

## Leading pension funds commit \$750m to long-term ownership

### *Ownership Capital secures investment from group of UK and European pension funds*

Ownership Capital today announced that it has raised \$750 million from a group of leading UK and European pension schemes, including the Unilever UK Pension Fund, The Pensions Trust and the Environment Agency Pension Fund (EAPF), for its long-horizon engagement-focused strategy. The firm was launched in 2013 by the in-house investment team that founded and managed one of the world's largest engaged ownership mandates for Dutch pension fund PFZW.

The mandates are managed by an investment team led by Alex van der Velden, Ownership Capital's Chief Investment Officer, in accordance with the firm's long-term investment philosophy. This aims to generate returns through active ownership of the companies it invests in, seeking to create value by working in partnership with management to encourage a long-term focus, strong corporate governance and sustainability leadership. Ownership Capital's Chairman, former 3M CEO Sir George Buckley, will use his extensive industry expertise to work with the investment team in its engagement with investee management teams.

Investments are made with a ten-year time horizon, an unprecedented approach for a public equity manager, seeking to align the long-term success of well-managed companies with the long-term obligations of pension funds. The portfolio holds just 20-30 stocks at a time, enabling the investment team to take substantial stakes in and gain a deeper understanding of investee companies. Another key element of Ownership Capital's investment process is a proprietary model that fully integrates qualitative factors, such as management, governance and sustainability within its financial analysis.

Recent years have seen growing interest among institutional investors in bringing long-term, sustainable investments into the mainstream, while data from McKinsey has also shown growing levels of concern around short-termism in business<sup>1</sup>. The 2012 Kay Review of UK Equity Markets and the 2014 Law Commission report on the Fiduciary Duties of Intermediaries both encouraged institutional investors to engage with investee companies to promote their long-term success. Ownership Capital's investment philosophy fully realises the calls made by both Kay and the Law Commission, as well as the UN Principles for Responsible Investment.

**David Adkins, Chief Investment Officer of The Pensions Trust**, commented: "One of our core beliefs is that responsible investment can enhance long-term returns, and that as an investor we should act as a custodian of the assets and markets in which we invest. Ownership Capital's investment approach is particularly well aligned with these convictions and, combined with their direct experience in managing pension fund assets, was a key element in our decision to make this appointment. We are confident they will prove a strong addition to our mainstream global equity portfolio."

**Mark Mansley, Chief Investment Officer of the Environment Agency Pension Fund**, said: "We were impressed by Ownership Capital's commitment to stewardship, investing responsibly in companies for the long-term in a way that enhances returns by implementing the recommendations Professor Kay made in his review."

**Alex van der Velden, Partner and CIO, Ownership Capital**, added: "During our time investing on behalf of PFZW, we realised that much of the asset management industry is overly short-termist and failing to align its strategies with the long-term needs of pension investors. We started Ownership Capital to offer pension funds something genuinely different, a strategy combining a truly long-term investment horizon, full integration of both qualitative and quantitative factors, and a genuine focus on acting as owners rather than trading shares. We are excited to have the backing of such highly-rated investors as Unilever, The Pensions Trust and the EAPF, and look forward to investing on their behalf."

-ENDS-

<sup>1</sup>McKinsey & Company and the CPP Investment Board, December 2013 - <http://www.fclt.org/content/dam/fclt/en/ourthinking/FCLT%20McKinsey%20Quarterly%20Survey%20Results.pdf>

### **About Ownership Capital**

Ownership Capital is an Amsterdam-based equity manager that generates returns for clients through active ownership. The firm invests over a ten-year horizon with a focus on genuine engagement with its investee companies, aiming to create long-term value by encouraging good governance and sustainable business strategies. Investments are made using Ownership Capital's proprietary analytical framework, enhancing risk-adjusted returns by incorporating qualitative factors including management, governance and sustainability risks within a mainstream fundamental investment process. Ownership Capital serves some of Europe's leading pension funds and was built by the in-house investment team that founded and managed one of the world's largest engaged ownership mandates for Dutch pension fund PFZW.

[www.ownershipcapital.nl](http://www.ownershipcapital.nl)

### **Media Contact**

Matt Herbert, JPES Partners - +44 (0) 207 002 7970 / [matt.herbert@jpespartners.com](mailto:matt.herbert@jpespartners.com)