

Media Update



INSIGHT CALLS FOR MORE PROGRESS TO PRIORITISE ESG FACTORS IN FIXED INCOME

NEW YORK: – May 20, 2021: Insight Investment, a global asset and risk manager, has today released its [annual report on responsible investment](#). It asserts that while the importance of ESG factors for fixed income investments is widely acknowledged, more progress is needed.

Abdallah Nauphal, Chief Executive Officer, said: “Fixed income has a dominant role in financial markets and investors’ portfolios globally, with annual debt issuance at around 40 times that of equity markets. Responsible investment has traditionally focused on how shareholders influence management decisions. However, the centrality of default risk for debt valuations clearly indicates an urgent need for a much sharper focus on ESG risks as they apply to fixed income – taking into account the opportunities and complexity of the asset class. We believe this is crucial to maximise the certainty of outcome for investors.”

The report details Insight’s efforts to analyse and engage with issuers over ESG risks. This work is underpinned by Insight’s proprietary Prime ESG ratings, which highlight key risks facing thousands of corporate and sovereign entities, including climate change. Insight increased its activity in 2020, with 90% of 1,210 engagements covering ESG issues, up from 82% of 1,151 engagements in 2019. Insight’s Prime ratings cover corporate and sovereign ESG and climate risks. For 2021, Insight has updated the Prime climate risk ratings, which now cover 1,700 corporate issuers and analyse both physical and transition risks. In addition, Insight introduced sovereign impact ratings, illustrating how 123 countries align with the UN Sustainable Development Goals.

Progress also requires collective action. Notably, Insight has played a leading role in launching an initiative with the International Capital Markets Association (ICMA), alongside other major asset managers, to improve ESG disclosures in the \$12 trillion securitised finance market. Insight believes that embedding ESG analysis across fixed income markets, including more complex asset classes, is vital to maximise investors’ certainty of achieving their goals.

Ends

About Insight Investment

Insight Investment is a leading asset manager focused on designing investment solutions to meet its clients' needs. Founded in 2002, Insight's collaborative approach has delivered both investment performance and growth in assets under management. Insight managed \$976.4 billion of assets as of March 31, 2021 across its core liability-driven investment, risk management, liquidity management, fixed income and credit capabilities.¹

Many retirement plans in the U.S. are in the decumulation phase and are facing new pressures to ensure they have enough cash to cover their obligations. Insight builds unique outcome-oriented investment solutions to help plans manage risk, harness liquidity and maximize certainty. Insight Investment is owned by BNY Mellon, a global leader in investment management and investment services with \$2 trillion in assets under management as of September 30, 2020.

More information about Insight Investment can be found at: www.insightinvestment.com

¹ As of March 31, 2021. Assets under management (AUM) are represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Insight North America (INA) is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited, Insight Investment International Limited and Insight Investment Management (Europe) Limited. Advisory services referenced herein are available in the US only through INA. Figures shown in USD. FX rates as per WM Reuters 4pm spot rates.

This document is for use by journalists and media professionals only.

This document is a not a financial promotion and is not investment advice. Unless otherwise attributed the views and opinions expressed are those of Insight Investment at the time of publication and are subject to change. This document may not be used for the purposes of an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This commentary is for general information only. It is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. It may contain 'forward looking' information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. Forecasts are not guarantees. Past performance is not indicative of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

© 2021 Insight Investment. All rights reserved.

Media Update



Contacts

Emma Clarke
+1 973 735 3525
insight@fullyvested.com

Jonathan Hodgkinson
+1 212 365 3398
jonathan.hodgkinson@insightinvestment.com

Lisa McHugh
+1 212 365 3398
lisa.mchugh@insightinvestment.com