

Two-thirds of UK fund managers are reducing investments in companies that fail on D&I scores, finds Edelman Investor Trust survey.

- 63% of UK investors say their firms are actively applying exclusionary screening based on Diversity & Inclusion metrics
- 64% of UK investors have started to put portfolio investments that do not meet their Diversity & Inclusion thresholds on watchlists
- 87% of UK investors say profitable companies should take more responsibility to address ESG issues than companies that are underperforming
- 87% of UK investors believe it is acceptable to launch a public activism campaign against a company in the current environment

LONDON, 17 November 2020 – Edelman today announced the findings of its annual Trust Barometer Special Report: Institutional Investors, which provides insights around the key issues and factors driving investment decisions.

The research, based on a survey of 600 investment professionals globally, including 100 participants in the UK, represents firms that collectively manage over \$20 trillion in assets under management across six regions.

The 2020 report reveals the pivotal issues that are shaping investment decisions, including how priorities have moved during the COVID-19 pandemic.

The findings show that investors see a clear correlation between companies that produce strong financial performance and that those that have a robust approach to Environmental, Societal and Governance (ESG) concerns.

Companies that score well on ESG metrics tend to be thought of as better long-term investments, more resilient in a crisis, and therefore deserve to be valued at a premium to peers, according to our survey respondents.

Among the UK investors surveyed, 63% said that they are now actively screening out companies from investment consideration that fail to meet hurdles on diversity and inclusion.

Furthermore, 64% of investors surveyed in the UK stated that they are putting portfolio investments that do not meet their diversity and inclusion criteria on watchlists.

With the pandemic continuing to disrupt the business landscape, 87% of investors in the UK believe that in the current environment, companies that are making profits should be expected to do more to address ESG issues than companies that are underperforming or struggling.

Despite this, shareholder activism remains on the rise, with an overwhelming majority of respondents in the UK (87%) believing it is acceptable to launch a public activism campaign against the current COVID backdrop. This is a trend expected to continue, with 87% surveyed stating that they expect shareholder activism to increase as we recover from the pandemic.

The full report will be available on [edelman.co.uk](https://www.edelman.co.uk)

Methodology

The survey was conducted between 3 September 2020 and 9 October 2020.

The sample of 600 professionals came from six markets: US, UK, Canada, Germany, Japan, and Netherlands. 100 professionals were polled in each market.

17% of respondents held the title of Portfolio Manager; 31% of respondents were Chief Investment Officers, 39% were Financial Analysts, 4% were Directors of Research and 6% were Investment Stewards.

30% of respondents listed their primary investment style as growth; 18% described themselves as value investors; 13% were hedge funds; 9% ran industry-specific funds; 9% were GARP, 9% were quantitative or tracker fund investors; 10% were activists.

61% of those polled work for organisations with assets under management in excess of \$1billion.

Invitation to the presentation of Edelman's Trust Barometer Special Report: Institutional Investors 2020

You are cordially invited to join us for the 2020 presentation of Edelman's Investor Trust survey on Wednesday 18 November 2020.

Our guest speakers for the event will be Stephen Bird, CEO, Standard Life Aberdeen; Jacqui Ferguson, Portfolio Non-Executive Director, Croda, Tesco Bank, Wood; Chuka Umunna, Executive Director and Head of ESG, Edelman; and Jeremy Taylor, CEO, Lazard Asset Management.

The panel discussion will be hosted as a live video webcast, and moderated by Iain Dey, Senior Director, Edelman.

When: 18 November 2020 at 09:00 GMT

Details to register and attend the presentation are as follows:

[Please click here](#) to register and join the webinar at 9am GMT

Webinar Passcode: 077477

Webinar ID: 990 4400 6773

If you would prefer to join via conference call, please dial one of the numbers [here](#).

- Ends -

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Notes to editors

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Clients choose to work with us because of our specialised and experienced financial communications team, our ability to provide the full range of Edelman's services (such as digital and social media, public affairs and employee engagement) as well as our ability to access Edelman's global network with more than 65 offices around the world.