

Stewardship report

Policies & Context 2026

Our stewardship and responsible investment policies and context report

31 March 2026

Contents

This report provides background for and should be read in conjunction with the latest version of our stewardship and responsible investment activities and outcomes report. You can view the latest version on our website.

Introduction
3

1.
Our organisation and services
4-6

2.
Our governance and resources
7-12

3.
Our stewardship policies and approaches
13-17

4.
How we manage conflicts of interest
18-22

Contact us
23

Responsible investment (RI) is an important part of our consultancy services.

RI is the process by which Environmental, Social and Governance (ESG) issues are incorporated into investment decision-making and into the oversight of investments through stewardship activities. We continue to evolve our RI approach to meet the developing needs of our clients.

LCP's responsible investment philosophy

Our responsible investment philosophy sets out how we help our clients to integrate ESG factors into their investment processes and use their influence as investors in the interests of their beneficiaries.

Read it on our website, here.

Introduction

Introduction to LCP

At LCP, our purpose is at the heart of what we do. Our vision **is powering possibility – we fuse human expertise with powerful analytics to shape a more positive future**. It helps us make the right decisions strategically as a firm, for our people, our clients and wider society.

We harness a powerful combination of people, skills and technology across a range of sectors. We believe we have an opportunity and responsibility to challenge the status quo by looking closely at what data is telling us and advocating for change.

We believe that good stewardship is necessary throughout the investment chain to safeguard the economy, environment and society which underpin the long-term returns on which our clients and their beneficiaries depend.

Read more about our Vision and values and our Impact on our website.

All information in this report is as at 31 March 2026, unless otherwise stated.

This report has been reviewed by members of our Investment department, our Defined Contribution (DC) and Financial Wellbeing department, our Investment Professional Committee (ProfCo) and Conflicts and Ethics Committee and our Head of Corporate Social Responsibility (CSR). It has been reviewed and approved by our Executive Committee and Board.



Zuhair Mohammed

Head of Investment

+44 (0)20 7432 6612
Zuhair.Mohammed@lcp.com



Section 1:
Our organisation and services

About LCP

Across LCP, we advise over **1,000 institutional clients**. We do not serve retail clients. Our business covers many areas including pensions, investment, insurance, energy transition, health analytics and sport analytics.

Investment services are a key part of LCP's business. Our investment clients had combined **assets over £800bn** at 31 March 2026. We serve asset owners across a wide range of organisations, including Defined Benefit (DB) pension schemes, DC pension schemes, central banks, sovereign wealth funds, charities, endowments, insurers and wealth managers.

Just over half our investment clients (by assets) are based outside of the UK, across Asia, Africa, the Middle East and Europe.

While our clients may be institutions, organisations or government bodies, our advice ultimately impacts wider society – we fully recognise that in helping our clients meet their own financial and wider goals, we are ultimately allowing them to deliver on the obligations they have to the individuals they serve. Thus, millions of people are impacted by our advice.

Because we are involved with such important issues, we think it is important to make sure that we are accountable not just to our clients but also to our people, communities and planet. In February 2026, LCP became a Certified B Corporation.

This means that we have been independently verified as meeting high standards of social and environmental performance, transparency and accountability, working towards a more inclusive, equitable and regenerative economy.

Our organisation and services

How we support our clients' stewardship activities

Our Investment Teams advise a range of global institutional clients. These clients are primarily asset owners, who are ultimately responsible for carrying out stewardship-related activities in relation to their invested assets. Our role is to support our clients in achieving their goals by providing effective investment advice which integrates stewardship. We help clients invest responsibly, exercise their ownership rights through strong stewardship and consider the real-world impact of their decisions – including through the selection, appointment and monitoring of external investment managers.

The level of support that we provide varies across our client base:

For most clients, we advise on all relevant investment activities, with stewardship embedded into the ongoing services that we provide to these clients

For others, we provide specialist services which reflect their specific needs. For example, we work with some large asset owners with sophisticated in-house teams, where we provide specialist responsible investment advice that complements their in-house capabilities

Our stewardship-related services

Our approach to stewardship supports the "responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries".

Most of our investment services and supporting activities relate to the allocation, management and oversight of capital. We aim to do this in a responsible way, helping our clients make well-informed investment decisions that support their investment objectives, which are often long-term in nature and focused on outcomes for the end beneficiaries.



Our organisation and services

Our stewardship-related services (continued)

Much of our investment work could be considered stewardship related. In our Stewardship Code reporting, we have focused on three key areas:

Helping clients to align their investments with their sustainability ambitions. This includes:

- Setting and implementing sustainability-related policies and targets, including net zero ambitions
- Considering managers' ESG integration, voting and engagement in selection exercises
- Selecting and implementing mandates with a specific sustainability focus or objective
- Including ESG integration, voting and engagement in manager monitoring
- Using ESG-related metrics to support manager monitoring

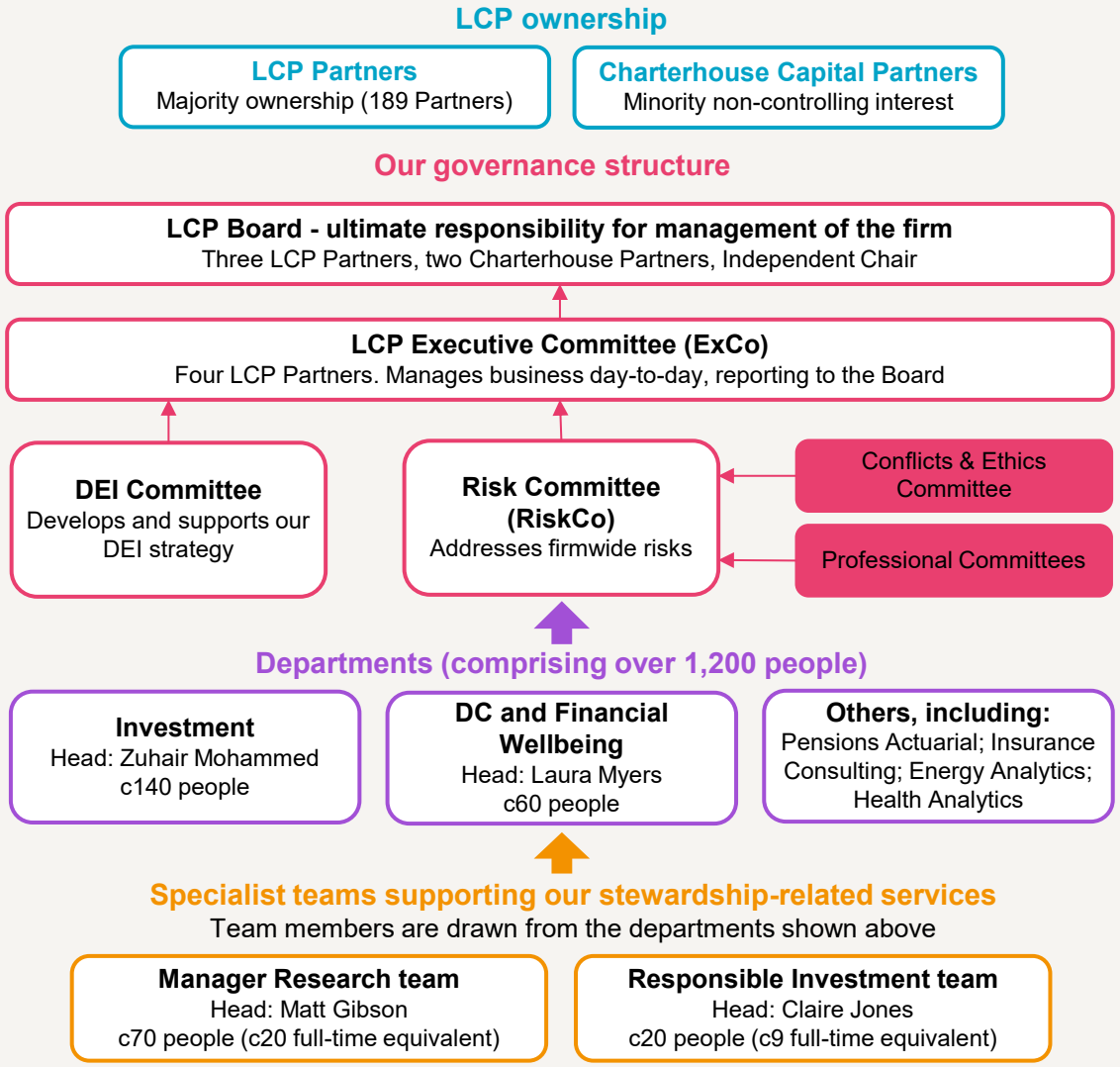
Enhancing the effectiveness of managers' voting and engagement on behalf of our clients. This includes:

- Deep-dive research into managers' voting, engagement and market-wide influencing activity
- Structured engagement with managers to encourage improvement in their practices
- Tech-enabled analysis of managers' voting decisions and rationales

Developing and supporting clients' approach to system-wide risks. This includes:

- Identifying and prioritising systemic risks
- Using tools such as scenario analysis to understand systemic risks
- Implementing a structured approach to managing systemic risks
- Advising on specific systemic risks, such as climate, nature, Artificial Intelligence (AI), demographic changes and geopolitics
- Engaging with policymakers and regulators to address systemic risks, with a particular focus on climate change
- Collaborating on approaches for investors to understand and manage systemic risks

Section 2:
Our governance and resources



Our governance structure

LCP was founded over 75 years ago and has grown steadily to be one of the largest owner-managed pensions, investment and insurance consultancies in the UK and Ireland. These days, we also provide specialist advice such as energy transition, health analytics and sport analytics.

We are structured as a Limited Liability Partnership which plays an important part in our culture and the experience of our clients since our lead advisers are also leaders of our business. Our governance structure gives us the freedom to focus on what our clients need and value.

Our business is structured across several departments, each led by a department head who has full oversight and accountability for the effective management of their area. These leaders are responsible for ensuring that their departments operate efficiently and deliver high-quality advice to our clients.

We focus on our Investment and DC and Financial Wellbeing departments in this report.

The image opposite summarises key aspects of our governance and resources as at 31 March 2026. On the next two pages, we set out more information on certain components.

Our governance and resources

Our governance structure (continued)

Our Professional Committees

Our Investment and DC Professional Committees (ProfCos) help the Investment and DC departments maintain high professional standards across all areas of work, through identifying the need for, creating and maintaining guidance on, professional and technical matters.

Our Financial Assumptions Committee (FAC), which reviews and sets the main financial market assumptions used in our investment and funding strategy modelling, reports into the ProfCos. It also considers information provided by our climate scenarios partner, to make allowance for climate change.

Our Investment and DC and Financial Wellbeing departments

Stewardship is embedded within our governance framework and forms an integral part of both our client advice and manager research processes. Responsibility for considering ESG factors, including voting and engagement, in client advice sits with the client-facing consultants who deliver our core investment services, ensuring clear accountability to individual clients. The overall quality and consistency of those services is overseen by our Investment and DC ProfCos, which report into their respective heads of department, RiskCo and ultimately ExCo.

All investment professionals contribute to stewardship as part of their role, supported by the RI Team's specialist expertise, ensuring that stewardship considerations are applied consistently and with appropriate oversight.

Our manager research team

We have seven specialist manager research groups and a macroeconomic research team. Each manager research team covers a broad asset class universe and conducts research on investment management firms, funds and services within their respective universe. Our manager research team is responsible for integrating RI considerations into our manager research, using our RI manager grading framework which is owned by our specialist RI Team.

Our Investment Panel reviews our approach to manager research as part of its remit to ensure the high quality of our evaluations of managers. Each research team has a designated Head, typically with 10+ years of experience, who oversees the research and monitoring of the funds and services and has responsibility for the quality of our research. Our Investment Panel – the Heads of the specialist research teams and the Head of manager research – formally meets three times a year to review the quality of research, direct resources and oversee training requirements.



Our governance and resources

Our governance structure (continued)

Our manager research team (continued)

Our macroeconomic research team is responsible for defining and managing the economic scenarios used within our investment modelling, which illustrate potential risks within an investment strategy. The team also prepares ad hoc updates on market-wide risks, such as those related to geopolitical events, to share our expertise, insights and guidance with our clients.

Our specialist RI Team

Responsible investment continues to be an important and growing part of our investment services. We help clients to integrate ESG factors into their investment processes and use their influence as investors (for example, through the use of voting and engagement) with the aim of achieving better financial outcomes for their beneficiaries. Our RI Team supports client teams through the provision of central materials and training, acts as a source of expertise and advises clients directly on responsible investment matters.

Our RI Team also supports our manager research team on RI matters, particularly on research of investment products that have a focus on sustainability. It leads our surveys of investment managers' firmwide RI practices and undertakes deep-dive research into managers' RI practices as required. Members of our RI Team contribute to collaborative initiatives, and undertake policy engagement directly, to help address systemic climate risks and improve sustainable investment practices.

Day-to-day leadership of the RI Team is provided by our Head of Responsible Investment (Claire Jones) and Deputy Head of Responsible Investment (Drew Henley-Lock). They are supported by senior investment colleagues and typically meet our Head of Investment quarterly and ExCo annually, providing ultimate accountability for the provision of specialist RI advice and support for our stewardship-related services.



Our governance and resources

Skills, training and development

We have a sustained focus on skills, training and development to ensure our teams have the appropriate expertise, diversity of experience and capacity to support our stewardship-related services and keep pace with the latest developments.

We invest significantly in ongoing learning. We make a wide range of learning options available to help colleagues stay up to date both within their specialist areas and across the wider market. This includes structured graduate training, regular technical training for the Investment and DC departments and firmwide bite-sized sessions on relevant topics.

Our internal training provides opportunities for questions and discussion to support the onward delivery of services to clients. Topics include macroeconomic developments, specialist asset classes, relevant legislation and regulatory guidance, as well as ESG and stewardship themes.

A range of courses and learning resources is provided to develop people's non-technical skills, both at specific stages of their careers and on an on-demand basis.

We encourage colleagues to study for relevant professional and specialist qualifications, providing both financial support and study leave. Many of our investment and DC colleagues hold, or are working towards, qualifications and credentials from the CFA Institute or the Institute and Faculty of Actuaries (IFoA), helping to ensure a strong blend of technical knowledge, professional standards and practical experience.



Our people are also encouraged to attend external conferences, seminars and industry events as part of continued professional development, helping to bring a broad range of perspectives into their work.

Our RI Team typically meets weekly to share updates on ongoing work, discuss insights from external meetings and stay informed on stewardship-related developments. These meetings encourage open discussion and knowledge-sharing, helping to strengthen understanding across the team and support the development of newer members. RI Team members are encouraged to attend external events aligned with their areas of interest or specialist focus, with attendees sharing key insights and learnings with the wider team.

Some senior RI Team members also participate in industry working groups, enabling us to contribute actively to the development of industry practice while enhancing our own knowledge through collaboration with other specialists.

Our governance and resources

Systems and technology

Technology and innovation are central to the way we deliver investment advice and are a key part of our strategy.

Our clients tell us this is an area where we stand out: we are widely recognised for combining a practical consulting approach with the pragmatic use of technology to support clients' decision-making, strengthen stewardship of client assets and improve the efficiency of our work. We do not just advise clients; we build the tools that help them make better decisions, faster.

We devote significant resources to developing and improving our systems in response to client needs. All our key analytical tools are developed in-house, with no offshoring or subcontracting of systems or calculations. This enables us to adapt quickly as clients' requirements evolve and to provide a highly efficient, differentiated service to all types of clients. Our in-house technology suite includes:

Monitor, which enables near real-time monitoring of clients' investment performance

Visualise, our asset-liability modelling tool, which supports DB funding and investment strategy advice and incorporates scenario modelling to illustrate how different risks could affect clients. This includes scenarios reflecting heightened geopolitical risk and climate-related market stress

Adapt, our security-level analysis tool, which allows us to look within client portfolios at underlying holdings, examine exposures and help clients understand the risk profile of their portfolios (including through ESG data from an external data provider)



Our governance and resources

Systems and technology (continued)

We use a central research database to record all manager research activity, including contacts, meeting notes, discussions, views and formal ratings. This acts as the primary mechanism for sharing manager research insights with client teams, providing a consistent and well-documented basis for manager oversight and stewardship of client assets.





We supplement our internal systems with external databases to support market monitoring, peer comparison and broader due diligence. Analytical tools are also used to deepen our understanding of a manager's investment approach, portfolio behaviour and stewardship practices.

We have also developed: stewardship dashboards that help clients identify significant votes and analyse manager voting behaviour; climate dashboards using metrics licensed from a data provider to support climate monitoring and reporting requirements; and climate scenario modelling with our climate scenarios partner.



Beyond our bespoke tools, we make extensive use of technology to deliver advice flexibly and efficiently, including interactive data analysis tools such as Power BI and AI-tools as described opposite. Taken together, these systems give us a robust technology platform for delivering high-quality, evidence-based advice while helping clients monitor performance, understand risk, assess managers and exercise effective stewardship over their capital.

Across LCP we have been embracing AI and exploring opportunities for positive outcomes for our clients and people, with a key focus on responsible and ethical use of AI. We hold periodic firm-wide AI training sessions to help people understand how AI is evolving, both externally and at LCP, and help equip the firm to maximise its capabilities.

We have developed various AI tools to support our day-to-day work, including Elsie, a secure AI assistant, and LCP ARC, an AI review companion to help identify common issues and mistakes. We have also developed an innovative AI content tool, Transpose™, which transforms written content into interactive audio and video, enhancing accessibility and engagement. The tools are supported by appropriate guidance from our Legal, Data Protection and Information Security teams.

Section 3:
Our stewardship policies and approaches

LCP's approach to public policy

We believe that we should play an active role in shaping the future of the industries in which we work, for the benefit of our clients and their beneficiaries. Through our engagement with government, regulators and others, we aim to contribute to the development of a robust, fair and sustainable regulatory landscape. We are committed to transparency.

LCP comments selectively on public policy issues rather than seeking to engage across all areas of policy. Where we do comment, we do so on a non-party political basis and with reference to high-level internal position statements developed for each relevant policy area.

LCP has identified named policy leads who are responsible for developing these internal position statements, agreeing them with relevant colleagues, and keeping them under review over time. Where individuals wish to comment on policy matters beyond LCP's established positions, they are expected to sense-check their views with others in the business, particularly where the issue spans more than one service area.

Delivery of our stewardship-related services – policies and processes

The quality and accuracy of our work is underpinned by our "do, check, review" process, which runs throughout our work and stewardship-related service provision.

This is supported by the LCP Principles, which RiskCo encourages all colleagues to follow, together with central guidance, standard processes, checklists and starter materials developed and maintained by groups such as Investment ProfCo and DC ProfCo. Our policies and processes are regularly reviewed internally.

LCP's RiskCo reviews the effectiveness of the firm's policies, processes and activities in a range of ways, including:

- RiskCo or members of the Risk Team hold "Meet the Department" meetings with a range of individuals from different parts of the firm to discuss their current activities and concerns. These meetings help identify risks and where more structured involvement of specialists may be beneficial.
- Individual members of RiskCo sit on the various ProfCos. During RiskCo meetings, individuals are expected to regularly report back on any significant issues.
- RiskCo individuals provide training on "stepping up to a senior role" for senior hires and those promoted to partner or principal. These are discussion-based sessions where attendees are encouraged to discuss their experiences and questions openly. Sometimes the discussions point to areas for improvement.

Our stewardship policies and approaches

Delivery of our stewardship-related services – policies and processes (continued)

Investment and DC ProfCos are ultimately responsible for reviewing and approving relevant department-wide policies and processes. Examples of policies relevant to our stewardship-related services include guidance for preparing Statements of Investment Principles (SIPs) and Implementation Statements for pension scheme clients and guidance on the inclusion of RI in manager selection and appointment exercises.

Inclusion of RI in manager selection and appointment exercises

- Client teams follow Investment ProfCo guidance when recommending a fund or product, and when reviewing appointment documentation
- Advice includes the manager research team's comments on the fund's ESG integration, voting where applicable, engagement and climate change, tailored to any stewardship priorities set by the client
- The RI Team also provides guidance on the level of climate change information to include in the client advice
- All manager selections are reviewed by the lead client partner, with formal appointment advice also reviewed by a senior member of the manager research team. Where appropriate, an RI specialist may also provide a specific review or be involved in drafting the advice

Investment and DC ProfCos periodically review the appropriateness of relevant checklists and risk management processes for delivering client advice. This helps ensure we continue to deliver high-quality advice while reflecting changes in regulation, developments in client investment strategies and feedback on existing working practices.



Our stewardship policies and approaches

Manager research

Our formal ratings of investment products[1] consider two main aspects:

Operational due diligence assesses a manager's operational risk controls, governance, organisational stability, fund terms and client service quality

Investment due diligence aims to identify managers with strong characteristics that we believe will enable them to achieve the product's investment objectives. The areas covered by the investment due diligence are: firmwide alignment, investment process, responsible investment approach, people/resources, and performance consistency

Meetings with investment managers to research a specific investment product are always attended by a lead researcher and at least one support researcher. Following the meeting, the LCP research team writes up a formal note setting out its view and grading the manager on the areas outlined above. The RI assessment is split into four areas: ESG integration, voting and engagement, climate risk management, and net zero alignment. For specialist ESG products, an RI specialist may form part of the research team.

The RI assessment:

- ESG integration
- Voting and engagement
- Climate risk management
- Net zero alignment

The research note is reviewed by the asset class lead and discussed at a meeting of the specialist asset class team. Where the proposed rating is "Positive" and the manager could be put forward to clients, or where the rating is "Negative", the note is discussed in depth. For this discussion, a senior researcher who has not been involved in the most recent meeting with the manager is assigned as a "devil's advocate" to challenge the proposed rating.

If we believe we have useful feedback for the investment manager, we will arrange a feedback call to discuss the conclusions of our research. This enables us to give feedback to the manager on areas of their processes that we feel could be improved, including on stewardship or other elements of RI. We do this both to improve outcomes for our clients and to raise standards within the investment industry.

We recognise there are scenarios where one client could benefit at the expense of another, if they can act on our advice more quickly. We take steps to identify these situations and embargo information about our ratings being sent to clients until formally communicated internally.

[1] The assessment process described in this section applies to pooled funds and most segregated managed accounts. For fiduciary management, we may not assign a summary rating. We may instead use a narrative assessment describing strengths and weaknesses and highlighting which types of client the service may be more suitable for.

Our stewardship policies and approaches

In-depth research and engagement with key managers on stewardship

Recognising the need for our clients to demonstrate effective oversight of their asset managers, we introduced LCP Influence. Through LCP Influence, we engage with asset managers to help them understand our clients' RI priorities and improve their stewardship practices, and to do so in a manner which allows clients to measure progress over time and hold us and their managers more fully to account.

We undertake annual deep-dive research meetings with significant managers of our clients' assets. These meetings inform "asks" to each manager, based on our assessment of best practice, which we then assess progress against over the year.

Clients that have subscribed to our LCP Influence service receive our full assessment of all the managers in scope, regardless of where they are invested, as well as receiving reporting on the extent to which managers have addressed our asks.

Central RI surveys of providers

We carry out a survey of investment managers on their firmwide approach to RI, typically annually, and use their responses to assess the approach. This assessment feeds into our view of an investment strategy's RI approach, which also considers the specific RI elements of that product. We also use the survey results to identify specific asks of each manager. We share these asks with our clients (as well as with the managers), so they can use them to encourage managers to improve.

We also review the RI practices of bulk annuity providers[1] using an annual industry survey. We assess each provider's approach to sustainability, monitor sustainability practices for the sector as a whole, and identify asks for each provider which we use to encourage improvements in their sustainability practices.

[1]Insurers who sell insurance policies that pay part or all of future benefit payments owed to a group of pension scheme members.



Our stewardship policies and approaches



Central collection of climate and voting data

We collect and collate a range of climate and voting data to support our clients' regulatory reporting requirements. Voting data is collected directly from investment managers, using a standard industry template. Climate emissions and transition-related metrics data is collected either directly from investment managers or using third-party sources. This climate data is reviewed by our central team, with unexpected or anomalous data investigated and challenged to increase confidence in the data.

We also have access to physical climate risk data from a third-party provider, which extends to biodiversity and other nature topics, which we can use for client-specific projects. We keep external data providers under review.

Climate scenario analysis

We offer our clients climate scenario analysis to help them with their strategic decision-making. This service uses scenarios and climate information from our scenario analysis partner, accompanied by wider climate and market information.

The scenarios from our partner are currently updated annually. We review the appropriateness of these scenarios, and the wider information we use, at least annually. In practice the wider information is reviewed more often, as new climate developments arise. To ensure we are aware of the latest market developments, the RI Team shares publications, information from conferences and other new materials with the climate scenarios team.

Section 4:
How we manage conflicts of interest

Internal oversight

We take conflicts of interest very seriously and have a Conflicts and Ethics Committee that sets our policies in this area and whose members are available to discuss with individuals any particular issues they may have.

Examples of how we identify and manage potential conflicts of interest are set out on the following pages.

Our Conflicts and Ethics Committee receives a number of referrals each year regarding actual and potential conflicts of interest. In each case, the Committee works directly with the relevant client adviser team(s) to agree actions to manage the conflict in an appropriate and proportionate way.

Our approach to managing conflicts is reviewed and updated as appropriate from time to time to best reflect the current circumstances and ongoing improvements taking place within the company.

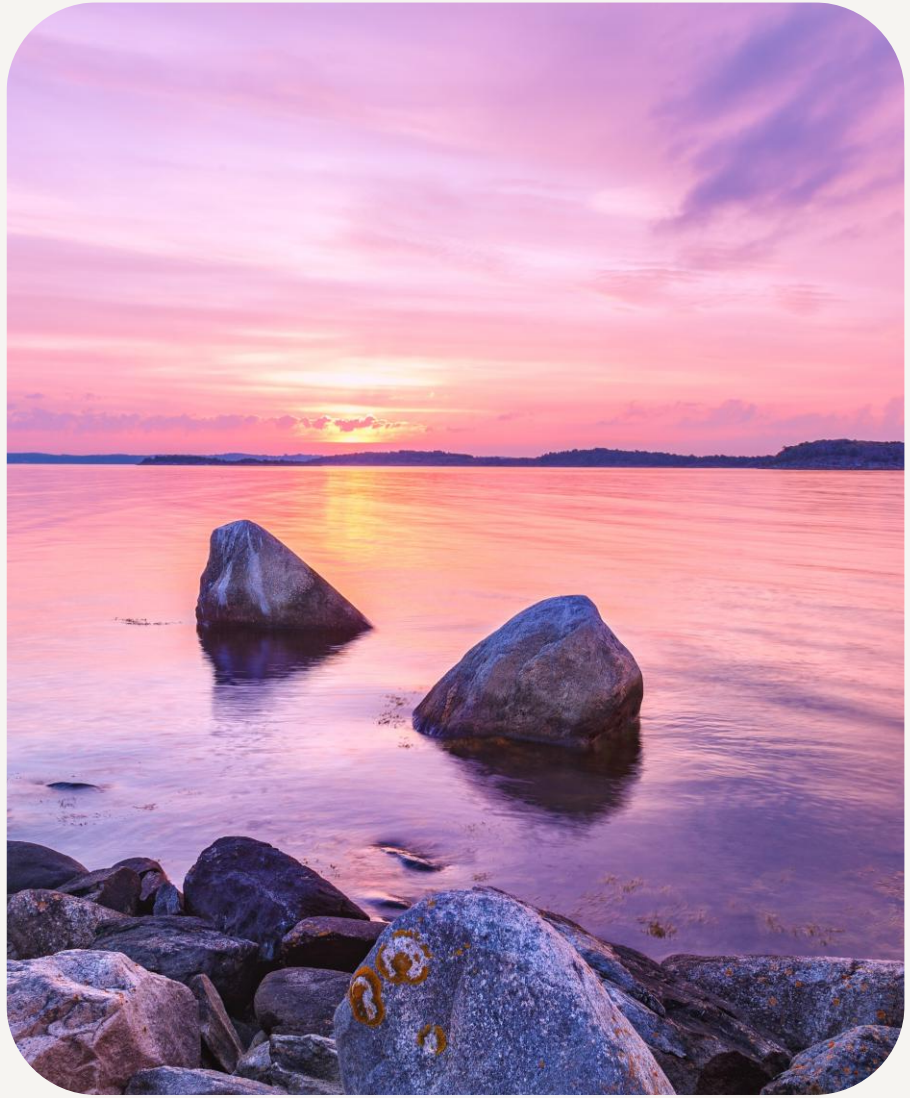
Key aspects of our policy include consideration of common scenarios in which conflicts of interest might arise, processes around identification, management, escalation, transparent reporting and disclosure.

We check for potential conflicts of interest before accepting a new client engagement, and do not accept engagements unless we and the clients concerned are confident that any potential conflicts can be managed appropriately.

You can view the latest version on our website here.



How we manage conflicts of interest



Examples of how we manage conflicts of interest

We have provided on the following pages, five examples of how we manage common types of conflict of interest.

1. Potential conflict of interest from advising on the pension schemes of investment managers

LCP has some appointments where we provide advice to the trustees of a pension scheme sponsored by an investment management company. This could lead to a potential conflict with other clients to whom LCP provides recommendations on investment management services provided by that company. We manage this conflict and the perception that there may be a conflict through the following steps:

- Formal investment manager research meetings are attended by at least two individuals from LCP
- LCP individuals who give advice to the trustees of an investment manager's pension scheme do not attend formal research meetings for that manager's strategies (an exception may be made to this if the research findings are solely for the use of the relevant client and no other clients are invested in the relevant product or with express permission of Investment ProfCo)
- Proposed research ratings are discussed by members of the relevant research team including senior individuals who do not advise the pension scheme of the investment manager
- When we provide investment manager selection advice to other clients, our report includes commentary noting that we may have a business relationship with one or more of the managers shortlisted

How we manage conflicts of interest

Examples of how we manage conflicts of interest (continued)

2. Advising providers or trustees of DC master trusts – potential conflict between two clients' interests

LCP provides advice to clients on the selection of a DC master trust.

We also work for the providers and trustees of DC master trusts, advising them on aspects of their master trust offering including the suitability of the master trust's investment strategy and reviewing investment management arrangements.

There is a potential conflict of interest in accepting work from both of these client types. We manage this conflict through a protocol which includes the following steps:

- We have separation of responsibilities for these roles. Any individual giving advice to the provider or trustees of a master trust is not permitted to advise clients on the selection of a master trust under their advice
- Any individual involved in researching master trust providers is not permitted to advise trustees of master trusts on their investment management arrangements
- To mitigate any perception of a conflict, we will also declare to a client to whom we are providing master trust selection advice that LCP advises the providers and trustees of certain master trusts

3. Advising investment managers on the design, management or marketing of their investment management services or products

We recognise that offering paid services to investment managers, in their capacity as investment managers (eg advising them on how to market their funds), could create a conflict of interest where those managers' products and services may be of interest to other clients. We therefore manage this conflict through a separation of duties and of supervision of individuals advising these clients.

For example, those team members providing input to managers such as market views and potential future industry developments would not advise clients on the use of those managers' products.

How we manage conflicts of interest

Examples of how we manage conflicts of interest (continued)

4. Advising clients on the energy transition

We recognise that the energy transition creates an important new opportunity for investors. It also creates significant risks since the pathway to decarbonisation is complex, multifaceted and uncertain.

The energy transition advisory services we offer via multi-manager funds, through our LCP Capital Solutions Limited[1] subsidiary, offer one way to address the opportunities and challenges associated with the transition – but not the only one.

To address the potential conflicts associated with advising clients on how to manage the transition, we require:

- Centrally drafted guidance to be used by client advisers to decide whether investing in the energy transition may be appropriate for their client
- For those clients expressing an interest in investing in the energy transition, only approved individuals are allowed to introduce the funds
- Any subsequent manager or fund selection exercise which includes the multi-manager funds to include a fair comparison of the funds against the other options under consideration as well as disclosure of LCP's role and economic interest in the multi-manager funds

5. Advising clients in relation to investment governance models, including fiduciary management and OCIO[2]

LCP provides advice to both trustees and company sponsors regarding suitable and appropriate governance models for investing their pension scheme assets.

LCP also offers investment advisory services, and investment funds via our subsidiary LCP Capital Solutions Limited, but does not offer a fiduciary management or OCIO service (ie a bundled service combining investment advice and fund management services).

For any LCP clients that choose to operate a fiduciary management or OCIO governance model, the quantum of investment advice and support required from LCP may be lower (and to some extent that should be expected, given the overlap in advisory services), and as a result may generate lower income for LCP.

This could lead to a potential conflict when advising clients to whom LCP provides recommendations on investment governance models. We manage this conflict and the perception that there may be a conflict through the following steps:

- Our manager research function covers the whole market as far as is practical to do so. Asset management products offered by fiduciary managers are evaluated both relative to each other, and relative to comparable products offered by asset managers without a fiduciary function

Continues on next page.

[1] LCP Capital Solutions Limited is an appointed representative of Carne International Financial Services (UK) Limited

[2] Outsourced chief investment officer

How we manage conflicts of interest

Examples of how we manage conflicts of interest (continued)



5. Advising clients in relation to investment governance models, including fiduciary management and OCIO (continued)

- Significant advice in this area is peer reviewed by an investment partner who is independent of the team usually responsible for servicing the client
- Advice in this area is expected to clearly set out the advantages and disadvantages of different governance models, tailored to each client's specific circumstances and requirements. This advice would typically include a breakdown of future anticipated advisory and fund management costs in different scenarios, using reasonable and well-informed comparisons
- Given our development of the multi-manager funds referenced under example 4, LCP may be seen as having a financial incentive to recommend one investment management product over any other. Given the nature of the fiduciary management / OCIO market, we believe it unlikely that the multi-manager funds would be part of any governance solution we would propose. We believe though that in any case, the protocol described in example 4 ensures that we would appropriately manage any conflict of interest that might arise
- Where the conflict could have a financially material impact for LCP, our written advice will include a comment notifying the client that certain decisions in relation to the client's chosen investment governance model may impact the quantum of work required (and hence associated future potential fee revenue) from LCP

Contact us



Zuhair Mohammed
Head of Investment
+44 (0)20 7432 6612
Zuhair.Mohammed@lcp.com



Claire Jones
Head of Responsible Investment
+44 (0)1962 873373
Claire.Jones@lcp.com



Natalie Brain
Partner, Investment
+44 (0)20 7432 7756
Natalie.Brain@lcp.com



Ken Willis
Partner, Investment
+44 (0)20 7432 6701
Ken.Willis@lcp.com

At LCP, our experts help to power possibility by navigating you through complexity to make decisions that matter to your business and to our wider society. We are powered by our desire to solve important problems to shape a more positive future. We have market leading capabilities across pensions and financial services, insurance, energy, health and analytics.

LCP Capital Solutions Limited is registered as a limited company in England No. 16243601 Registered office: 95 Wigmore Street, London, W1U 1DQ, United Kingdom and is an appointed representative of Carne International Financial Services (UK) Limited which is authorised and regulated by the Financial Conduct Authority of the United Kingdom (FRN 823316). Registered in England, No. 11555138. Registered office: 29-30 Cornhill, London, EC3V 3NF, United Kingdom.

Lane Clark & Peacock LLP is a limited liability partnership registered in England and Wales with registered number OC301436. LCP is a registered trademark in the UK and in the EU. All partners are members of Lane Clark & Peacock LLP. A list of members' names is available for inspection at 95 Wigmore Street, London W1U 1DQ, the firm's principal place of business and registered office. Lane Clark & Peacock LLP is authorised and regulated by the Financial Conduct Authority for some insurance mediation activities only and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities. © Lane Clark & Peacock LLP 2026

https://www.lcp.com/en/important-information-about-us-and-the-use-of-our-work contains important information about LCP (including our regulatory status and complaints procedure), and about this communication (including limitations as to its use).