.

1273 01:05:03:05 01:05:06:18
Thanks, Michael. And Kat,
let me bring you in at this stage.

1274 01:05:06:20 01:05:11:16
A subset of that, but also
a few other questions relating it.

1275 01:05:12:14 01:05:14:23
What makes us different
and where do they sit in the market?

1276 01:05:15:00 01:05:19:07
I mentioned earlier, we're seeing ESG
funds seemingly launch weekly.

1277 01:05:19:09 01:05:21:13

What makes us different?
How would you position it?

1278 01:05:22:10 01:05:24:07
Sure, just to add to that bit

1279 01:05:24:09 01:05:27:21
that Michael said there
about the launch of new funds,

1280 01:05:27:23 01:05:29:12
I think if you look at,

1281 01:05:29:14 01:05:32:10
if you take the direction
the market is going,

1282 01:05:32:12 01:05:37:16
a lot of the new ESG funds
will be repurposed existing funds.

1283 01:05:37:18 01:05:41:24
As we see more
and more development towards ESG,

1284 01:05:42:01 01:05:46:17
you'll see individual companies
changing their carbon footprint

1285 01:05:46:19 01:05:50:21
and trying to align themselves
to the Paris agreement and the likes,

1286 01:05:50:23 01:05:53:05
we will see a further influx of funds,

1287 01:05:53:07 01:05:56:02
but it's not necessarily
going to be new fund launches.

1288 01:05:56:17 01:05:58:16
In terms of how are we different,

1289 01:05:59:20 01:06:03:23
first and foremost
has to be our multi-asset capability.

1290 01:06:05:01 01:06:09:06
Kieran mentioned around about a lot
of ESG funds out there in the marketplace

1291 01:06:09:08 01:06:11:16
are very thematic,
they're very concentrated.

1292 01:06:11:18 01:06:16:14
If you have a look at the holdings,
they maybe only hold 30 to 50 companies.

1293 01:06:17:09 01:06:22:18
So, if you're trying to create a
portfolio for clients using ESG solutions,

1294 01:06:23:07 01:06:25:08
you do run the risk
of those being quite concentrated

1295 01:06:25:10 01:06:28:17
and not being able to get
the maybe geographical reach

1296 01:06:28:19 01:06:31:09
that we certainly can within T&IO.

1297 01:06:31:11 01:06:35:23
So, I'd say definitely
from a multi-asset expertise approach,

1298 01:06:36:21 01:06:38:11
we certainly have an edge there.

1299 01:06:38:13 01:06:43:05
But also that volatility dampener,
so the smoothing overlay.

1300 01:06:43:07 01:06:45:19
So, smoothing does not and cannot

1301 01:06:45:21 01:06:47:24
protect you
against severe market volatility.

1302 01:06:48:01 01:06:49:18
We know that.

1303 01:06:49:20 01:06:52:06
PruFund does not only go up
in a straight line.

1304 01:06:52:08 01:06:54:04
It does react to market volatility,

1305 01:06:54:06 01:06:58:07
but what it's aimed to do
is to take out that short-term volatility,

1306 01:06:58:09 01:07:01:22
and I do think in this space
of ESG investing

1307 01:07:01:24 01:07:05:15
and those more concentrated,
bespoke thematic funds,

1308 01:07:06:04 01:07:10:17
there is potential for future

higher volatility in these sectors

1309 01:07:10:19 01:07:13:14
so the ability to do ESG investing,

1310 01:07:13:16 01:07:17:23
combine it with an expected growth rate
to help the clients understand

1311 01:07:18:00 01:07:20:12
what the fund should do
over the longer term,

1312 01:07:20:14 01:07:23:24
but also dampen out
some of that shorter-term volatility

1313 01:07:24:01 01:07:27:06
is where I definitely think
we've got an edge in this space.

1314 01:07:28:02 01:07:31:07
Thanks, Kat, and I'd agree
your point about the EGR.

1315 01:07:31:09 01:07:33:04
This isn't particular to PruFund Planet,

1316 01:07:33:06 01:07:36:01
it's obviously a comment
on the whole PruFund generally,

1317 01:07:36:03 01:07:39:02
but certainly if you're looking at it
to provide an income,

1318 01:07:39:04 01:07:40:15
then of course
you have got the advantage

1319 01:07:40:17 01:07:42:04
that if you're using cash flow modelling

1320 01:07:42:06 01:07:45:17
then you can use those EGRs
as a starting point

1321 01:07:45:19 01:07:49:03
to actually look
at what might be an income level

1322 01:07:49:05 01:07:50:11
that's sustainable going forward

1323 01:07:50:13 01:07:53:02
and clearly that needs
to be stress-tested, absolutely it does,

1324 01:07:53:04 01:07:54:18
and there's a number of measures

1325 01:07:54:20 01:07:57:02
we've talked about in other webinars
as to how to do that.

1326 01:07:57:04 01:08:00:05
But at least we're actually
giving you a starting point to work from.

1327 01:08:00:17 01:08:02:02
Next question is an entirely fair one.

1328 01:08:02:04 01:08:04:16
I've mentioned this is available
on the retirement account,

1329 01:08:04:18 01:08:07:08
and we're bringing the other tax
wrappers available on there soon.

1330 01:08:07:10 01:08:10:09
So, the question is,
it's available on the retirement account,

1331 01:08:10:11 01:08:13:12
when will be available on on-shore,
off-shore bonds and ISAs?

1332 01:08:13:14 01:08:16:12
I'll pick that one up.
Off-shore bonds should be the next one.

1333 01:08:16:14 01:08:18:10
Now, there's no
hard and fast dates on this,

1334 01:08:18:12 01:08:20:19
but we're talking about
not a huge amount of time.

1335 01:08:20:21 01:08:23:11
Hopefully we'll be looking at off-shore
bond before the end of the year,

1336 01:08:23:13 01:08:24:09
touch wood.

1337 01:08:24:11 01:08:27:24
And then on-shore and ISAs at some point
in the early part of next year,

1338 01:08:28:01 01:08:32:04
just to give you an expectation
as to when we're actually looking at.

1339 01:08:32:23 01:08:35:10

So, looking at the next one,

1340 01:08:35:12 01:08:38:19
Kieran, this one might be a good one
to come back to yourself on.

1341 01:08:40:10 01:08:43:02
Are you able to provide the information
on how these funds

1342 01:08:43:04 01:08:47:20
are aligned to the 17 sustainable
development goals set out by the EU?

1343 01:08:47:22 01:08:50:02
Or, sorry, by the UN, not the EU.

1344 01:08:51:09 01:08:53:22
I think... it's a good question, again.

1345 01:08:53:24 01:08:56:24
I think in terms of the sustainable
development goals that we are targeting,

1346 01:08:57:01 01:09:00:03
that will continue to evolve,
just to put that out there,

1347 01:09:00:05 01:09:01:23
in terms of the availability of product

1348 01:09:02:00 01:09:05:13
and the availability
and the evolution of funds

1349 01:09:05:15 01:09:08:06
that are in the marketplace
internally and externally.

1350 01:09:08:08 01:09:11:20
And in terms
of the UN sustainable development goals

1351 01:09:11:22 01:09:13:08
that we currently target,

1352 01:09:13:10 01:09:18:24
whilst that's not explicitly outlined
in the information that we provide,

1353 01:09:19:01 01:09:21:00
I think it's fairly easy
to extrapolate that

1354 01:09:21:02 01:09:23:17
from the actual funds
that we have themselves,

1355 01:09:24:09 01:09:25:23
in terms of the labelling of the funds,

1356 01:09:26:00 01:09:30:14
in terms of better health,
and diversity and inclusion, so to speak.

1357 01:09:31:02 01:09:33:21
So, again, that is something
that we will look to include

1358 01:09:33:23 01:09:36:01
and see of the possibility
to include going forward,

1359 01:09:36:03 01:09:39:01
but at outset, it won't specifically be
in the documentation.

1360 01:09:40:12 01:09:43:21
I think as well,
I think over the longer term,

1361 01:09:43:23 01:09:48:14
once PruFund Planet has had time
to have its first full year,

1362 01:09:48:16 01:09:51:06
what you'll see is a sustainability report

1363 01:09:51:08 01:09:54:12
which the team
are working on launching as well

1364 01:09:54:14 01:09:59:10
which will give a great insight
into some of the more specific things

1365 01:09:59:12 01:10:02:23
that PruFund Planet has been able
to achieve over its first year.

1366 01:10:04:08 01:10:05:06
Thanks, Olivia.

1367 01:10:05:18 01:10:07:04
Good stuff.

1368 01:10:07:06 01:10:09:14
Michael, if I can come back
to you for this one,

1369 01:10:09:16 01:10:13:11
because it's more of a general point,
and it's more of a thorny one,

1370 01:10:13:13 01:10:18:01
but it's probably one I think

that's well worth asking.

1371 01:10:18:03 01:10:21:07
So, someone's made the point
in recent weeks M&G have been slammed

1372 01:10:21:09 01:10:25:00
for a lot of negative press
around various M&G funds.

1373 01:10:26:11 01:10:28:16
And I guess, the nub of the question

1374 01:10:28:18 01:10:33:23
is how can you reassure investors
of the value-for-money for PruFund Planet?

1375 01:10:36:02 01:10:40:24
I think actually that's a better question
for Kieran, actually,

1376 01:10:41:01 01:10:47:00
because from a,
clearly manager oversight value

1377 01:10:47:02 01:10:52:06
and we openly state working
with the expertise that is within M&G,

1378 01:10:52:08 01:10:56:11
and Kieran is perfectly placed
to really expand on that.

1379 01:10:56:13 01:10:58:16
Yep, happy to, Michael.

1380 01:10:58:18 01:11:03:10
Again, I think, when I look
at the products that exist within M&G

1381 01:11:03:12 01:11:07:17
and exist, indeed, with us outside
in the entire investment universe,

1382 01:11:07:19 01:11:11:17
there are some incredibly talented fund
managers within M&G

1383 01:11:11:19 01:11:13:22
and some incredible funds within M&G.

1384 01:11:15:01 01:11:17:14
And what we've looked to do,
as Olivia mentioned earlier on,

1385 01:11:17:16 01:11:18:11
is to harness skill sets

1386 01:11:18:13 01:11:21:21
that we particularly feel
align themselves with PruFund Planet.

1387 01:11:21:23 01:11:25:11
And I think what I've looked on in terms
of the positive impact fund

1388 01:11:25:13 01:11:27:12
the better health fund,
and we could go on and on,

1389 01:11:27:14 01:11:29:01
the property fund, the alternative funds,

1390 01:11:29:03 01:11:30:17
all with really good track records,

1391 01:11:30:19 01:11:36:05
all with really good competitive
propositions in their fields.

1392 01:11:36:07 01:11:38:10
And one of the jobs
that the investment office has

1393 01:11:38:12 01:11:42:18
is to critique these funds
and ensure that within a stable of funds,

1394 01:11:42:20 01:11:44:13
both internally and externally,

1395 01:11:44:15 01:11:45:10
we're looking for funds

1396 01:11:45:12 01:11:48:00
that not only fit the bill
from a financial return perspective,

1397 01:11:48:02 01:11:51:05
not only fit the bill
from a value-for-money perspective,

1398 01:11:51:07 01:11:56:00
but also fit the needs of the objectives
of our fund, in this case, PruFund Planet

1399 01:11:56:02 01:11:58:13
being the dual objectives
of financial returns

1400 01:11:58:15 01:12:01:23
and environmental and societal outcomes.

1401 01:12:02:00 01:12:03:20
So, very confident in the line-up of funds

1402 01:12:03:22 01:12:06:03

that we have at the moment
within PruFund Planet

1403 01:12:06:05 01:12:10:08

and indeed I would extrapolate that
back into PruFund,

1404 01:12:10:10 01:12:12:24

but, again, it is a continual job
that we have

1405 01:12:13:01 01:12:15:02

in terms of continual,
on-going due diligence

1406 01:12:15:04 01:12:17:17

to ensure that those funds
remain fit for purpose

1407 01:12:17:19 01:12:19:17

and that that same process
that we go through

1408 01:12:19:19 01:12:21:17

in terms of assessing
the external managers

1409 01:12:21:19 01:12:24:21

and ensuring we're getting
the best of breed in their areas,

1410 01:12:24:23 01:12:27:21

we apply that same rigour and discipline
to the internal funds, too.

1411 01:12:27:23 01:12:30:21

And what we found and what
we've landed on from PruFund Planet,

1412 01:12:30:23 01:12:33:06

genuine from my point of view
an exciting proposition

1413 01:12:33:08 01:12:36:15

and one that I'm really,
really looking forward to seeing.

1414 01:12:36:17 01:12:41:11

It's gone live now
and it's available to invest in.

1415 01:12:41:13 01:12:44:02

I think the fund manager line-up
is a strong one

1416 01:12:44:04 01:12:47:05

and one that we're very committed

and have a lot of conviction in.

1417 01:12:48:05 01:12:50:09
- Can I just jump in there Vince?
- Of course.

1418 01:12:50:11 01:12:54:14
On around about
the value argument here.

1419 01:12:54:16 01:12:56:16
When you have a look at ESG funds

1420 01:12:56:18 01:12:58:08
and when you're trying to align

1421 01:12:58:10 01:13:01:15
a client's preferences
up to an ESG solution,

1422 01:13:02:10 01:13:06:01
you will notice that ESG funds
are more expensive

1423 01:13:06:03 01:13:09:15
than, say, an off-the-shelf tracker fund,

1424 01:13:09:17 01:13:15:21
so to get that reach,
to get the alignment to the SDGs,

1425 01:13:15:23 01:13:17:18
to get those positive outcomes,

1426 01:13:18:17 01:13:20:04
that costs money.

1427 01:13:20:06 01:13:23:10
So, I think if you compare
the cost of PruFund Planet,

1428 01:13:23:12 01:13:25:13
which is 65 basis points,

1429 01:13:25:15 01:13:29:11
to some of the other
ESG solutions out there,

1430 01:13:29:13 01:13:31:23
the value for money is pretty good.

1431 01:13:32:00 01:13:35:05
And don't forget you've got the overlay
of smoothing on top of that as well.

1432 01:13:36:22 01:13:38:03
Thanks, Kat.

1433 01:13:38:05 01:13:44:07
Excellent. I'm guessing this is one
for Olivia or probably Kieran.

1434 01:13:44:24 01:13:46:02
Let me just read this out.

1435 01:13:46:04 01:13:48:08
If anyone else wants to chip in,
feel free to do so.

1436 01:13:48:10 01:13:52:04
Many ESG funds out there
seem to have a big bias to U.S.,

1437 01:13:52:06 01:13:54:20
which looks like a big risk
to be so heavily weighted.

1438 01:13:54:22 01:13:59:16
PruFund Planet looks like
a more global diversification

1439 01:13:59:18 01:14:01:12
was that to reduce volatility,

1440 01:14:01:14 01:14:05:16
or do you expect other countries
to grow faster?

1441 01:14:05:18 01:14:09:20
I'll take that. Good observation.
Olivia, feel free to chip in.

1442 01:14:09:22 01:14:12:16
I think Olivia touched on it
in part of her presentation,

1443 01:14:12:18 01:14:14:15
that - if you take this in two stages -

1444 01:14:14:17 01:14:17:02
if you look at the propensity of companies

1445 01:14:17:04 01:14:20:04
that have embraced ESG,
have embrace sustainability

1446 01:14:20:06 01:14:23:04
most of these are done on a global basis.

1447 01:14:23:06 01:14:26:21
Okay, so they are global equity funds,
they are global fixed income funds.

1448 01:14:26:23 01:14:29:17
And, if again, then you think
about what makes up a global index,

1449 01:14:29:19 01:14:32:12
it is obviously going to be heavily
weighted towards the U.S.

1450 01:14:32:14 01:14:35:14
versus areas that PruFund
has done well out of historically

1451 01:14:35:16 01:14:38:06
by being overweight
to the UK home market,

1452 01:14:38:08 01:14:40:08
and been overweight
especially into Asia.

1453 01:14:40:10 01:14:42:14
So, again, that's why
we're so proud and so excited

1454 01:14:42:16 01:14:45:17
of that joint collaboration
that Olivia took us through at BlackRock

1455 01:14:45:19 01:14:48:04
of the passive funds
that allow us to backward engineer

1456 01:14:48:06 01:14:49:23
to a regional asset allocation

1457 01:14:50:00 01:14:52:23
that we're comfortable with
from a financial outcome point of view.

1458 01:14:53:00 01:14:55:12
So, I do think that
that is the case at the moment.

1459 01:14:55:14 01:14:59:07
However, what I would say
in terms of the evolution

1460 01:14:59:09 01:15:01:12
and the degree of change
that we're seeing in the marketplace

1461 01:15:01:14 01:15:04:13
are a lot more immersion
market economies,

1462 01:15:04:15 01:15:05:14
Asian economies,

1463 01:15:05:16 01:15:09:13
coming up with a lot of ESG
or sustainable outcomes.

1464 01:15:09:15 01:15:10:23
And, to me, that's the exciting part,

1465 01:15:11:00 01:15:13:05
because it's here
that the big difference can be made.

1466 01:15:13:07 01:15:15:14
If we look at some of the Asian
and the emerging economies

1467 01:15:15:16 01:15:18:00
say, purely from a coal perspective,

1468 01:15:18:02 01:15:19:15
very heavily reliant on coal,

1469 01:15:19:17 01:15:24:21
but the development of renewable energy,
the development of new sources of power

1470 01:15:24:23 01:15:26:18
means there's a huge opportunity set there

1471 01:15:26:20 01:15:30:12
for companies to actually develop
into those companies, into those areas.

1472 01:15:30:14 01:15:33:08
So, what I think you'll see over time
is a movement away

1473 01:15:33:10 01:15:38:05
from that U.S. and European
heavily weighted portfolios

1474 01:15:38:07 01:15:42:21
into more geographically
diverse portfolios,

1475 01:15:42:23 01:15:45:00
but at the outset
how we got around that

1476 01:15:45:02 01:15:48:20
is by developing
these ESG-aware passive funds

1477 01:15:48:22 01:15:52:07
to allow us to tilt towards
the asset allocations that we want.

1478 01:15:53:08 01:15:57:04
And just on the fixed income side,
as well, that was a key reason

1479 01:15:57:06 01:16:01:07

why we worked with Wellington
to create the bespoke benchmark, as well,

1480 01:16:01:09 01:16:04:07
which is very much aligned to our SAA.

1481 01:16:05:10 01:16:07:16
Exactly the same situation
as on the equity side,

1482 01:16:07:18 01:16:11:14
in fixed income you'll also see
a similar tilting towards the U.S.,

1483 01:16:11:16 01:16:14:06
so that's really helpful
to balance that back.

1484 01:16:14:08 01:16:17:19
And we also have an emphasis
on fixed income satellites, as well.

1485 01:16:17:21 01:16:20:19
If we point to sustainable Asia bonds,

1486 01:16:20:21 01:16:23:10
which complements that
and really helps to make sure

1487 01:16:23:12 01:16:28:08
that we are finding the solutions
in the emerging market economies, as well,

1488 01:16:28:10 01:16:33:02
through the ESG EMD
and global high yield,

1489 01:16:33:04 01:16:36:20
but also as Kieran said, it's really where
you can have the greatest impact.

1490 01:16:36:22 01:16:41:15
Some of these companies in Asia,
it would be wrong to assume

1491 01:16:41:17 01:16:45:01
that they weren't fundamental
to the transition in many of these areas,

1492 01:16:45:03 01:16:47:21
so it's really looking to harness that,
as well.

1493 01:16:48:18 01:16:50:03
Thanks, Olivia.

1494 01:16:50:05 01:16:51:10
The next one,

1495 01:16:51:12 01:16:54:14
I'm not sure if Kat or Michael
are best placed to answer this one,

1496 01:16:54:16 01:16:57:11
so feel free to chip in as necessary.

1497 01:16:57:13 01:16:59:19
But it's an entirely reasonable question,

1498 01:16:59:21 01:17:04:12
which is: will you be applying
these solutions to other PruFunds?

1499 01:17:04:14 01:17:06:06
When I say PruFund,
what they're actually talking about here

1500 01:17:06:08 01:17:09:07
is the active and the passive
risk manage range.

1501 01:17:11:03 01:17:14:05
I'm happy to take that one,
and it's a good question.

1502 01:17:14:24 01:17:21:17
Because clearly if we part the collectives
for a second,

1503 01:17:21:19 01:17:24:17
and I think Kieran
alluded to this earlier,

1504 01:17:24:19 01:17:28:14
that we have actually recently,
I think this month,

1505 01:17:29:14 01:17:35:03
incorporated the U.S. BlackRock
equity exposure within PruFund.

1506 01:17:35:05 01:17:40:05
We're... we do, or we did already,
have a passive element,

1507 01:17:41:06 01:17:43:05
so that has been introduced.

1508 01:17:44:02 01:17:45:20
And I could see over time

1509 01:17:45:22 01:17:49:16
that there are a number of building blocks
within PruFund Planet

1510 01:17:49:18 01:17:54:00

that could find a place
within the standard PruFund range.

1511 01:17:54:13 01:17:58:01
On the collectives, I think

1512 01:17:58:20 01:18:03:05
we will see an evolution over time,
similarly,

1513 01:18:03:07 01:18:06:15
where we,
within the active range particularly,

1514 01:18:06:17 01:18:11:10
look to replicate as much as possible
what we do within PruFund

1515 01:18:11:12 01:18:14:04
and bring that expertise
to the wider market.

1516 01:18:14:06 01:18:18:20
I think
that North American building block,

1517 01:18:18:22 01:18:25:20
again, we will hopefully see that U.S.
BlackRock incorporated there again.

1518 01:18:26:22 01:18:29:05
And similarly, looking at the passives,

1519 01:18:29:07 01:18:32:22
that can be an evolution over time

1520 01:18:32:24 01:18:38:24
where if we're in a passive strategy

1521 01:18:39:01 01:18:43:04
and we've got building blocks
that have an extremely low tracking error,

1522 01:18:43:06 01:18:46:02
then that may make sense over time,
as well.

1523 01:18:48:00 01:18:50:21
Thanks, Michael. Kat, if you thought
you were getting away with it,

1524 01:18:50:23 01:18:53:09
I'm coming to you next,
but have you got anything to add to that?

1525 01:18:53:24 01:18:55:05
The only thing I would add to that

1526 01:18:55:07 01:19:00:01
is remember that all the funds
are effectively run by T&IO.

1527 01:19:00:03 01:19:04:02
So, it's the same
strategic asset allocation approach.

1528 01:19:04:04 01:19:09:17
So, we apply our own
asset owner ESG investment principles

1529 01:19:09:19 01:19:11:15
for all the ranges of funds.

1530 01:19:11:17 01:19:15:13
We focus them on our corporate priorities,
so M&G's corporate priorities,

1531 01:19:15:15 01:19:18:06
which is climate change,
diversity, and inclusion.

1532 01:19:18:08 01:19:24:18
And those are considered within both
the active and passive collective range,

1533 01:19:24:20 01:19:30:20
so we already do factor in
ESG considerations, but, as Michael said,

1534 01:19:30:22 01:19:33:09
that will only continue
to evolve over time.

1535 01:19:34:19 01:19:37:06
Good stuff. Thanks, Kat.
Kat, I'm going to stick with you,

1536 01:19:37:08 01:19:41:10
because there's a couple of questions
that are similar, albeit not the same.

1537 01:19:41:12 01:19:45:00
So, the first one is, given that you
are using many the same ethos,

1538 01:19:45:02 01:19:48:17
constraints, strategies
from the original PruFund range

1539 01:19:48:19 01:19:52:10
whilst trying to overlay
the impactful objectives,

1540 01:19:52:12 01:19:54:19
do you see a time when the old range

1541 01:19:54:21 01:20:01:02
may no longer be required from a financial
or societal moral viewpoint?

1542 01:20:01:04 01:20:05:12
And the second one is slightly different
but along similar lines,

1543 01:20:05:14 01:20:07:09
do you feel eventually all investments

1544 01:20:07:11 01:20:13:02
will have to include ESG impacts
and sustainable criteria as stated,

1545 01:20:14:10 01:20:20:03
due to if not then they...
sorry, I'll start again.

1546 01:20:20:05 01:20:21:07
Do you feel eventually all investments

1547 01:20:21:09 01:20:23:24
will have to include ESG impact
and sustainable criteria as stated,

1548 01:20:24:01 01:20:26:18
due to negative impact
on share price if they do not?

1549 01:20:27:06 01:20:28:18
If you could take those two.

1550 01:20:28:20 01:20:32:07
Okay. I think there will be,
as I said earlier, a natural progression

1551 01:20:32:20 01:20:39:12
as more companies and more funds
start to include ESG methodologies

1552 01:20:39:14 01:20:41:21
and figuring out
what their asset allocation look like

1553 01:20:41:23 01:20:44:13
or what companies
they actually invest into.

1554 01:20:44:15 01:20:49:21
In terms of existing PruFund,
is it going to merge and become one,

1555 01:20:49:23 01:20:52:19
Kieran might want to jump in, but no.

1556 01:20:52:21 01:20:56:22
Remember, if we go back to

what are the client preferences?

1557 01:20:56:24 01:20:59:05
I don't think all of a sudden

1558 01:20:59:07 01:21:03:10
everyone is going to jump
to wanting solution-focussed funds.

1559 01:21:04:06 01:21:05:16
For the majority of people,

1560 01:21:05:18 01:21:08:12
and this was backed up
in the poll that you did,

1561 01:21:08:14 01:21:12:02
44% of people, they are quite comfortable

1562 01:21:12:04 01:21:16:15
that the financial return for them
is the main focus.

1563 01:21:16:17 01:21:18:17
They want to ensure
that in ten years' time,

1564 01:21:18:19 01:21:21:02
when they retire,
there's enough money there

1565 01:21:21:04 01:21:23:23
for them to live comfortably
in retirement.

1566 01:21:24:00 01:21:30:05
Yes, the ability to not harm the planet
any further is nice to have,

1567 01:21:30:07 01:21:32:19
but to go that one step further
and actually say,

1568 01:21:32:21 01:21:36:17
well, no, I want evidence
that my money is improving the planet,

1569 01:21:37:16 01:21:38:22
potentially, we don't know,

1570 01:21:38:24 01:21:42:02
that might come at the cost
of their financial objective.

1571 01:21:42:04 01:21:46:08
So, lots of clients are saying, yes,
we're concerned about the planet,

1572 01:21:47:07 01:21:51:18
but to have that motivation
to do something within their investments,

1573 01:21:51:20 01:21:55:09
they'll sit towards
the risk-focussed side of things.

1574 01:21:56:16 01:21:59:22
If I could just jump in that as well.

1575 01:21:59:24 01:22:01:23
I totally agree with what Kat's saying.

1576 01:22:02:00 01:22:05:05
I think these
are two very distinct ranges.

1577 01:22:05:24 01:22:08:04
Yes, the overall volatility targets

1578 01:22:08:06 01:22:10:08
and the overall financial objectives
are the same,

1579 01:22:10:10 01:22:12:16
but there's different ways
to get there over time,

1580 01:22:12:18 01:22:14:19
and over the shorter term
you'll have different routes

1581 01:22:14:21 01:22:17:19
in terms of how you get
to that long-term objective.

1582 01:22:17:21 01:22:20:13
And I think it's probably,
as Kat said earlier on,

1583 01:22:20:15 01:22:23:24
it's playing to different audiences
in terms of do people want to have

1584 01:22:24:01 01:22:26:04
more of a solution-focussed element
to their portfolio,

1585 01:22:26:06 01:22:28:16
or are people
maybe not concerned with that?

1586 01:22:28:18 01:22:33:07
I think from the initial analysis
that I've seen and we've conducted

1587 01:22:33:09 01:22:36:12

is that there are people
who are very much focussed

1588 01:22:36:14 01:22:40:02
on the environmental and societal incomes
that Planet is trying to focus on

1589 01:22:40:04 01:22:42:24
and then, as Kat mentioned,
there are people whose financial returns

1590 01:22:43:01 01:22:45:21
are the only consideration that they have.

1591 01:22:45:23 01:22:48:03
So, these two ranges will play for both,

1592 01:22:48:05 01:22:51:22
but in time the industry, as we see it,
will become more ESG-aware.

1593 01:22:51:24 01:22:54:17
The indices that we look to beat
on an ongoing basis

1594 01:22:54:19 01:22:58:22
will become more ESG-cognisant
and industries within those indices

1595 01:22:58:24 01:23:01:16
who do not have ESG
at the heart of what they do

1596 01:23:01:18 01:23:04:20
probably, from a resilience argument,
will suffer.

1597 01:23:04:22 01:23:10:15
So, yes, there is a possibility over time
that these ranges will converge,

1598 01:23:10:17 01:23:12:05
but I think at the moment the gap

1599 01:23:12:07 01:23:14:12
between those companies
and those funds

1600 01:23:14:14 01:23:17:22
that are either ESG-focussed or above

1601 01:23:17:24 01:23:21:12
and those funds that are not
is quite stark.

1602 01:23:21:14 01:23:24:09
So, absolutely two distinct ranges
at the moment.

1603 01:23:25:02 01:23:26:23
I was just going to jump in there.

1604 01:23:27:00 01:23:32:08
I think it's really key that as advisers
we don't make clients feel

1605 01:23:32:10 01:23:37:04
like they're not as good as the clients
who want to do solution-focussed.

1606 01:23:37:06 01:23:40:08
It's pure your motivators -
everyone's motivators - are different.

1607 01:23:40:10 01:23:42:14
I use this analogy all the time.

1608 01:23:42:16 01:23:43:15
You will have some clients

1609 01:23:43:17 01:23:45:19
who are more than comfortable
doing their bit,

1610 01:23:45:21 01:23:48:23
recycling at home,
using all their different recycling bins,

1611 01:23:49:00 01:23:51:13
and you'll have another range of clients
who want to go one step further

1612 01:23:51:15 01:23:54:15
and will spend their weekends
litter picking off the beach.

1613 01:23:54:17 01:23:58:07
Both are great, it's just people
have different motivators,

1614 01:23:58:09 01:23:59:19
and I think that's really important

1615 01:23:59:21 01:24:03:09
when advisers
are not making clients feel like,

1616 01:24:03:11 01:24:08:04
oh well, you only want risk-focussed,
and it depends on their motivators.

1617 01:24:09:22 01:24:10:23
Thanks, Kat.

1618 01:24:11:00 01:24:12:19
Kat, a couple of questions here

1619 01:24:12:21 01:24:15:10
which I think we've probably
got to an answer to

1620 01:24:15:12 01:24:16:23
where people looking for a one-pager

1621 01:24:17:00 01:24:21:01
which compares PruFund Planet
with the existing PruFund range.

1622 01:24:21:03 01:24:23:15
I think I'm right in saying
that actually does exist, doesn't it?

1623 01:24:23:17 01:24:25:12
It does, yeah.
It's in the due diligence document,

1624 01:24:25:14 01:24:28:22
so you'll find that towards the end
of the due diligence document.

1625 01:24:29:11 01:24:31:22
Perfect. And that obviously
is on PruAdviser.

1626 01:24:32:14 01:24:33:20
A few questions around charges.

1627 01:24:33:22 01:24:38:04
Now, Kat did mention
that there is the charges in AMC of .65.

1628 01:24:38:06 01:24:41:20
That's absolutely right. A few questions
around the additional expenses.

1629 01:24:41:22 01:24:47:18
I think they go from,
ongoing charges go from .18 to .26,

1630 01:24:47:20 01:24:49:03
I think is the range,

1631 01:24:49:05 01:24:51:09
and also bear in mind we're talking about
retirement account here

1632 01:24:51:11 01:24:55:15
so there's a repo charge
of between .25 and .45

1633 01:24:55:17 01:24:58:01
depending upon
the amount of the investment.

1634 01:24:59:11 01:25:00:11
Okay. Let's have a look.

1635 01:25:00:13 01:25:02:13
There's still plenty
of questions coming in.

1636 01:25:03:23 01:25:06:20
Kieran, this is an interesting one.
Slightly off the wall,

1637 01:25:06:22 01:25:12:03
but what's the situation in terms
of investing in electric vehicles?

1638 01:25:14:13 01:25:17:04
I don't think that's off the wall, Vince.
I think that's a bit unfair.

1639 01:25:17:06 01:25:19:13
I think that's at the heart
of a lot of the strategies

1640 01:25:19:15 01:25:21:14
that we have within PruFund Planet.

1641 01:25:21:16 01:25:27:13
It goes back to being innovative,
it goes back to looking at the climate,

1642 01:25:27:15 01:25:29:14
it goes back
to looking at the alternatives.

1643 01:25:29:16 01:25:32:17
Electric vehicles,
there are a lot of pros and cons.

1644 01:25:32:19 01:25:36:05
There are things that are very
environmentally friendly about them,

1645 01:25:36:07 01:25:39:00
but then there's a lot of issues
around that industry

1646 01:25:39:02 01:25:40:06
from a societal point of view

1647 01:25:40:08 01:25:42:16
in terms of how some
of the batteries are manufactured.

1648 01:25:42:18 01:25:46:08
So, this is the area in terms
of why we delegate to experts

1649 01:25:46:10 01:25:50:01

because it's not a clear and cut case
in many instances:

1650 01:25:50:03 01:25:52:09
that's a good ESG company,
that's a bad ESG company.

1651 01:25:52:11 01:25:54:09
One of the examples
that we gave with the wind farms,

1652 01:25:54:11 01:25:56:09
where you're great
from an environmental point of view,

1653 01:25:56:11 01:25:59:22
but maybe potentially bad
from a manufacturing point of view.

1654 01:25:59:24 01:26:02:04
And our experts within M&G, externally,

1655 01:26:02:06 01:26:04:12
they are the guys
who will go out on a daily basis

1656 01:26:04:14 01:26:07:17
to asses these companies
by a range of ESG criteria.

1657 01:26:07:19 01:26:08:23
Electric vehicles specifically,

1658 01:26:09:00 01:26:11:11
we don't have
an electric vehicles fund in there,

1659 01:26:11:13 01:26:14:05
but it will be an area
or a subset of the market

1660 01:26:14:07 01:26:18:09
that we will either potentially lend to
on a case-by-case basis on the debt side

1661 01:26:18:11 01:26:19:14
or, within the equity side,

1662 01:26:19:16 01:26:23:00
our companies may have assessed
some of the electric vehicle providers

1663 01:26:23:02 01:26:26:16
or part of the manufacturing chain
in terms of the battery providers

1664 01:26:26:18 01:26:29:06
and assessed where they're on balance

from an ESG perspective,

1665 01:26:29:08 01:26:32:11
fiscal well and then
they will be able to invest in those.

1666 01:26:32:13 01:26:34:12
But, again, they're the kind of areas
that we're researching,

1667 01:26:34:14 01:26:36:03
or our fund managers are researching,

1668 01:26:36:05 01:26:38:11
to see if they've got a place
within PruFund Planet

1669 01:26:38:13 01:26:41:14
and, again, on a stock-selection basis,
on a case-by-case basis,

1670 01:26:41:16 01:26:44:12
if they do and they feel
that they are benefitting the environment,

1671 01:26:44:14 01:26:46:18
then they are free
to invest in those areas.

1672 01:26:48:01 01:26:50:02
Great stuff. Thanks, Kieran.

1673 01:26:50:04 01:26:53:19
And if I can stick with you,
but anyone else feel free to chip in,

1674 01:26:53:21 01:26:56:15
I think this, again,
is a very good question.

1675 01:26:56:17 01:26:59:21
Do you feel that this fund,
if explaining it to a client,

1676 01:26:59:23 01:27:01:05
is something which you could describe

1677 01:27:01:07 01:27:04:23
as amalgamating
all of the traditional ESG approaches,

1678 01:27:05:16 01:27:09:08
positive screening,
negative screening, and impact investing?

1679 01:27:10:21 01:27:12:08
I think that's a good starting point.

1680 01:27:12:10 01:27:15:12
I think that is somewhere
we could build on that.

1681 01:27:15:14 01:27:17:14
I think absolutely
we are screening things

1682 01:27:17:16 01:27:18:13
that we don't want to be investing in.

1683 01:27:18:15 01:27:20:12
I look at our exclusion policies,
for example,

1684 01:27:20:14 01:27:22:08
that they're immediately out.

1685 01:27:23:00 01:27:25:11
I look at, then, the positive screening
and what I would say to that

1686 01:27:25:13 01:27:28:03
is that's building on overweighting
our portfolios to those stocks

1687 01:27:28:05 01:27:32:06
that score well from an E, from an S,
from a G perspective, so absolutely.

1688 01:27:32:08 01:27:37:15
And I think more so than that
it is impact investing where we can,

1689 01:27:37:17 01:27:40:22
it is sustainable investing
where we feel that's appropriate,

1690 01:27:40:24 01:27:45:20
so I think that's a good pyramid
of a thought process to build it up.

1691 01:27:45:22 01:27:48:24
But, again, I won't go over what Kat said,
but there's more to it than that

1692 01:27:49:01 01:27:51:24
in terms of how that fund comes together
from an asset allocation perspective

1693 01:27:52:01 01:27:53:17
and from a fund selection perspective.

1694 01:27:53:19 01:27:58:16
But yeah I think that's probably
a fair way to describe PruFund Planet.

1695 01:27:59:06 01:28:00:21

And I think, just to add to that as well,

1696 01:28:00:23 01:28:04:09
I think the simplest way
of breaking it down

1697 01:28:04:11 01:28:08:07
is in understanding
clients' perception to ESG.

1698 01:28:08:09 01:28:12:09
I think very simply to separate PruFund
and PruFund Planet

1699 01:28:12:11 01:28:17:04
is: do you see ESG as a risk,
primarily, to manage?

1700 01:28:18:00 01:28:19:21
If the answer to that is yes,

1701 01:28:19:23 01:28:24:01
then that's exactly what PruFund
is wanting to do first and foremost,

1702 01:28:24:03 01:28:26:08
is to manage ESG risks.

1703 01:28:26:10 01:28:27:24
But, on top of that,

1704 01:28:28:01 01:28:33:04
if your clients are wanting
to first see ESG as an opportunity

1705 01:28:33:06 01:28:36:13
but also to contribute
to that solution actively,

1706 01:28:36:15 01:28:38:03
then that's the additional lens

1707 01:28:38:05 01:28:40:11
that PruFund Planet
puts on top of that, as well,

1708 01:28:40:13 01:28:42:15
as well as everything
that Kieran has just said.

1709 01:28:43:23 01:28:46:14
Great stuff. Thanks, Olivia.

1710 01:28:46:16 01:28:50:04
There's a couple of questions, Olivia,
that sort of are probably linked.

1711 01:28:50:06 01:28:52:24

The first one
is around fixed income and assets

1712 01:28:53:01 01:28:57:13
and are they more difficult to come by
and assess how they are treated.

1713 01:28:57:15 01:29:00:01
In particular, there's a question
about whether government debt

1714 01:29:00:03 01:29:02:12
can be invested in the ESG mandate.

1715 01:29:02:14 01:29:04:12
And then there's one around Wellington.

1716 01:29:05:12 01:29:08:07
Which is talking about funds such as,
for example,

1717 01:29:08:09 01:29:10:08
companies who generate
renewable energy,

1718 01:29:10:10 01:29:13:05
they're making big claims
about how much CO2 they save.

1719 01:29:14:08 01:29:17:01
If other fund providers
are invested in these same firms,

1720 01:29:18:05 01:29:22:09
are these claims being duplicated?
Perhaps you can take that one, Olivia?

1721 01:29:23:05 01:29:27:11
Yep, sure. So, I think fixed income
is an interesting one

1722 01:29:27:13 01:29:30:05
because I think the perception
around fixed income

1723 01:29:30:07 01:29:34:15
is that you can't have as much influence
and engagement with these companies

1724 01:29:34:17 01:29:36:18
as perhaps you have in equities.

1725 01:29:37:19 01:29:40:14
But actually when we've been speaking
to a lot of the managers

1726 01:29:40:16 01:29:43:03
that we are partnering with

for PruFund Planet,

1727 01:29:43:05 01:29:45:24
that's really not how they view it at all,

1728 01:29:46:01 01:29:51:12
and so they are firstly looking to lend
to companies through their actions,

1729 01:29:51:14 01:29:53:09
obviously actions speak louder than words,

1730 01:29:53:11 01:29:55:06
in terms of who they actually lend to

1731 01:29:55:08 01:29:58:13
and who they will put money behind
and back financially

1732 01:29:58:15 01:30:00:10
in terms of those spaces.

1733 01:30:00:12 01:30:03:19
And I think that's probably true
in terms of government debt, as well.

1734 01:30:03:21 01:30:07:06
Do you actually want
to financially support those governments

1735 01:30:07:08 01:30:09:10
and those countries and does that align

1736 01:30:09:12 01:30:12:05
with how you view those ESG principles,
as well.

1737 01:30:14:03 01:30:16:14
Kieran, do you have anything to add on
that before I move on to the second part?

1738 01:30:16:16 01:30:18:08
No, I think that's fine,
and I think if we look

1739 01:30:18:10 01:30:22:03
at the fixed income exposures
we have within PruFund Planet,

1740 01:30:22:05 01:30:24:18
equities are more tangible,

1741 01:30:24:20 01:30:25:20
and they're easier to understand

1742 01:30:25:22 01:30:28:07
where we can put exclusions
and where we can't.

1743 01:30:28:09 01:30:29:21
But even within fixed income,

1744 01:30:29:23 01:30:32:15
there are certain countries
that we are not allowed to invest in

1745 01:30:32:17 01:30:35:06
or Wellington will not invest in
or EastSpring will not invest in

1746 01:30:35:08 01:30:37:10
or impact investment fund
will not invest in

1747 01:30:37:12 01:30:40:02
or a catalyst team will not invest in.

1748 01:30:40:04 01:30:44:21
And, again, there are exclusions,
as Olivia said, on a corporate level, too,

1749 01:30:44:23 01:30:48:03
in terms of certain sectors at the market
that we will not invest in.

1750 01:30:48:05 01:30:51:22
I think, the question is a good one
in the sense that

1751 01:30:51:24 01:30:54:24
I think the fixed income markets
are behind the equity markets

1752 01:30:55:01 01:30:58:04
in terms of their approach to ESG,
their approach to sustainability.

1753 01:30:58:06 01:31:01:22
But again, going back to the example
we made in Asia in emerging markets

1754 01:31:01:24 01:31:03:08
where the opportunity is there,

1755 01:31:03:10 01:31:06:00
I think the opportunity
is there within fixed income markets.

1756 01:31:06:02 01:31:08:00
And it's a difficult thing

1757 01:31:08:02 01:31:12:08
to get really high-quality impact
or sustainable fixed-income funds

1758 01:31:12:10 01:31:15:02

and again we're very happy
with the line-up that we have,

1759 01:31:15:04 01:31:17:07
but the fixed-income market
will continue to embrace ESG

1760 01:31:17:09 01:31:19:07
the way the equity markets have over time.

1761 01:31:19:09 01:31:22:04
And, again, we'll make sure to be
at the forefront of new propositions,

1762 01:31:22:06 01:31:24:06
but at the moment we feel
we've got best-in-breed

1763 01:31:24:08 01:31:27:01
in the fixed income space
as well as the equity space.

1764 01:31:28:08 01:31:29:17
Great stuff.

1765 01:31:29:19 01:31:30:21
Thanks, Kieran.

1766 01:31:30:23 01:31:33:09
Unfortunately,
we've run out of time, I'm afraid.

1767 01:31:33:11 01:31:36:18
And there is still plenty of questions
that are still coming in

1768 01:31:36:20 01:31:38:23
that we didn't manage to get to.

1769 01:31:39:00 01:31:41:06
What we will do is we'll try
and get those answered -

1770 01:31:41:08 01:31:42:21
in fact, we won't try,
we will get those answered -

1771 01:31:42:23 01:31:45:17
and we'll get the answers out to you
so you can actually get the answers

1772 01:31:45:19 01:31:49:21
to the questions that have come in
during the course of the seminar.

1773 01:31:49:23 01:31:53:02
So, all that leaves me to do
is just remind you of the housekeeping.

1774 01:31:53:04 01:31:55:07
Please complete that feedback form
if you haven't already,

1775 01:31:55:09 01:31:57:14
just to trigger
your certificate of attendance.

1776 01:31:57:16 01:32:01:11
And I guess finally to say a big thank you
to all our presenters for their time

1777 01:32:01:13 01:32:03:14
and more particularly thank you
for all of the guests.

1778 01:32:03:16 01:32:08:22
It's been a really insightful 90 minutes.
I hope you found that seminar useful.

1779 01:32:09:17 01:32:11:13
Our next set of seminars
that's coming your way

1780 01:32:11:15 01:32:14:20
is a three-part
Future Proofing Fridays series

1781 01:32:14:22 01:32:21:06
which are on 17 and 24 September,
and 1 October.

1782 01:32:21:08 01:32:24:19
Now, registration will open in a couple
of weeks for that, so late August,

1783 01:32:24:21 01:32:26:10
so watch out for that invite email.

1784 01:32:26:12 01:32:27:24
And trust me you won't want to miss out
on some of those sessions,

1785 01:32:28:01 01:32:29:16
there's three really great sessions there.

1786 01:32:29:18 01:32:33:03
So, we really hope to see you again soon.
So, that's it from us.

1787 01:32:33:05 01:32:36:10
Thank you once again for joining.
I hope you enjoyed the session.