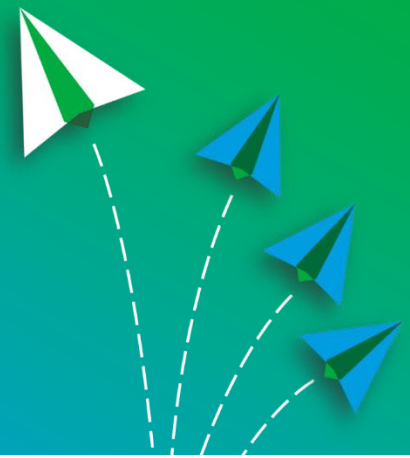


Trendsetters: Advanced Practices of Global Investors

A Framework for Climate Change, Low and Negative Interest Rates, and Technological Innovation






How do advanced asset owners address global challenges such as climate change? What organizational practices support advancement when it comes to investing to address complex trends?

Mercer and the World Economic Forum partnered for two years to research these questions and to uncover how practitioners address challenging risks associated with climate investing. Based upon insights from influential global asset owners, a self-assessment benchmarking framework defines drivers of advancement and provides investors with a tool to measure and evaluate their progress against the most advanced global asset owners.

The framework addresses the most challenging global systemic trends by decomposing advanced investor practices specific to vision, governance, and implementation. By benchmarking progress against advanced investor activities, investors will determine: “Are we still in development mode in addressing climate change? What practices will accelerate our development?”

Addressing global systemic trends

	What you need to consider	Defining you current state and destination	
		Developing	Advanced
 Your vision	Missions, beliefs, values	Generic	Comprehensive
	Leadership buy-in	Emerging	Established
	Competitive advantage	Unaware	Aware
 Governance	Stakeholder/leadership accountability	None	Aligned
	Policy and procedures	Generic	Integrated
	Research capability (including staff)	Learning	Expert
 Implementation	Strategic/scenario analysis	Basic	Trend-adjusted
	Target metrics and benchmarks	Limited	Robust
	Portfolio integration	Standalone	Fully integrated
	Engagement	Price-driven	Effects change
	Measurement and monitoring	Limited	Robust

By focusing attention on relevant activities, the framework uncovers gaps relative to advanced practitioners and identifies the organizational hurdles to improving transformational investment processes. In addition to learning about peer best practices, the evaluation reviews the unique traits shared by advanced investors and how vision, governance, and implementation processes support sustainable transformational investing.

Investors interested in benchmarking their current level of advancement can evaluate advancement practices for three global trends including climate change, low/negative interest rates, and technological evolution.

Contact

This research is intended to level the playing field for investors that want to accelerate their transformational investment capabilities, especially when considering the most pressing issues of our times. Reach out to us to learn more:



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