

# The Investor Trust 10

## **01** Companies that excel in ESG merit a premium

92% of respondents say companies with strong ESG performance deserve a premium valuation to their share price. 88% also agree that companies that prioritize ESG initiatives represent better opportunities for long-term returns than companies that do not.

## **03** Amongst the three elements of ESG, social now ranks as the most important element for investors

Of the three ESG considerations, social now ranks the highest in importance for respondents, jumping 15 points from last year from third to first place.

## **05** Market recovery will include a resurgence of shareholder activism and companies are still not prepared

93% of investors said they are more interested in taking an activist approach to investing, an increase of 12 points from last year. 9 in 10 investors also believe activism in the current market is acceptable and there will be an increase as we recover.

## **07** Investors value diverse Boards, especially diversity of expertise

69% of investors say diversity within a Board impacts trust a great deal, an increase of 14 points from last year. However the top three types of Board diversity that built trust were expertise across different business areas, business strategy philosophies and experience outside the industry or sector.

## **09** Business must lead on positive societal change

92% of respondents agree that business leaders have an obligation to use their power and influence to advocate for positive change in society.

## **02** Investors have temporarily deprioritized ESG due to COVID-19, but expect to intensify their focus on ESG as we recover

79% of respondents said their firms are temporarily deprioritizing ESG as an investment criteria. However, as we recover from COVID-19, 96% said they expect their firms to increase prioritization of ESG.

## **04** Strong diversity and inclusion data – now a screening criteria for portfolio investments – impacts trust and share price

7 in 10 investors now apply exclusionary screening based on D&I data. 92% of investors believe that strong D&I data has a positive impact on share price. 63% believe that disclosing employee D&I data impacts trust in companies.

## **06** Investors plan to accelerate engagement on climate risks in the next six months

Not only are investors expecting to increase their engagement on climate risks, the majority also expect Boards to oversee at least one environmental issue, from climate risk to the company's eco-efficiency.

## **08** Multi-stakeholder approach delivers greater returns

97% of investors agree the multi-stakeholder model of governance is more conducive to delivering long-term financial returns than other models.

## **10** Trust is essential to manage a crisis

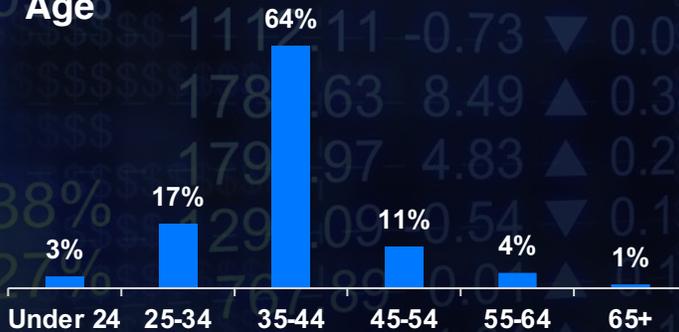
As the world approaches the one-year anniversary of the global COVID-19 pandemic, 76% of investors agree that trust is essential to manage effectively through a crisis.

# The Investor Trust Sample

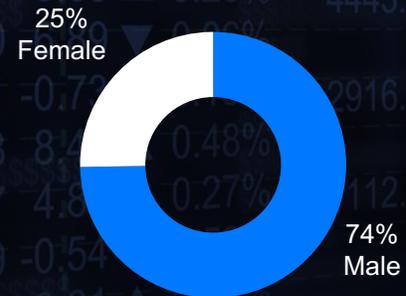
The Edelman Trust Barometer Special Report:

**Institutional Investors**, a survey of 600 global institutional investors representing firms that collectively manage over \$20 trillion in assets, reveals new criteria for evaluating investments and insights on what drives institutional investor trust.

## Age



## Gender



## Respondents' Job Titles

**51%**

Financial Analysts

**21%**

Chief Investment Officers

**20%**

Portfolio Managers

**5%**

Directors of Research

**2%**

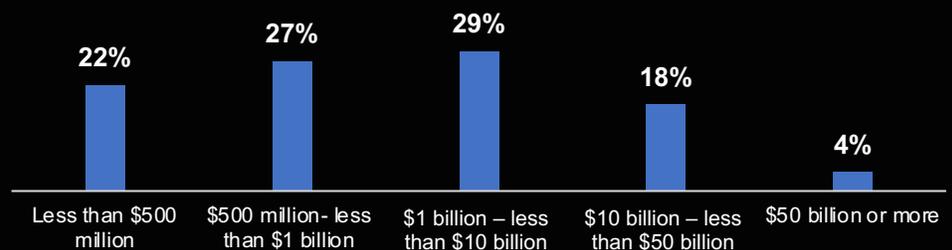
Investment Stewardship

## Primary Investment Style

Growth	23%
Value	32%
Hedge	5%
Quantitative/Index	7%
GARP	8%
Industry-specific	10%
Activist	13%

## Organizations' Assets Under Management

*In USD*



## Edelman Trust Barometer Special Report: Institutional Investors

S1: What is your approximate age range?

S7: In your current job, approximately how much are your institution's investable assets?

S8: Which of the following best describes your position or level within your company or organization?

D2: What is the primary investment style for the funds you manage on behalf of your organization?

D4: What is your gender? United States n=100

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