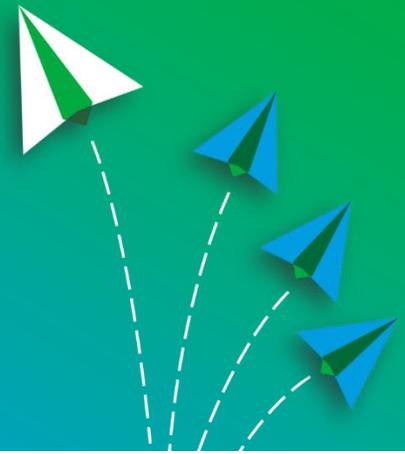


Trendsetters: Advanced Practices of Global Investors

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:



Peter Grant
Partner, Senior Investment Consultant

peter.d.grant@mercer.com
+1 347 429 1316



Ashley Knight
Mercer's Project Fellow at the
World Economic Forum

ashley.knight@mercer.com
+1 917 239 6106

Important Notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2021 Mercer LLC. All rights reserved.

This content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without Mercer's prior written permission. Mercer does not provide tax or legal advice. You should contact your tax advisor, accountant and/or attorney before making any decisions with tax or legal implications. This does not constitute an offer to purchase or sell any securities.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see <http://www.mercer.com/conflictsofinterest>.

This does not contain investment advice relating to your particular circumstances. No investment decision should be made based on this information without first obtaining appropriate professional advice and considering your circumstances. Mercer provides recommendations based on the particular client's circumstances, investment objectives and needs. As such, investment results will vary and actual results may differ materially.

Information contained herein may have been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential, or incidental damages) for any error, omission or inaccuracy in the data supplied by any third party.

Investment management and advisory services for U.S. clients are provided by Mercer Investments LLC (Mercer Investments). Mercer Investments LLC is registered to do business as "Mercer Investment Advisers LLC" in the following states: Arizona, California, Florida, Illinois, Kentucky, New Jersey, North Carolina, Oklahoma, Pennsylvania, Texas, and West Virginia; as "Mercer Investments LLC (Delaware)" in Georgia; as "Mercer Investments LLC of Delaware" in Louisiana; and "Mercer Investments LLC, a limited liability company of Delaware" in Oregon.

Mercer Investments LLC is a federally registered investment adviser under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Mercer Investments' Form ADV Part 2A & 2B can be obtained by written request directed to: Compliance Department, Mercer Investments, 99 High Street, Boston, MA 02110.

Not all services mentioned are available in all jurisdictions. Please contact your Mercer representative for more information.

Certain regulated services in Europe are provided by Mercer Global Investments Europe Limited and Mercer Limited. Mercer Global Investments Europe Limited and Mercer (Ireland) Limited are regulated by the Central Bank of Ireland under the European Union (Markets in Financial Instruments) Regulation 2017, as an investment firm. Registered office: Charlotte House, Charlemont Street, Dublin 2, Ireland.

Registered in Ireland No. 416688. Mercer Limited is authorized and regulated by the Financial Conduct Authority. Registered in England and Wales No. 984275. Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU.

Investment management services for Canadian investors are provided by Mercer Global Investments Canada Limited. Investment consulting services for Canadian investors are provided by Mercer (Canada) Limited.